



Rep. Robert S. Molaro

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LRB095 07041 AMC 36744 a

1 AMENDMENT TO HOUSE BILL 1697

2 AMENDMENT NO. _____. Amend House Bill 1697 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 14-119, 14-121, 14-130, 14-131, and 14-133
6 and by adding Section 14-152.2 as follows:

7 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

8 Sec. 14-119. Amount of widow's annuity.

9 (a) The widow's annuity shall be 50% of the amount of
10 retirement annuity payable to the member on the date of death
11 while on retirement if an annuitant, or on the date of his
12 death while in service if an employee, regardless of his age on
13 such date, or on the date of withdrawal if death occurred after
14 termination of service under the conditions prescribed in the
15 preceding Section.

16 (b) If an eligible widow, regardless of age, has in her

1 care any unmarried child or children of the member under age 18
2 (under age 22 if a full-time student), the widow's annuity
3 shall be increased in the amount of 5% of the retirement
4 annuity for each such child, but the combined payments for a
5 widow and children shall not exceed 66 2/3% of the member's
6 earned retirement annuity.

7 The amount of retirement annuity from which the widow's
8 annuity is derived shall be that earned by the member without
9 regard to whether he attained age 60 prior to his withdrawal
10 under the conditions stated or prior to his death.

11 (c) Adopted children shall be considered as children of the
12 member only if the proceedings for adoption were commenced at
13 least 1 year prior to the member's death.

14 Marriage of a child shall render the child ineligible for
15 further consideration in the increase in the amount of the
16 widow's annuity.

17 Attainment of age 18 (age 22 if a full-time student) shall
18 render a child ineligible for further consideration in the
19 increase of the widow's annuity, but the annuity to the widow
20 shall be continued thereafter, without regard to her age at
21 that time.

22 (d) Except as otherwise provided in this subsection (d) and
23 Section 14-152.2, a widow's annuity payable on account of any
24 covered employee who has ~~shall have~~ been a covered employee for
25 at least 18 months shall be reduced by 1/2 of the amount of
26 survivors benefits to which his beneficiaries are eligible

1 under the provisions of the Federal Social Security Act, except
2 that (1) the amount of any widow's annuity payable under this
3 Article shall not be reduced by reason of any increase under
4 that Act which occurs after the offset required by this
5 subsection is first applied to that annuity, and (2) for
6 benefits granted on or after January 1, 1992, the offset under
7 this subsection (d) shall not exceed 50% of the amount of
8 widow's annuity otherwise payable.

9 Beginning on July 1, 2008 (and except as otherwise provided
10 in Section 14-152.2), the offset under this subsection (d)
11 shall no longer be applied to a widow's annuity of any person
12 receiving retirement benefits or a widow's annuity on the
13 effective date of this amendatory Act of the 95th General
14 Assembly.

15 Except as otherwise provided in Section 14-152.2, an active
16 member of the System first employed before January 1, 2008 must
17 file an election to have the offset under this subsection (d)
18 applied to his or her widow's annuity with the System before
19 March 1, 2008. If no election is made by the employee, then the
20 employee must begin making the additional 0.6% contribution
21 required under Section 14-133, and he or she may apply before
22 September 1, 2008 to make the contributions for any prior
23 service. Once the member has made an election or failed to make
24 the election to have the offset applied to his or her widow's
25 annuity within the specified period, the member must maintain
26 that status until a qualifying event occurs. Upon the

1 occurrence of a qualifying event, (i) if the member's widow's
2 annuity is subject to the offset, the member may elect to
3 remove the offset and begin to make contributions for any
4 service after that date and, within 60 days after that date,
5 make contributions for any prior service without interest or
6 (ii) if the member's widow's annuity is not subject to the
7 offset, the member may elect to have the offset applied to his
8 or her widow's annuity and cease making the contributions, but
9 shall receive no refund for the contributions.

10 Except as otherwise provided in Section 14-152.2, unless an
11 active member of the System first employed on or after January
12 1, 2008 files an election to have the offset under this
13 subsection (d) applied to his or her widow's annuity with the
14 System during his or her qualifying period, he or she shall
15 begin making the 1.1% contribution required under Section
16 14-133. After the qualifying period, the member must maintain
17 his or her offset status until a qualifying event occurs. Upon
18 the occurrence of a qualifying event, (i) if the member's
19 widow's annuity is subject to the offset, the member may elect
20 to remove the offset and begin to make contributions for any
21 service after that date and, within 60 days after that date,
22 make contributions for any prior service without interest or
23 (ii) if the member's widow's annuity is not subject to the
24 offset, the member may elect to have the offset applied to his
25 or her widow's annuity and cease making the contributions, but
26 shall receive no refund for the contributions.

1 If a member has a qualifying spouse at the time of
2 retirement and has made the additional contributions pursuant
3 to Section 14-133 to remove the offset under this subsection
4 (d) for all of his or her creditable service, then the offset
5 under this subsection (d) does not apply to the member's
6 widow's benefit. If a member has a qualifying spouse at the
7 time of retirement and has made the additional contributions
8 pursuant to Section 14-133 to remove the offset under this
9 subsection (d) for a portion of his or her creditable service,
10 then the member may either (A) receive a refund of the
11 additional contributions made and have the offset under this
12 subsection (d) apply to the member's widow's annuity or (B)
13 make the required contributions for any period for which he or
14 she has not contributed, plus interest. If a member does not
15 have a qualifying spouse at the time of retirement, then the
16 member may receive a refund of the additional contributions
17 made pursuant to Section 14-133 to remove the offset under this
18 subsection (d).

19 For the purposes of this subsection (d), "qualifying event"
20 includes a change in marital status (including the death of a
21 spouse) or the adoption or birth of a child.

22 (e) Upon the death of a recipient of a widow's annuity the
23 excess, if any, of the member's accumulated contributions plus
24 credited interest over all annuity payments to the member and
25 widow, exclusive of the \$500 lump sum payment, shall be paid to
26 the named beneficiary of the widow, or if none has been named,

1 to the estate of the widow, provided no reversionary annuity is
2 payable.

3 (f) On January 1, 1981, any recipient of a widow's annuity
4 who was receiving a widow's annuity on or before January 1,
5 1971, shall have her widow's annuity then being paid increased
6 by 1% for each full year which has elapsed from the date the
7 widow's annuity began. On January 1, 1982, any recipient of a
8 widow's annuity who began receiving a widow's annuity after
9 January 1, 1971, but before January 1, 1981, shall have her
10 widow's annuity then being paid increased by 1% for each full
11 year which has elapsed from the date the widow's annuity began.
12 On January 1, 1987, any recipient of a widow's annuity who
13 began receiving the widow's annuity on or before January 1,
14 1977, shall have the monthly widow's annuity increased by \$1
15 for each full year which has elapsed since the date the annuity
16 began.

17 (g) Beginning January 1, 1990, every widow's annuity shall
18 be increased (1) on each January 1 occurring on or after the
19 commencement of the annuity if the deceased member died while
20 receiving a retirement annuity, or (2) in other cases, on each
21 January 1 occurring on or after the first anniversary of the
22 commencement of the annuity, by an amount equal to 3% of the
23 current amount of the annuity, including any previous increases
24 under this Article. Such increases shall apply without regard
25 to whether the deceased member was in service on or after the
26 effective date of Public Act 86-1488, but shall not accrue for

1 any period prior to January 1, 1990.

2 (Source: P.A. 90-448, eff. 8-16-97.)

3 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

4 Sec. 14-121. Amount of survivors annuity. A survivors
5 annuity beneficiary shall be entitled upon death of the member
6 to a single sum payment of \$1,000, payable pro rata among all
7 persons entitled thereto, together with a survivors annuity
8 payable at the rates and under the conditions specified in this
9 Article.

10 (a) If the survivors annuity beneficiary is a spouse, the
11 survivors annuity shall be 30% of final average compensation
12 subject to a maximum payment of \$400 per month.

13 (b) If an eligible child or children under the care of a
14 spouse also survives the member, such spouse as natural
15 guardian of the child or children shall receive, in addition to
16 the foregoing annuity, 20% of final average compensation on
17 account of each such child and 10% of final average
18 compensation divided pro rata among such children, subject to a
19 maximum payment on account of all survivor annuity
20 beneficiaries of \$600 per month, or 80% of the member's final
21 average compensation, whichever is the lesser.

22 (c) If the survivors annuity beneficiary or beneficiaries
23 consists of an unmarried child or children, the amount of
24 survivors annuity shall be 20% of final average compensation to
25 each child, and 10% of final average compensation divided pro

1 rata among all such children entitled to such annuity, subject
2 to a maximum payment to all children combined of \$600 per month
3 or 80% of the member's final average compensation, whichever is
4 the lesser.

5 (d) If the survivors annuity beneficiary is one or more
6 dependent parents, the annuity shall be 20% of final average
7 compensation to each parent and 10% of final average
8 compensation divided pro rata among the parents who qualify for
9 this annuity, subject to a maximum payment to both dependent
10 parents of \$400 per month.

11 (e) The survivors annuity to the spouse, children or
12 dependent parents of a member whose death occurs after the date
13 of last withdrawal, or after retirement, or while in service
14 following reentry into service after retirement but before
15 completing 1 1/2 years of additional creditable service, shall
16 not exceed the lesser of 80% of the member's earned retirement
17 annuity at the date of death or the maximum previously
18 established in this Section.

19 (f) In applying the limitation prescribed on the combined
20 payments to 2 or more survivors annuity beneficiaries, the
21 annuity on account of each beneficiary shall be reduced pro
22 rata until such time as the number of beneficiaries makes the
23 reduction no longer applicable.

24 (g) Except as otherwise provided in this subsection (g) and
25 Section 14-152.2, a survivors annuity payable on account of any
26 covered employee who has ~~shall have~~ been a covered employee for

1 at least 18 months at date of death or last withdrawal,
2 whichever is the later, shall be reduced by 1/2 of the
3 survivors benefits to which his beneficiaries are eligible
4 under the federal Social Security Act, except that (1) the
5 survivors annuity payable under this Article shall not be
6 reduced by any increase under that Act which occurs after the
7 offset required by this subsection is first applied to that
8 annuity, (2) for benefits granted on or after January 1, 1992,
9 the offset under this subsection (g) shall not exceed 50% of
10 the amount of survivors annuity otherwise payable.

11 Beginning on July 1, 2008 (and except as otherwise provided
12 in Section 14-152.2), the offset under this subsection (g)
13 shall no longer be applied to a survivors annuity of any person
14 receiving retirement benefits or a survivors annuity on the
15 effective date of this amendatory Act of the 95th General
16 Assembly.

17 Except as otherwise provided in Section 14-152.2, an active
18 member of the System first employed before January 1, 2008 must
19 file an election to have the offset under this subsection (g)
20 applied to his or her survivors annuity with the System before
21 March 1, 2008. If no election is made by the employee, then the
22 employee must begin making the additional 0.6% contribution
23 required pursuant to Section 14-133, and he or she may apply
24 before September 1, 2008 to make the contributions for any
25 prior service. Once the member has made an election or failed
26 to make the election to have the offset applied to his or her

1 survivors annuity within the specified period, the member must
2 maintain that status until a qualifying event occurs. Upon the
3 occurrence of a qualifying event, (i) if the member's survivors
4 annuity is subject to the offset, the member may elect to
5 remove the offset and begin to make contributions for any
6 service after that date and, within 60 days after that date,
7 make contributions for any prior service without interest or
8 (ii) if the member's survivors annuity is not subject to the
9 offset, the member may elect to have the offset applied to his
10 or her survivors annuity and cease making the contributions,
11 but shall receive no refund for the contributions.

12 Except as otherwise provided in Section 14-152.2, unless an
13 active member of the System first employed on or after January
14 1, 2008 files an election to have the offset under this
15 subsection (g) applied to his or her survivors annuity with the
16 System during his or her qualifying period, he or she shall
17 begin making the 1.1% contribution required under Section
18 14-133. After the qualifying period, the member must maintain
19 his or her offset status until a qualifying event occurs. Upon
20 the occurrence of a qualifying event, (i) if the member's
21 survivors annuity is subject to the offset, the member may
22 elect to remove the offset and begin to make contributions for
23 any service after that date and, within 60 days after that
24 date, make contributions for any prior service without interest
25 or (ii) if the member's survivors annuity is not subject to the
26 offset, the member may elect to have the offset applied to his

1 or her survivors annuity and cease making the contributions,
2 but shall receive no refund for the contributions.

3 If a member has a qualifying survivor at the time of
4 retirement and has made the additional contributions pursuant
5 to Section 14-133 to remove the offset under this subsection
6 (g) for all of his or her creditable service, then the offset
7 under this subsection (d) does not apply to the member's
8 survivors benefit. If a member has a qualifying survivor at the
9 time of retirement and has made the additional contributions
10 under Section 14-133 to remove the offset under this subsection
11 (g) for a portion of his or her creditable service, then the
12 member may either (A) receive a refund of the additional
13 contributions made and have the offset under this subsection
14 (g) apply to the member's survivors annuity or (B) make the
15 required contributions for any period for which he or she has
16 not contributed, plus interest. If a member does not have a
17 qualifying survivor at the time of retirement, then the member
18 may receive a refund of the additional contributions made
19 pursuant to Section 14-133 to remove the offset under this
20 subsection (g).

21 For the purposes of this subsection (g), "qualifying event"
22 includes a change in marital status (including the death of a
23 spouse) or the adoption or birth of a child.

24 (h) The minimum payment to a beneficiary hereunder shall be
25 \$60 per month, which shall be reduced in accordance with the
26 limitation prescribed on the combined payments to all

1 beneficiaries of a member.

2 (i) Subject to the conditions set forth in Section 14-120,
3 the minimum total survivors annuity benefit payable to the
4 survivors annuity beneficiaries of a deceased member or
5 annuitant whose death occurs on or after January 1, 1984, shall
6 be 50% of the amount of retirement annuity that was or would
7 have been payable to the deceased on the date of death,
8 regardless of the age of the deceased on such date. If the
9 minimum total benefit provided by this subsection exceeds the
10 maximum otherwise imposed by this Section, the minimum total
11 benefit shall nevertheless be payable. Any increase in the
12 total survivors annuity benefit resulting from the operation of
13 this subsection shall be divided among the survivors annuity
14 beneficiaries of the deceased in proportion to their shares of
15 the total survivors annuity benefit otherwise payable under
16 this Section.

17 (j) Any survivors annuity beneficiary whose annuity
18 terminates due to any condition specified in this Article other
19 than death shall be entitled to a refund of the excess, if any,
20 of the accumulated contributions of the member plus credited
21 interest over all payments to the member and beneficiary or
22 beneficiaries, exclusive of the single sum payment of \$1,000,
23 provided no future survivors or reversionary annuity benefits
24 are payable.

25 (k) Upon the death of the last eligible recipient of a
26 survivors annuity the excess, if any, of the member's

1 accumulated contributions plus credited interest over all
2 annuity payments to the member and survivors exclusive of the
3 single sum payment of \$1000, shall be paid to the named
4 beneficiary of the last eligible survivor, or if none has been
5 named, to the estate of the last eligible survivor, provided no
6 reversionary annuity is payable.

7 (l) On January 1, 1981, any survivor who was receiving a
8 survivors annuity on or before January 1, 1971, shall have his
9 survivors annuity then being paid increased by 1% for each full
10 year which has elapsed from the date the annuity began. On
11 January 1, 1982, any survivor who began receiving a survivor's
12 annuity after January 1, 1971, but before January 1, 1981,
13 shall have his survivor's annuity then being paid increased by
14 1% for each full year that has elapsed from the date the
15 annuity began. On January 1, 1987, any survivor who began
16 receiving a survivor's annuity on or before January 1, 1977,
17 shall have the monthly survivor's annuity increased by \$1 for
18 each full year which has elapsed since the date the survivor's
19 annuity began.

20 (m) Beginning January 1, 1990, every survivor's annuity
21 shall be increased (1) on each January 1 occurring on or after
22 the commencement of the annuity if the deceased member died
23 while receiving a retirement annuity, or (2) in other cases, on
24 each January 1 occurring on or after the first anniversary of
25 the commencement of the annuity, by an amount equal to 3% of
26 the current amount of the annuity, including any previous

1 increases under this Article. Such increases shall apply
2 without regard to whether the deceased member was in service on
3 or after the effective date of Public Act 86-1488, but shall
4 not accrue for any period prior to January 1, 1990.

5 (Source: P.A. 86-273; 86-1488; 87-794.)

6 (40 ILCS 5/14-130) (from Ch. 108 1/2, par. 14-130)

7 Sec. 14-130. Refunds; rules.

8 (a) Upon withdrawal a member is entitled to receive, upon
9 written request, a refund of the member's contributions,
10 including credits granted while in receipt of disability
11 benefits, without credited interest. The board, in its
12 discretion may withhold payment of the refund of a member's
13 contributions for a period not to exceed 1 year after the
14 member has ceased to be an employee.

15 For purposes of this Section, a member will be considered
16 to have withdrawn from service if a change in, or transfer of,
17 his position results in his becoming ineligible for continued
18 membership in this System and eligible for membership in
19 another public retirement system under this Act.

20 (b) A member receiving a refund forfeits and relinquishes
21 all accrued rights in the System, including all accumulated
22 creditable service. If the person again becomes a member of the
23 System and establishes at least 2 years of creditable service,
24 the member may repay all the moneys previously refunded or a
25 portion of the moneys previously refunded representing

1 contributions for one or more whole months of creditable
2 service. If a member repays a portion of moneys previously
3 refunded, he or she may later repay some or all of the
4 remaining portion of those previously refunded moneys.
5 However, a former member may restore credits previously
6 forfeited by acceptance of a refund without returning to
7 service by applying in writing and repaying to the System, by
8 April 1, 1993, the amount of the refund plus regular interest
9 calculated from the date of refund to the date of repayment.

10 The repayment of refunds issued prior to January 1, 1984
11 shall consist of the amount refunded plus 5% interest per annum
12 compounded annually for the period from the date of the refund
13 to the end of the month in which repayment is made. The
14 repayment of refunds issued after January 1, 1984 shall consist
15 of the amount refunded plus regular interest for the period
16 from the date of refund to the end of the month in which
17 repayment is made. The repayment of the refund of a person who
18 accepts an alternative retirement cancellation payment under
19 Section 14-108.5 shall consist of the entire amount paid to the
20 person under subsection (c) of Section 14-108.5 plus regular
21 interest for the period from the date of the refund to the end
22 of the month in which repayment is made. However, in the case
23 of a refund that is repaid in a lump sum between January 1,
24 1991 and July 1, 1991, repayment shall consist of the amount
25 refunded plus interest at the rate of 2.5% per annum compounded
26 annually from the date of the refund to the end of the month in

1 which repayment is made.

2 Upon repayment, the member shall receive credit for the
3 service for which the refund has been repaid, and the
4 corresponding member contributions and regular interest that
5 was forfeited by acceptance of the refund, as well as regular
6 interest for the period of non-membership. Such repayment shall
7 be made in full before retirement either in a lump sum or in
8 installment payments in accordance with such rules as may be
9 adopted by the board.

10 (b-5) The Board may adopt rules governing the repayment of
11 refunds and establishment of credits in cases involving awards
12 of back pay or reinstatement. The rules may authorize repayment
13 of a refund in installment payments and may waive the payment
14 of interest on refund amounts repaid in full within a specified
15 period.

16 (c) A member no longer in service who is unmarried and does
17 not have an eligible survivors annuity beneficiary on the date
18 of application therefor is entitled to a refund of
19 contributions for widow's annuity or survivors annuity
20 purposes, or both, as the case may be, including the increased
21 amounts paid pursuant to the increase in contribution rates for
22 widow or survivors annuity purposes under Section 14-133 by
23 this amendatory Act of the 95th General Assembly, without
24 interest. A widow's annuity or survivors annuity shall not be
25 payable upon the death of a person who has received this
26 refund, unless prior to that death the amount of the refund has

1 been repaid to the System, together with regular interest from
2 the date of the refund to the date of repayment.

3 (d) Any member who has service credit in any position for
4 which an alternative retirement annuity is provided and in
5 relation to which an increase in the rate of employee
6 contribution is required, shall be entitled to a refund,
7 without interest, of that part of the member's employee
8 contribution which results from that increase in the employee
9 rate if the member does not qualify for that alternative
10 retirement annuity at the time of retirement.

11 (Source: P.A. 93-839, eff. 7-30-04; 94-455, eff. 8-4-05.)

12 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

13 Sec. 14-131. Contributions by State.

14 (a) The State shall make contributions to the System by
15 appropriations of amounts which, together with other employer
16 contributions from trust, federal, and other funds, employee
17 contributions, investment income, and other income, will be
18 sufficient to meet the cost of maintaining and administering
19 the System on a 90% funded basis in accordance with actuarial
20 recommendations.

21 For the purposes of this Section and Section 14-135.08,
22 references to State contributions refer only to employer
23 contributions and do not include employee contributions that
24 are picked up or otherwise paid by the State or a department on
25 behalf of the employee.

1 (b) The Board shall determine the total amount of State
2 contributions required for each fiscal year on the basis of the
3 actuarial tables and other assumptions adopted by the Board,
4 using the formula in subsection (e).

5 The Board shall also determine a State contribution rate
6 for each fiscal year, expressed as a percentage of payroll,
7 based on the total required State contribution for that fiscal
8 year (less the amount received by the System from
9 appropriations under Section 8.12 of the State Finance Act and
10 Section 1 of the State Pension Funds Continuing Appropriation
11 Act, if any, for the fiscal year ending on the June 30
12 immediately preceding the applicable November 15 certification
13 deadline), the estimated payroll (including all forms of
14 compensation) for personal services rendered by eligible
15 employees, and the recommendations of the actuary.

16 For the purposes of this Section and Section 14.1 of the
17 State Finance Act, the term "eligible employees" includes
18 employees who participate in the System, persons who may elect
19 to participate in the System but have not so elected, persons
20 who are serving a qualifying period that is required for
21 participation, and annuitants employed by a department as
22 described in subdivision (a) (1) or (a) (2) of Section 14-111.

23 (c) Contributions shall be made by the several departments
24 for each pay period by warrants drawn by the State Comptroller
25 against their respective funds or appropriations based upon
26 vouchers stating the amount to be so contributed. These amounts

1 shall be based on the full rate certified by the Board under
2 Section 14-135.08 for that fiscal year. From the effective date
3 of this amendatory Act of the 93rd General Assembly through the
4 payment of the final payroll from fiscal year 2004
5 appropriations, the several departments shall not make
6 contributions for the remainder of fiscal year 2004 but shall
7 instead make payments as required under subsection (a-1) of
8 Section 14.1 of the State Finance Act. The several departments
9 shall resume those contributions at the commencement of fiscal
10 year 2005.

11 (d) If an employee is paid from trust funds or federal
12 funds, the department or other employer shall pay employer
13 contributions from those funds to the System at the certified
14 rate, unless the terms of the trust or the federal-State
15 agreement preclude the use of the funds for that purpose, in
16 which case the required employer contributions shall be paid by
17 the State. From the effective date of this amendatory Act of
18 the 93rd General Assembly through the payment of the final
19 payroll from fiscal year 2004 appropriations, the department or
20 other employer shall not pay contributions for the remainder of
21 fiscal year 2004 but shall instead make payments as required
22 under subsection (a-1) of Section 14.1 of the State Finance
23 Act. The department or other employer shall resume payment of
24 contributions at the commencement of fiscal year 2005.

25 (e) The calculation of the minimum contribution under this
26 subsection (e) shall not be affected by the changes made to

1 Sections 14-119, 14-121, 14-130, and 14-133 by this amendatory
2 Act of the 95th General Assembly.

3 For State fiscal years 2011 through 2045, the minimum
4 contribution to the System to be made by the State for each
5 fiscal year shall be an amount determined by the System to be
6 sufficient to bring the total assets of the System up to 90% of
7 the total actuarial liabilities of the System by the end of
8 State fiscal year 2045. In making these determinations, the
9 required State contribution shall be calculated each year as a
10 level percentage of payroll over the years remaining to and
11 including fiscal year 2045 and shall be determined under the
12 projected unit credit actuarial cost method.

13 For State fiscal years 1996 through 2005, the State
14 contribution to the System, as a percentage of the applicable
15 employee payroll, shall be increased in equal annual increments
16 so that by State fiscal year 2011, the State is contributing at
17 the rate required under this Section; except that (i) for State
18 fiscal year 1998, for all purposes of this Code and any other
19 law of this State, the certified percentage of the applicable
20 employee payroll shall be 5.052% for employees earning eligible
21 creditable service under Section 14-110 and 6.500% for all
22 other employees, notwithstanding any contrary certification
23 made under Section 14-135.08 before the effective date of this
24 amendatory Act of 1997, and (ii) in the following specified
25 State fiscal years, the State contribution to the System shall
26 not be less than the following indicated percentages of the

1 applicable employee payroll, even if the indicated percentage
2 will produce a State contribution in excess of the amount
3 otherwise required under this subsection and subsection (a):
4 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
5 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution to the System for State
8 fiscal year 2006 is \$203,783,900.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution to the System for State
11 fiscal year 2007 is \$344,164,400.

12 For each of State fiscal years 2008 through 2010, the State
13 contribution to the System, as a percentage of the applicable
14 employee payroll, shall be increased in equal annual increments
15 from the required State contribution for State fiscal year
16 2007, so that by State fiscal year 2011, the State is
17 contributing at the rate otherwise required under this Section.

18 Beginning in State fiscal year 2046, the minimum State
19 contribution for each fiscal year shall be the amount needed to
20 maintain the total assets of the System at 90% of the total
21 actuarial liabilities of the System.

22 Amounts received by the System pursuant to Section 25 of
23 the Budget Stabilization Act in any fiscal year do not reduce
24 and do not constitute payment of any portion of the minimum
25 State contribution required under this Article in that fiscal
26 year. Such amounts shall not reduce, and shall not be included

1 in the calculation of, the required State contributions under
2 this Article in any future year until the System has reached a
3 funding ratio of at least 90%. A reference in this Article to
4 the "required State contribution" or any substantially similar
5 term does not include or apply to any amounts payable to the
6 System under Section 25 of the Budget Stabilization Act.

7 Notwithstanding any other provision of this Section, the
8 required State contribution for State fiscal year 2005 and for
9 fiscal year 2008 and each fiscal year thereafter, as calculated
10 under this Section and certified under Section 14-135.08, shall
11 not exceed an amount equal to (i) the amount of the required
12 State contribution that would have been calculated under this
13 Section for that fiscal year if the System had not received any
14 payments under subsection (d) of Section 7.2 of the General
15 Obligation Bond Act, minus (ii) the portion of the State's
16 total debt service payments for that fiscal year on the bonds
17 issued for the purposes of that Section 7.2, as determined and
18 certified by the Comptroller, that is the same as the System's
19 portion of the total moneys distributed under subsection (d) of
20 Section 7.2 of the General Obligation Bond Act. In determining
21 this maximum for State fiscal years 2008 through 2010, however,
22 the amount referred to in item (i) shall be increased, as a
23 percentage of the applicable employee payroll, in equal
24 increments calculated from the sum of the required State
25 contribution for State fiscal year 2007 plus the applicable
26 portion of the State's total debt service payments for fiscal

1 year 2007 on the bonds issued for the purposes of Section 7.2
2 of the General Obligation Bond Act, so that, by State fiscal
3 year 2011, the State is contributing at the rate otherwise
4 required under this Section.

5 (f) After the submission of all payments for eligible
6 employees from personal services line items in fiscal year 2004
7 have been made, the Comptroller shall provide to the System a
8 certification of the sum of all fiscal year 2004 expenditures
9 for personal services that would have been covered by payments
10 to the System under this Section if the provisions of this
11 amendatory Act of the 93rd General Assembly had not been
12 enacted. Upon receipt of the certification, the System shall
13 determine the amount due to the System based on the full rate
14 certified by the Board under Section 14-135.08 for fiscal year
15 2004 in order to meet the State's obligation under this
16 Section. The System shall compare this amount due to the amount
17 received by the System in fiscal year 2004 through payments
18 under this Section and under Section 6z-61 of the State Finance
19 Act. If the amount due is more than the amount received, the
20 difference shall be termed the "Fiscal Year 2004 Shortfall" for
21 purposes of this Section, and the Fiscal Year 2004 Shortfall
22 shall be satisfied under Section 1.2 of the State Pension Funds
23 Continuing Appropriation Act. If the amount due is less than
24 the amount received, the difference shall be termed the "Fiscal
25 Year 2004 Overpayment" for purposes of this Section, and the
26 Fiscal Year 2004 Overpayment shall be repaid by the System to

1 the Pension Contribution Fund as soon as practicable after the
2 certification.

3 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
4 eff. 6-1-05; 94-839, eff. 6-6-06.)

5 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

6 Sec. 14-133. Contributions on behalf of members.

7 (a) Each participating employee shall make contributions
8 to the System, based on the employee's compensation, as
9 follows:

10 (1) Covered employees, except as indicated below, 3.5%
11 for retirement annuity, and 0.5% for a widow or survivors
12 annuity. After June 30, 2008, the retirement contribution
13 for a covered employee is increased 0.6% if the Social
14 Security offset is removed from his or her widow's or
15 survivors annuity, thus making his or her total
16 contribution for that purpose 1.1%.†

17 (2) Noncovered employees, except as indicated below,
18 7% for retirement annuity and 1% for a widow or survivors
19 annuity.†

20 (3) Noncovered employees serving in a position in which
21 "eligible creditable service" as defined in Section 14-110
22 may be earned, 1% for a widow or survivors annuity plus the
23 following amount for retirement annuity: 8.5% through
24 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%
25 in 2004 and thereafter.†

1 (4) Covered employees serving in a position in which
2 "eligible creditable service" as defined in Section 14-110
3 may be earned, 0.5% for a widow or survivors annuity, plus
4 the following amount for retirement annuity: 5% through
5 December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004
6 and thereafter. After June 30, 2008, the retirement
7 contribution for a covered employee is increased 0.6% to
8 remove the Social Security offset from his or her widow's
9 or survivors annuity, thus making his or her total
10 contribution for that purpose 1.1%.

11 (5) Each security employee of the Department of
12 Corrections or of the Department of Human Services who is a
13 covered employee, 0.5% for a widow or survivors annuity, plus
14 the following amount for retirement annuity: 5%
15 through December 31, 2001; 6% in 2002; 7% in 2003; and 8%
16 in 2004 and thereafter. After June 30, 2008, the retirement
17 contribution for a covered employee is increased 0.6% to
18 remove the Social Security offset from his or her widow's
19 or survivors annuity, thus making his or her total
20 contribution for that purpose 1.1%.

21 (6) Each security employee of the Department of
22 Corrections or of the Department of Human Services who is
23 not a covered employee, 1% for a widow or survivors annuity
24 plus the following amount for retirement annuity: 8.5%
25 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and
26 11.5% in 2004 and thereafter.

1 (b) Contributions shall be in the form of a deduction from
2 compensation and shall be made notwithstanding that the
3 compensation paid in cash to the employee shall be reduced
4 thereby below the minimum prescribed by law or regulation. Each
5 member is deemed to consent and agree to the deductions from
6 compensation provided for in this Article, and shall receipt in
7 full for salary or compensation.

8 (c) The increase in contributions by covered members for
9 widow or survivors annuity purposes provided by this amendatory
10 Act of the 95th General Assembly does not apply to persons who
11 first become members of the System on or after July 1, 2013, if
12 the new benefit increase created by this amendatory Act expires
13 in accordance with Section 14-152.1(d) and Section 14-152.2.

14 (Source: P.A. 92-14, eff. 6-28-01.)

15 (40 ILCS 5/14-152.2 new)

16 Sec. 14-152.2. New benefit increases. The General Assembly
17 finds and declares that the amendment to Sections 14-119 and
18 14-121 made by this amendatory Act of the 95th General
19 Assembly, which removes the social security offset from certain
20 widow's and survivors annuities beginning July 1, 2008,
21 constitutes a new benefit increase within the meaning of
22 Section 14-152.1. Funding for this new benefit increase will be
23 provided by the additional employee contributions made under
24 Section 14-133 by this amendatory Act.

25 Unless this new benefit increase is extended by the General

1 Assembly, it will expire on July 1, 2013. If this new benefit
2 increase expires:

3 (i) for persons who first become members of the System
4 on or after the July 1, 2013 expiration date (and their
5 widows and survivors), the social security offsets under
6 Section 14-119(d) and Section 14-121(g), as they existed
7 immediately prior to the effective date of this amendatory
8 Act, are reinstated, and the increase in contributions by
9 covered members for widow or survivors annuity purposes
10 under Section 14-133 does not apply; and

11 (ii) for persons who first become members of the System
12 before July 1, 2013 and made the required elective
13 contributions under Section 14-133 (and their widows and
14 survivors), the social security offsets under Section
15 14-119(d) and Section 14-121(g) remain inapplicable after
16 July 1, 2008 and the increase in contributions by covered
17 members for widow or survivors annuity purposes under
18 Section 14-133 remains in effect.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law."