



Personnel and Pensions Committee

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09500HB4603ham001

LRB095 15341 AMC 46854 a

1 AMENDMENT TO HOUSE BILL 4603

2 AMENDMENT NO. _____. Amend House Bill 4603 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 3-110 and 7-139 as follows:

6 (40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)
7 Sec. 3-110. Creditable service.

8 (a) "Creditable service" is the time served by a police
9 officer as a member of a regularly constituted police force of
10 a municipality. In computing creditable service furloughs
11 without pay exceeding 30 days shall not be counted, but all
12 leaves of absence for illness or accident, regardless of
13 length, and all periods of disability retirement for which a
14 police officer has received no disability pension payments
15 under this Article shall be counted.

16 (a-5) Up to 3 years of time during which the police officer

1 receives a disability pension under Section 3-114.1, 3-114.2,
2 3-114.3, or 3-114.6 shall be counted as creditable service,
3 provided that (i) the police officer returns to active service
4 after the disability for a period at least equal to the period
5 for which credit is to be established and (ii) the police
6 officer makes contributions to the fund based on the rates
7 specified in Section 3-125.1 and the salary upon which the
8 disability pension is based. These contributions may be paid at
9 any time prior to the commencement of a retirement pension. The
10 police officer may, but need not, elect to have the
11 contributions deducted from the disability pension or to pay
12 them in installments on a schedule approved by the board. If
13 not deducted from the disability pension, the contributions
14 shall include interest at the rate of 6% per year, compounded
15 annually, from the date for which service credit is being
16 established to the date of payment. If contributions are paid
17 under this subsection (a-5) in excess of those needed to
18 establish the credit, the excess shall be refunded. This
19 subsection (a-5) applies to persons receiving a disability
20 pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on
21 the effective date of this amendatory Act of the 91st General
22 Assembly, as well as persons who begin to receive such a
23 disability pension after that date.

24 (b) Creditable service includes all periods of service in
25 the military, naval or air forces of the United States entered
26 upon while an active police officer of a municipality, provided

1 that upon applying for a permanent pension, and in accordance
2 with the rules of the board, the police officer pays into the
3 fund the amount the officer would have contributed if he or she
4 had been a regular contributor during such period, to the
5 extent that the municipality which the police officer served
6 has not made such contributions in the officer's behalf. The
7 total amount of such creditable service shall not exceed 5
8 years, except that any police officer who on July 1, 1973 had
9 more than 5 years of such creditable service shall receive the
10 total amount thereof.

11 (c) Creditable service also includes service rendered by a
12 police officer while on leave of absence from a police
13 department to serve as an executive of an organization whose
14 membership consists of members of a police department, subject
15 to the following conditions: (i) the police officer is a
16 participant of a fund established under this Article with at
17 least 10 years of service as a police officer; (ii) the police
18 officer received no credit for such service under any other
19 retirement system, pension fund, or annuity and benefit fund
20 included in this Code; (iii) pursuant to the rules of the board
21 the police officer pays to the fund the amount he or she would
22 have contributed had the officer been an active member of the
23 police department; and (iv) the organization pays a
24 contribution equal to the municipality's normal cost for that
25 period of service.

26 (d) (1) Creditable service also includes periods of

1 service originally established in another police pension
2 fund under this Article or in the Fund established under
3 Article 7 of this Code for which (i) the contributions have
4 been transferred under Section 3-110.7 or Section 7-139.9
5 and (ii) any additional contribution required under
6 paragraph (2) of this subsection has been paid in full in
7 accordance with the requirements of this subsection (d).

8 (2) If the board of the pension fund to which
9 creditable service and related contributions are
10 transferred under Section 3-110.7 or 7-139.9 determines
11 that the amount transferred is less than the true cost to
12 the pension fund of allowing that creditable service to be
13 established, then in order to establish that creditable
14 service the police officer must pay to the pension fund,
15 within the payment period specified in paragraph (3) of
16 this subsection, an additional contribution equal to the
17 difference, as determined by the board in accordance with
18 the rules and procedures adopted under paragraph (6) of
19 this subsection.

20 (3) Except as provided in paragraph (4), the additional
21 contribution must be paid to the board (i) within 5 years
22 from the date of the transfer of contributions under
23 Section 3-110.7 or 7-139.9 and (ii) before the police
24 officer terminates service with the fund. The additional
25 contribution may be paid in a lump sum or in accordance
26 with a schedule of installment payments authorized by the

1 board.

2 (4) If the police officer dies in service before
3 payment in full has been made and before the expiration of
4 the 5-year payment period, the surviving spouse of the
5 officer may elect to pay the unpaid amount on the officer's
6 behalf within 6 months after the date of death, in which
7 case the creditable service shall be granted as though the
8 deceased police officer had paid the remaining balance on
9 the day before the date of death.

10 (5) If the additional contribution is not paid in full
11 within the required time, the creditable service shall not
12 be granted and the police officer (or the officer's
13 surviving spouse or estate) shall be entitled to receive a
14 refund of (i) any partial payment of the additional
15 contribution that has been made by the police officer and
16 (ii) those portions of the amounts transferred under
17 subdivision (a)(1) of Section 3-110.7 or subdivisions
18 (a)(1) and (a)(3) of Section 7-139.9 that represent
19 employee contributions paid by the police officer (but not
20 the accumulated interest on those contributions) and
21 interest paid by the police officer to the prior pension
22 fund in order to reinstate service terminated by acceptance
23 of a refund.

24 At the time of paying a refund under this item (5), the
25 pension fund shall also repay to the pension fund from
26 which the contributions were transferred under Section

1 3-110.7 or 7-139.9 the amount originally transferred under
2 subdivision (a)(2) of that Section, plus interest at the
3 rate of 6% per year, compounded annually, from the date of
4 the original transfer to the date of repayment. Amounts
5 repaid to the Article 7 fund under this provision shall be
6 credited to the appropriate municipality.

7 Transferred credit that is not granted due to failure
8 to pay the additional contribution within the required time
9 is lost; it may not be transferred to another pension fund
10 and may not be reinstated in the pension fund from which it
11 was transferred.

12 (6) The Public Employee Pension Fund Division of the
13 Department of Insurance shall establish by rule the manner
14 of making the calculation required under paragraph (2) of
15 this subsection, taking into account the appropriate
16 actuarial assumptions; the police officer's service, age,
17 and salary history; the level of funding of the pension
18 fund to which the credits are being transferred; and any
19 other factors that the Division determines to be relevant.
20 The rules may require that all calculations made under
21 paragraph (2) be reported to the Division by the board
22 performing the calculation, together with documentation of
23 the creditable service to be transferred, the amounts of
24 contributions and interest to be transferred, the manner in
25 which the calculation was performed, the numbers relied
26 upon in making the calculation, the results of the

1 calculation, and any other information the Division may
2 deem useful.

3 (e) (1) Creditable service also includes periods of
4 service originally established in the Fund established
5 under Article 7 of this Code for which the contributions
6 have been transferred under Section 7-139.11.

7 (2) If the board of the pension fund to which
8 creditable service and related contributions are
9 transferred under Section 7-139.11 determines that the
10 amount transferred is less than the true cost to the
11 pension fund of allowing that creditable service to be
12 established, then the amount of creditable service the
13 police officer may establish under this subsection (e)
14 shall be reduced by an amount equal to the difference, as
15 determined by the board in accordance with the rules and
16 procedures adopted under paragraph (3) of this subsection.

17 (3) The Public Pension Division of the Department of
18 Financial and Professional Regulation shall establish by
19 rule the manner of making the calculation required under
20 paragraph (2) of this subsection, taking into account the
21 appropriate actuarial assumptions; the police officer's
22 service, age, and salary history; the level of funding of
23 the pension fund to which the credits are being
24 transferred; and any other factors that the Division
25 determines to be relevant. The rules may require that all
26 calculations made under paragraph (2) be reported to the

1 Division by the board performing the calculation, together
2 with documentation of the creditable service to be
3 transferred, the amounts of contributions and interest to
4 be transferred, the manner in which the calculation was
5 performed, the numbers relied upon in making the
6 calculation, the results of the calculation, and any other
7 information the Division may deem useful.

8 (4) Until January 1, 2010, a police officer who
9 transferred service from the Fund established under
10 Article 7 of this Code under the provisions of Public Act
11 94-356 may establish additional credit, but only for the
12 amount of the service credit reduction in that transfer, as
13 calculated under paragraph (3) of this subsection (e). This
14 credit may be established upon payment by the police
15 officer of an amount to be determined by the board, equal
16 to (1) the amount that would have been contributed as
17 employee and employer contributions had all of the service
18 been as an employee under this Article, plus interest
19 thereon at the rate of 6% per year, compounded annually
20 from the date of service to the date of transfer, less (2)
21 the total amount transferred from the Article 7 Fund, plus
22 (3) interest on the difference at the rate of 6% per year,
23 compounded annually, from the date of the transfer to the
24 date of payment. The additional service credit is allowed
25 under this amendatory Act of the 95th General Assembly
26 notwithstanding the provisions of Article 7 terminating

1 all transferred credits on the date of transfer.

2 (Source: P.A. 94-356, eff. 7-29-05.)

3 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

4 Sec. 7-139. Credits and creditable service to employees.

5 (a) Each participating employee shall be granted credits
6 and creditable service, for purposes of determining the amount
7 of any annuity or benefit to which he or a beneficiary is
8 entitled, as follows:

9 1. For prior service: Each participating employee who
10 is an employee of a participating municipality or
11 participating instrumentality on the effective date shall
12 be granted creditable service, but no credits under
13 paragraph 2 of this subsection (a), for periods of prior
14 service for which credit has not been received under any
15 other pension fund or retirement system established under
16 this Code, as follows:

17 If the effective date of participation for the
18 participating municipality or participating
19 instrumentality is on or before January 1, 1998, creditable
20 service shall be granted for the entire period of prior
21 service with that employer without any employee
22 contribution.

23 If the effective date of participation for the
24 participating municipality or participating
25 instrumentality is after January 1, 1998, creditable

1 service shall be granted for the last 20% of the period of
2 prior service with that employer, but no more than 5 years,
3 without any employee contribution. A participating
4 employee may establish creditable service for the
5 remainder of the period of prior service with that employer
6 by making an application in writing, accompanied by payment
7 of an employee contribution in an amount determined by the
8 Fund, based on the employee contribution rates in effect at
9 the time of application for the creditable service and the
10 employee's salary rate on the effective date of
11 participation for that employer, plus interest at the
12 effective rate from the date of the prior service to the
13 date of payment. Application for this creditable service
14 may be made at any time while the employee is still in
15 service.

16 A municipality that (i) has at least 35 employees; (ii)
17 is located in a county with at least 2,000,000 inhabitants;
18 and (iii) maintains an independent defined benefit pension
19 plan for the benefit of its eligible employees may restrict
20 creditable service in whole or in part for periods of prior
21 service with the employer if the governing body of the
22 municipality adopts an irrevocable resolution to restrict
23 that creditable service and files the resolution with the
24 board before the municipality's effective date of
25 participation.

26 Any person who has withdrawn from the service of a

1 participating municipality or participating
2 instrumentality prior to the effective date, who reenters
3 the service of the same municipality or participating
4 instrumentality after the effective date and becomes a
5 participating employee is entitled to creditable service
6 for prior service as otherwise provided in this subdivision
7 (a)(1) only if he or she renders 2 years of service as a
8 participating employee after the effective date.
9 Application for such service must be made while in a
10 participating status. The salary rate to be used in the
11 calculation of the required employee contribution, if any,
12 shall be the employee's salary rate at the time of first
13 reentering service with the employer after the employer's
14 effective date of participation.

15 2. For current service, each participating employee
16 shall be credited with:

17 a. Additional credits of amounts equal to each
18 payment of additional contributions received from him
19 under Section 7-173, as of the date the corresponding
20 payment of earnings is payable to him.

21 b. Normal credits of amounts equal to each payment
22 of normal contributions received from him, as of the
23 date the corresponding payment of earnings is payable
24 to him, and normal contributions made for the purpose
25 of establishing out-of-state service credits as
26 permitted under the conditions set forth in paragraph 6

1 of this subsection (a).

2 c. Municipality credits in an amount equal to 1.4
3 times the normal credits, except those established by
4 out-of-state service credits, as of the date of
5 computation of any benefit if these credits would
6 increase the benefit.

7 d. Survivor credits equal to each payment of
8 survivor contributions received from the participating
9 employee as of the date the corresponding payment of
10 earnings is payable, and survivor contributions made
11 for the purpose of establishing out-of-state service
12 credits.

13 3. For periods of temporary and total and permanent
14 disability benefits, each employee receiving disability
15 benefits shall be granted creditable service for the period
16 during which disability benefits are payable. Normal and
17 survivor credits, based upon the rate of earnings applied
18 for disability benefits, shall also be granted if such
19 credits would result in a higher benefit to any such
20 employee or his beneficiary.

21 4. For authorized leave of absence without pay: A
22 participating employee shall be granted credits and
23 creditable service for periods of authorized leave of
24 absence without pay under the following conditions:

25 a. An application for credits and creditable
26 service is submitted to the board while the employee is

1 in a status of active employment, and within 2 years
2 after termination of the leave of absence period for
3 which credits and creditable service are sought.

4 b. Not more than 12 complete months of creditable
5 service for authorized leave of absence without pay
6 shall be counted for purposes of determining any
7 benefits payable under this Article.

8 c. Credits and creditable service shall be granted
9 for leave of absence only if such leave is approved by
10 the governing body of the municipality, including
11 approval of the estimated cost thereof to the
12 municipality as determined by the fund, and employee
13 contributions, plus interest at the effective rate
14 applicable for each year from the end of the period of
15 leave to date of payment, have been paid to the fund in
16 accordance with Section 7-173. The contributions shall
17 be computed upon the assumption earnings continued
18 during the period of leave at the rate in effect when
19 the leave began.

20 d. Benefits under the provisions of Sections
21 7-141, 7-146, 7-150 and 7-163 shall become payable to
22 employees on authorized leave of absence, or their
23 designated beneficiary, only if such leave of absence
24 is creditable hereunder, and if the employee has at
25 least one year of creditable service other than the
26 service granted for leave of absence. Any employee

1 contributions due may be deducted from any benefits
2 payable.

3 e. No credits or creditable service shall be
4 allowed for leave of absence without pay during any
5 period of prior service.

6 5. For military service: The governing body of a
7 municipality or participating instrumentality may elect to
8 allow creditable service to participating employees who
9 leave their employment to serve in the armed forces of the
10 United States for all periods of such service, provided
11 that the person returns to active employment within 90 days
12 after completion of full time active duty, but no
13 creditable service shall be allowed such person for any
14 period that can be used in the computation of a pension or
15 any other pay or benefit, other than pay for active duty,
16 for service in any branch of the armed forces of the United
17 States. If necessary to the computation of any benefit, the
18 board shall establish municipality credits for
19 participating employees under this paragraph on the
20 assumption that the employee received earnings at the rate
21 received at the time he left the employment to enter the
22 armed forces. A participating employee in the armed forces
23 shall not be considered an employee during such period of
24 service and no additional death and no disability benefits
25 are payable for death or disability during such period.

26 Any participating employee who left his employment

1 with a municipality or participating instrumentality to
2 serve in the armed forces of the United States and who
3 again became a participating employee within 90 days after
4 completion of full time active duty by entering the service
5 of a different municipality or participating
6 instrumentality, which has elected to allow creditable
7 service for periods of military service under the preceding
8 paragraph, shall also be allowed creditable service for his
9 period of military service on the same terms that would
10 apply if he had been employed, before entering military
11 service, by the municipality or instrumentality which
12 employed him after he left the military service and the
13 employer costs arising in relation to such grant of
14 creditable service shall be charged to and paid by that
15 municipality or instrumentality.

16 Notwithstanding the foregoing, any participating
17 employee shall be entitled to creditable service as
18 required by any federal law relating to re-employment
19 rights of persons who served in the United States Armed
20 Services. Such creditable service shall be granted upon
21 payment by the member of an amount equal to the employee
22 contributions which would have been required had the
23 employee continued in service at the same rate of earnings
24 during the military leave period, plus interest at the
25 effective rate.

26 5.1. In addition to any creditable service established

1 under paragraph 5 of this subsection (a), creditable
2 service may be granted for up to 48 months of service in
3 the armed forces of the United States.

4 In order to receive creditable service for military
5 service under this paragraph 5.1, a participating employee
6 must (1) apply to the Fund in writing and provide evidence
7 of the military service that is satisfactory to the Board;
8 (2) obtain the written approval of the current employer;
9 and (3) make contributions to the Fund equal to (i) the
10 employee contributions that would have been required had
11 the service been rendered as a member, plus (ii) an amount
12 determined by the board to be equal to the employer's
13 normal cost of the benefits accrued for that military
14 service, plus (iii) interest on items (i) and (ii) from the
15 date of first membership in the Fund to the date of
16 payment. The required interest shall be calculated at the
17 regular interest rate.

18 The changes made to this paragraph 5.1 by Public Acts
19 95-483 and 95-486 ~~this amendatory Act of the 95th General~~
20 ~~Assembly~~ apply only to participating employees in service
21 on or after August 28, 2007 (the effective date of those
22 Public Acts) ~~its effective date.~~

23 6. For out-of-state service: Creditable service shall
24 be granted for service rendered to an out-of-state local
25 governmental body under the following conditions: The
26 employee had participated and has irrevocably forfeited

1 all rights to benefits in the out-of-state public employees
2 pension system; the governing body of his participating
3 municipality or instrumentality authorizes the employee to
4 establish such service; the employee has 2 years current
5 service with this municipality or participating
6 instrumentality; the employee makes a payment of
7 contributions, which shall be computed at 8% (normal) plus
8 2% (survivor) times length of service purchased times the
9 average rate of earnings for the first 2 years of service
10 with the municipality or participating instrumentality
11 whose governing body authorizes the service established
12 plus interest at the effective rate on the date such
13 credits are established, payable from the date the employee
14 completes the required 2 years of current service to date
15 of payment. In no case shall more than 120 months of
16 creditable service be granted under this provision.

17 7. For retroactive service: Any employee who could have
18 but did not elect to become a participating employee, or
19 who should have been a participant in the Municipal Public
20 Utilities Annuity and Benefit Fund before that fund was
21 superseded, may receive creditable service for the period
22 of service not to exceed 50 months; however, a current or
23 former elected or appointed official of a participating
24 municipality may establish credit under this paragraph 7
25 for more than 50 months of service as an official of that
26 municipality, if the excess over 50 months is approved by

1 resolution of the governing body of the affected
2 municipality filed with the Fund before January 1, 2002.

3 Any employee who is a participating employee on or
4 after September 24, 1981 and who was excluded from
5 participation by the age restrictions removed by Public Act
6 82-596 may receive creditable service for the period, on or
7 after January 1, 1979, excluded by the age restriction and,
8 in addition, if the governing body of the participating
9 municipality or participating instrumentality elects to
10 allow creditable service for all employees excluded by the
11 age restriction prior to January 1, 1979, for service
12 during the period prior to that date excluded by the age
13 restriction. Any employee who was excluded from
14 participation by the age restriction removed by Public Act
15 82-596 and who is not a participating employee on or after
16 September 24, 1981 may receive creditable service for
17 service after January 1, 1979. Creditable service under
18 this paragraph shall be granted upon payment of the
19 employee contributions which would have been required had
20 he participated, with interest at the effective rate for
21 each year from the end of the period of service established
22 to date of payment.

23 8. For accumulated unused sick leave: A participating
24 employee who is applying for a retirement annuity shall be
25 entitled to creditable service for that portion of the
26 employee's accumulated unused sick leave for which payment

1 is not received, as follows:

2 a. Sick leave days shall be limited to those
3 accumulated under a sick leave plan established by a
4 participating municipality or participating
5 instrumentality which is available to all employees or
6 a class of employees.

7 b. Only sick leave days accumulated with a
8 participating municipality or participating
9 instrumentality with which the employee was in service
10 within 60 days of the effective date of his retirement
11 annuity shall be credited; If the employee was in
12 service with more than one employer during this period
13 only the sick leave days with the employer with which
14 the employee has the greatest number of unpaid sick
15 leave days shall be considered.

16 c. The creditable service granted shall be
17 considered solely for the purpose of computing the
18 amount of the retirement annuity and shall not be used
19 to establish any minimum service period required by any
20 provision of the Illinois Pension Code, the effective
21 date of the retirement annuity, or the final rate of
22 earnings.

23 d. The creditable service shall be at the rate of
24 1/20 of a month for each full sick day, provided that
25 no more than 12 months may be credited under this
26 subdivision 8.

1 e. Employee contributions shall not be required
2 for creditable service under this subdivision 8.

3 f. Each participating municipality and
4 participating instrumentality with which an employee
5 has service within 60 days of the effective date of his
6 retirement annuity shall certify to the board the
7 number of accumulated unpaid sick leave days credited
8 to the employee at the time of termination of service.

9 9. For service transferred from another system:
10 Credits and creditable service shall be granted for service
11 under Article 3, 4, 5, 8, 14, or 16 of this Act, to any
12 active member of this Fund, and to any inactive member who
13 has been a county sheriff, upon transfer of such credits
14 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,
15 14-105.6, or 16-131.4, and payment by the member of the
16 amount by which (1) the employer and employee contributions
17 that would have been required if he had participated in
18 this Fund as a sheriff's law enforcement employee during
19 the period for which credit is being transferred, plus
20 interest thereon at the effective rate for each year,
21 compounded annually, from the date of termination of the
22 service for which credit is being transferred to the date
23 of payment, exceeds (2) the amount actually transferred to
24 the Fund. Such transferred service shall be deemed to be
25 service as a sheriff's law enforcement employee for the
26 purposes of Section 7-142.1.

1 10. For service transferred from an Article 3 system
2 under Section 3-110.8: Credits and creditable service
3 shall be granted for service under Article 3 of this Act as
4 provided in Section 3-110.8, to any active member of this
5 Fund upon transfer of such credits pursuant to Section
6 3-110.8. If the amount by which (1) the employer and
7 employee contributions that would have been required if he
8 had participated in this Fund during the period for which
9 credit is being transferred, plus interest thereon at the
10 effective rate for each year, compounded annually, from the
11 date of termination of the service for which credit is
12 being transferred to the date of payment, exceeds (2) the
13 amount actually transferred to the Fund, then the amount of
14 creditable service established under this paragraph 10
15 shall be reduced by a corresponding amount in accordance
16 with the rules and procedures established under this
17 paragraph 10.

18 The board shall establish by rule the manner of making
19 the calculation required under this paragraph 10, taking
20 into account the appropriate actuarial assumptions; the
21 member's service, age, and salary history; the level of
22 funding of the employer; and any other factors that the
23 board determines to be relevant.

24 Until January 1, 2010, members who transferred service
25 from an Article 3 system under the provisions of Public Act
26 94-356 may establish additional credit in this Fund, but

1 only up to the amount of the service credit reduction in
2 that transfer, as calculated under the actuarial
3 assumptions. This credit may be established upon payment by
4 the member of an amount to be determined by the board,
5 equal to (1) the amount that would have been contributed as
6 employee and employer contributions had all the service
7 been as an employee under this Article, plus interest
8 thereon compounded annually from the date of service to the
9 date of transfer, less (2) the total amount transferred
10 from the Article 3 system, plus (3) interest on the
11 difference at the effective rate for each year, compounded
12 annually, from the date of the transfer to the date of
13 payment. The additional service credit is allowed under
14 this amendatory Act of the 95th General Assembly
15 notwithstanding the provisions of Article 3 terminating
16 all transferred credits on the date of transfer.

17 (b) Creditable service - amount:

18 1. One month of creditable service shall be allowed for
19 each month for which a participating employee made
20 contributions as required under Section 7-173, or for which
21 creditable service is otherwise granted hereunder. Not
22 more than 1 month of service shall be credited and counted
23 for 1 calendar month, and not more than 1 year of service
24 shall be credited and counted for any calendar year. A
25 calendar month means a nominal month beginning on the first
26 day thereof, and a calendar year means a year beginning

1 January 1 and ending December 31.

2 2. A seasonal employee shall be given 12 months of
3 creditable service if he renders the number of months of
4 service normally required by the position in a 12-month
5 period and he remains in service for the entire 12-month
6 period. Otherwise a fractional year of service in the
7 number of months of service rendered shall be credited.

8 3. An intermittent employee shall be given creditable
9 service for only those months in which a contribution is
10 made under Section 7-173.

11 (c) No application for correction of credits or creditable
12 service shall be considered unless the board receives an
13 application for correction while (1) the applicant is a
14 participating employee and in active employment with a
15 participating municipality or instrumentality, or (2) while
16 the applicant is actively participating in a pension fund or
17 retirement system which is a participating system under the
18 Retirement Systems Reciprocal Act. A participating employee or
19 other applicant shall not be entitled to credits or creditable
20 service unless the required employee contributions are made in
21 a lump sum or in installments made in accordance with board
22 rule.

23 (d) Upon the granting of a retirement, surviving spouse or
24 child annuity, a death benefit or a separation benefit, on
25 account of any employee, all individual accumulated credits
26 shall thereupon terminate. Upon the withdrawal of additional

1 contributions, the credits applicable thereto shall thereupon
2 terminate. Terminated credits shall not be applied to increase
3 the benefits any remaining employee would otherwise receive
4 under this Article.

5 (Source: P.A. 95-483, eff. 8-28-07; 95-486, eff. 8-28-07;
6 95-504, eff. 8-28-07; revised 11-9-07.)

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.32 as follows:

9 (30 ILCS 805/8.32 new)

10 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
11 of this Act, no reimbursement by the State is required for the
12 implementation of any mandate created by this amendatory Act of
13 the 95th General Assembly.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."