



Rep. Robert S. Molaro

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1 AMENDMENT TO SENATE BILL 377

2 AMENDMENT NO. _____. Amend Senate Bill 377, AS AMENDED, by
3 replacing the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 9-121.6, 9-133, 9-133.1, 9-166, 9-169,
6 9-179.3, 9-182, 9-199, 9-204, 15-106, and 15-107 and by adding
7 9-134.5 and 10-104.5 as follows:

8 (40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)

9 Sec. 9-121.6. Alternative annuity for county officers. (a)
10 Any county officer elected by vote of the people may elect to
11 establish alternative credits for an alternative annuity by
12 electing in writing to make additional optional contributions
13 in accordance with this Section and procedures established by
14 the board. Such elected county officer may discontinue making
15 the additional optional contributions by notifying the Fund in
16 writing in accordance with this Section and procedures

1 established by the board.

2 Additional optional contributions for the alternative
3 annuity shall be as follows:

4 (1) For service after the option is elected, an additional
5 contribution of 3% of salary shall be contributed to the Fund
6 on the same basis and under the same conditions as
7 contributions required under Sections 9-170 and 9-176.

8 (2) For service before the option is elected, an additional
9 contribution of 3% of the salary for the applicable period of
10 service, plus interest at the effective rate from the date of
11 service to the date of payment. All payments for past service
12 must be paid in full before credit is given. No additional
13 optional contributions may be made for any period of service
14 for which credit has been previously forfeited by acceptance of
15 a refund, unless the refund is repaid in full with interest at
16 the effective rate from the date of refund to the date of
17 repayment.

18 (b) In lieu of the retirement annuity otherwise payable
19 under this Article, any county officer elected by vote of the
20 people who (1) has elected to participate in the Fund and make
21 additional optional contributions in accordance with this
22 Section, and (2) has attained age 60 with at least 10 years of
23 service credit, or has attained age 65 with at least 8 years of
24 service credit, may elect to have his retirement annuity
25 computed as follows: 3% of the participant's salary at the time
26 of termination of service for each of the first 8 years of

1 service credit, plus 4% of such salary for each of the next 4
2 years of service credit, plus 5% of such salary for each year
3 of service credit in excess of 12 years, subject to a maximum
4 of 80% of such salary. To the extent such elected county
5 officer has made additional optional contributions with
6 respect to only a portion of his years of service credit, his
7 retirement annuity will first be determined in accordance with
8 this Section to the extent such additional optional
9 contributions were made, and then in accordance with the
10 remaining Sections of this Article to the extent of years of
11 service credit with respect to which additional optional
12 contributions were not made.

13 (c) In lieu of the disability benefits otherwise payable
14 under this Article, any county officer elected by vote of the
15 people who (1) has elected to participate in the Fund, and (2)
16 has become permanently disabled and as a consequence is unable
17 to perform the duties of his office, and (3) was making
18 optional contributions in accordance with this Section at the
19 time the disability was incurred, may elect to receive a
20 disability annuity calculated in accordance with the formula in
21 subsection (b). For the purposes of this subsection, such
22 elected county officer shall be considered permanently
23 disabled only if: (i) disability occurs while in service as an
24 elected county officer and is of such a nature as to prevent
25 him from reasonably performing the duties of his office at the
26 time; and (ii) the board has received a written certification

1 by at least 2 licensed physicians appointed by it stating that
2 such officer is disabled and that the disability is likely to
3 be permanent.

4 (d) Refunds of additional optional contributions shall be
5 made on the same basis and under the same conditions as
6 provided under Section 9-164, 9-166 and 9-167. Interest shall
7 be credited at the effective rate on the same basis and under
8 the same conditions as for other contributions. ~~Optional~~
9 ~~contributions shall be accounted for in a separate Elected~~
10 ~~County Officer Optional Contribution Reserve.~~ Optional
11 contributions under this Section shall be included in the
12 amount of employee contributions used to compute the tax levy
13 under Section 9-169.

14 (e) The effective date of this plan of optional alternative
15 benefits and contributions shall be January 1, 1988, or the
16 date upon which approval is received from the U.S. Internal
17 Revenue Service, whichever is later. The plan of optional
18 alternative benefits and contributions shall not be available
19 to any former county officer or employee receiving an annuity
20 from the Fund on the effective date of the plan, unless he
21 re-enters service as an elected county officer and renders at
22 least 3 years of additional service after the date of re-entry.
23 (Source: P.A. 85-964.)

24 (40 ILCS 5/9-133) (from Ch. 108 1/2, par. 9-133)

25 Sec. 9-133. Automatic increase in annuity.

1 (a) An employee who retired or retires from service after
2 December 31, 1959, having attained age 60 or more or, beginning
3 January 1, 1991, having attained 30 or more years of creditable
4 service, shall, in the month of January of the year following
5 the year in which the first anniversary of retirement occurs,
6 have his then fixed and payable monthly annuity increased by 1
7 1/2%, and such first fixed annuity as granted at retirement
8 increased by a further 1 1/2% in January of each year
9 thereafter. Beginning with January of the year 1972, such
10 increases shall be at the rate of 2% in lieu of the aforesaid
11 specified 1 1/2%. Beginning with January of the year 1982, such
12 increases shall be at the rate of 3% in lieu of the aforesaid
13 specified 2%. Beginning January 1, 1998, these increases shall
14 be at the rate of 3% of the current amount of the annuity,
15 including any previous increases received under this Article,
16 without regard to whether the annuitant is in service on or
17 after the effective date of this amendatory Act of 1997.

18 An employee who retires on annuity before age 60 and,
19 beginning January 1, 1991, with less than 30 years of
20 creditable service shall receive such increases beginning with
21 January of the year immediately following the year in which he
22 attains the age of 60 years. An employee who retires on annuity
23 before age 60 and before January 1, 1991, with at least 30
24 years of creditable service, shall be entitled to receive the
25 first increase under this subsection no later than January 1,
26 1993.

1 For an employee who, in accordance with the provisions of
2 Section 9-108.1 of this Act, shall have become a member of the
3 State System established under Article 14 on February 1, 1974,
4 the first such automatic increase shall begin in January of
5 1975.

6 (b) Subsection (a) is not applicable to an employee
7 retiring and receiving a term annuity, as defined in this Act,
8 nor to any otherwise qualified employee who retires before he
9 makes employee contributions (at the 1/2 of 1% rate as provided
10 in this Section) for this additional annuity for not less than
11 the equivalent of one full year. Such employee, however, shall
12 make arrangement to pay to the fund a balance of such
13 contributions, based on his final salary, as will bring such
14 1/2 of 1% contributions, computed without interest, to the
15 equivalent of one year's contributions.

16 Beginning with the month of January, 1960, each employee
17 shall contribute by means of salary deductions 1/2 of 1% of
18 each salary payment, concurrently with and in addition to the
19 employee contributions otherwise provided for annuity
20 purposes.

21 Each such additional contribution shall be ~~credited to an~~
22 ~~account in the prior service annuity reserve, to be used,~~
23 together with county contributions, to defray the cost of the
24 specified annuity increments. ~~Any balance in such account as of~~
25 ~~the beginning of each calendar year shall be credited with~~
26 ~~interest at the rate of 3% per annum.~~

1 Such additional employee contributions are not refundable,
2 except to an employee who withdraws and applies for refund
3 under this Article, or applies for annuity, and also in cases
4 where a term annuity becomes payable. In such cases his
5 contributions shall be refunded, without interest, ~~and charged~~
6 ~~to the prior service annuity reserve.~~

7 (Source: P.A. 90-32, eff. 6-27-97.)

8 (40 ILCS 5/9-133.1) (from Ch. 108 1/2, par. 9-133.1)

9 Sec. 9-133.1. Automatic increases in annuity for certain
10 heretofore retired participants. A retired employee retired at
11 age 55 or over and who (a) is receiving annuity based on a
12 service credit of 20 or more years, and (b) does not qualify
13 for the automatic increases in annuity provided for in Sec.
14 9-133 of this Article, and (c) elects to make a contribution to
15 the Fund at a time and manner prescribed by the Retirement
16 Board, of a sum equal to 1% of the final average monthly salary
17 forming the basis of the calculation of their annuity
18 multiplied by years of credited service, or 1% of their final
19 monthly salary multiplied by years of credited service in any
20 case where the final average salary is not used in the
21 calculation, shall have his original fixed and payable monthly
22 amount of annuity increased in January of the year following
23 the year in which he attains the age of 65 years, if such age of
24 65 years is attained in the year 1969 or later, by an amount
25 equal to 1 1/2%, and by an equal additional 1 1/2% in January

1 of each year thereafter. Beginning with January of the year
2 1972, such increases shall be at the rate of 2% in lieu of the
3 aforesaid specified 1 1/2%. Beginning with January of the year
4 1982, such increases shall be at the rate of 3% in lieu of the
5 aforesaid specified 2%. Beginning January 1, 1998, these
6 increases shall be at the rate of 3% of the current amount of
7 the annuity, including any previous increases received under
8 this Article, without regard to whether the annuitant is in
9 service on or after the effective date of this amendatory Act
10 of 1997.

11 In those cases in which the retired employee receiving
12 annuity has attained the age of 66 or more years in the year
13 1969, he shall have such annuity increased in January of the
14 year 1970 by an amount equal to 1 1/2% multiplied by the number
15 equal to the number of months of January elapsing from and
16 including January of the year immediately following the year he
17 attained the age of 65 years if retired at or prior to age 65,
18 or from and including January of the year immediately following
19 the year of retirement if retired at an age greater than 65
20 years, to and including January of the year 1970, and by an
21 equal additional 1 1/2% in January of each year thereafter.
22 Beginning with January of the year 1972, such increases shall
23 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.
24 Beginning with January of the year 1982, such increases shall
25 be at the rate of 3% in lieu of the aforesaid specified 2%.
26 Beginning January 1, 1998, these increases shall be at the rate

1 of 3% of the current amount of the annuity, including any
2 previous increases received under this Article, without regard
3 to whether the annuitant is in service on or after the
4 effective date of this amendatory Act of 1997.

5 To defray the annual cost of such increases, the annual
6 interest income of the Fund, accruing from investments held by
7 the Fund, exclusive of gains or losses on sales or exchanges of
8 assets during the year, over and above 4% a year, shall be used
9 to the extent necessary and available to finance the cost of
10 such increases for the following year, ~~and such amount shall be~~
11 ~~transferred as of the end of each year, beginning with the year~~
12 ~~1969, to a Fund account designated as the Supplementary Payment~~
13 ~~Reserve from the Investment and Interest Reserve set forth in~~
14 ~~Sec. 9 214. The sums contributed by annuitants as provided for~~
15 ~~in this Section shall also be placed in the aforesaid~~
16 ~~Supplementary Payment Reserve and shall be applied for and used~~
17 ~~for the purposes of such Fund account, together with the~~
18 ~~aforesaid interest.~~

19 ~~In the event the monies in the Supplementary Payment~~
20 ~~Reserve in any year arising from: (1) the available interest~~
21 ~~income as defined hereinbefore and accruing in the preceding~~
22 ~~year above 4% a year and (2) the contributions by retired~~
23 ~~persons, as set forth hereinbefore, are insufficient to make~~
24 ~~the total payments to all persons estimated to be entitled to~~
25 ~~the annuity increases specified hereinbefore, then (3) any~~
26 ~~interest earnings over 4% a year beginning with the year 1969~~

1 ~~which were not previously used to finance such increases and~~
2 ~~which were transferred to the Prior Service Annuity Reserve may~~
3 ~~be used to the extent necessary and available to provide~~
4 ~~sufficient funds to finance such increases for the current~~
5 ~~year, and such sums shall be transferred from the Prior Service~~
6 ~~Annuity Reserve.~~

7 ~~In the event the total monies available in the~~
8 ~~Supplementary Payment Reserve from the preceding indicated~~
9 ~~sources are insufficient to make the total payments to all~~
10 ~~persons entitled to such increases for the year, a~~
11 ~~proportionate amount computed as the ratio of the monies~~
12 ~~available to the total of the total payments for that year~~
13 ~~shall be paid to each person for that year.~~

14 ~~The Fund shall be obligated for the payment of the~~
15 ~~increases in annuity as provided for in this Section only to~~
16 ~~the extent that the assets for such purpose, as specified~~
17 ~~herein, are available.~~

18 (Source: P.A. 90-32, eff. 6-27-97.)

19 (40 ILCS 5/9-134.5 new)

20 Sec. 9-134.5. Alternative retirement cancellation payment.

21 (a) To be eligible for the alternative retirement
22 cancellation payment provided in this Section, a person must:

23 (1) be a member of this Fund who, on December 31, 2006,
24 was (i) in active payroll status as an employee and
25 continuously employed in a position on and after the

1 effective date of this Section and (ii) an active
2 contributor to this Fund with respect to that employment;

3 (2) have not previously received any retirement
4 annuity under this Article;

5 (3) file with the Board on or before 45 days after the
6 effective date of this Section, a written application
7 requesting the alternative retirement cancellation payment
8 provided in this Section; (4) terminate employment under
9 this Article no later than 60 days after the effective date
10 of this Section.

11 (4) if there is a QILDRO in effect against the person,
12 file with the Board the written consent of all alternate
13 payees under the QILDRO to the election of an alternative
14 retirement cancellation payment under this Section; and

15 (b) In lieu of any retirement annuity or other benefit
16 provided under this Article, a person who qualifies for and
17 elects to receive the alternative retirement cancellation
18 payment under this Section shall be entitled to receive a
19 one-time lump sum retirement cancellation payment equal to the
20 amount of his or her contributions to the Fund (including any
21 employee contributions for optional service credit and
22 including any employee contributions paid by the employer or
23 credited to the employee during disability) on the date of
24 termination, with regular interest, multiplied by 1.5.

25 (c) Notwithstanding any other provision of this Article, a
26 person who receives an alternative retirement cancellation

1 payment under this Section thereby forfeits the right to any
2 other retirement or disability benefit or refund under this
3 Article, and no widow's, survivor's, or death benefit deriving
4 from that person shall be payable under this Article. Upon
5 accepting an alternative retirement cancellation payment under
6 this Section, the person's creditable service and all other
7 rights in the Fund are terminated for all purposes.

8 (d) To the extent permitted by federal law, a person who
9 receives an alternative retirement cancellation payment under
10 this Section may direct the Fund to pay all or a portion of
11 that payment as a rollover into another retirement plan or
12 account qualified under the Internal Revenue Code of 1986, as
13 amended.

14 (e) Notwithstanding any other provision of this Article, a
15 person who has received an alternative retirement cancellation
16 payment under this Section and who reenters service under this
17 Article must first repay to the Fund the amount by which that
18 alternative retirement cancellation payment exceeded the
19 amount of his or her refundable employee contributions with
20 interest at 6% per annum. For the purposes of re-establishing
21 creditable service that was terminated upon election of the
22 alternative retirement cancellation payment, the portion of
23 the alternative retirement cancellation payment representing
24 refundable employee contributions shall be deemed a refund
25 repayable in accordance with Section 9-163.

26 (f) No individual who receives an alternative retirement

1 cancellation payment under this Section may return to active
2 payroll status within 365 days after separation from service to
3 the employer.

4 (40 ILCS 5/9-166) (from Ch. 108 1/2, par. 9-166)

5 Sec. 9-166. Refunds - When paid to beneficiary, children or
6 estate. Whenever the total amount accumulated to the account of
7 a deceased employee from employee contributions for annuity
8 purposes, and from employee contributions applied to any county
9 pension fund superseded by this fund, have not been paid to
10 him, and in the case of a married male employee to the employee
11 and his widow together, in form of annuity or refund before the
12 death of the last of such persons, a refund shall be payable as
13 follows:

14 An amount equal to the excess of such amounts over the
15 amounts paid on any annuity or annuities or refund, without
16 interest upon either of such amounts, shall be refunded to a
17 beneficiary theretofore designated by the employee in writing,
18 signed by him before an officer authorized to administer oaths,
19 and filed with the board before the employee's death.

20 If there is no designated beneficiary or the beneficiary
21 does not survive the employee, the amount shall be refunded to
22 the employee's children, in equal parts with the children of a
23 deceased child taking the share of their parent. If there is no
24 designated beneficiary or children, the refund shall be paid to
25 the administrator or executor of the employee's estate.

1 If an administrator or executor of the estate has not been
2 appointed within 90 days from the date the refund became
3 payable the refund may be applied in the discretion of the
4 board toward the payment of the employee's burial expenses. Any
5 remaining balance shall be paid to the heirs of the employee
6 according to the law of descent and distribution of this state
7 but assuming for the purpose of such payment of refund and
8 determination of heirs that the deceased male employee left no
9 widow surviving in those cases where a widow eligible for
10 widow's annuity as his widow survived him and subsequently
11 died; provided,

12 (a) that if any child or children of the employee are
13 less than age 18, such part or all of any such amount
14 necessary to pay annuities to them shall not be refunded as
15 hereinbefore stated ~~but shall be transferred to the child's~~
16 ~~annuity reserve and used therein for the payment of such~~
17 ~~annuities~~; and provided further,

18 (b) that if a reversionary annuity becomes payable as
19 provided in Section 9-135 such refund shall not be paid
20 until the death of the reversionary annuitant, and the
21 refund otherwise payable under this section shall then
22 first further be reduced by the total amount of the
23 reversionary annuity paid.

24 (Source: P.A. 81-1536.)

25 (40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

1 Sec. 9-169. Financing - Tax levy. (a) The county board
2 shall levy a tax annually upon all taxable property in the
3 county at the rate that will produce a sum which, when added to
4 the amounts deducted from the salaries of the employees or
5 otherwise contributed by them is sufficient for the
6 requirements of this Article.

7 For the years before 1962 the tax rate shall be as provided
8 in "The 1925 Act". For the years 1962 and 1963 the tax rate
9 shall be not more than .0200 per cent; for the years 1964 and
10 1965 the tax rate shall be not more than .0202 per cent; for
11 the years 1966 and 1967 the tax rate shall be not more than
12 .0207 per cent; for the year 1968 the tax rate shall be not
13 more than .0220 per cent; for the year 1969 the tax rate shall
14 be not more than .0233 per cent; for the year 1970 the tax rate
15 shall be not more than .0255 per cent; for the year 1971 the
16 tax rate shall be not more than .0268 per cent of the value, as
17 equalized or assessed by the Department of Revenue upon all
18 taxable property in the county. Beginning with the year 1972
19 and for each year thereafter the county shall levy a tax
20 annually at a rate on the dollar of the value, as equalized or
21 assessed by the Department of Revenue of all taxable property
22 within the county that will produce, when extended, not to
23 exceed an amount equal to the total amount of contributions
24 made by the employees to the fund in the calendar year 2 years
25 prior to the year for which the annual applicable tax is levied
26 multiplied by .8 for the years 1972 through 1976; by .8 for the

1 year 1977; by .87 for the year 1978; by .94 for the year 1979;
2 by 1.02 for the year 1980 and by 1.10 for the year 1981 and by
3 1.18 for the year 1982 and by 1.36 for the year 1983 and by 1.54
4 for the year 1984 and for each year thereafter.

5 This tax shall be levied and collected in like manner with
6 the general taxes of the county, and shall be in addition to
7 all other taxes which the county is authorized to levy upon the
8 aggregate valuation of all taxable property within the county
9 and shall be exclusive of and in addition to the amount of tax
10 the county is authorized to levy for general purposes under any
11 laws which may limit the amount of tax which the county may
12 levy for general purposes. The county clerk, in reducing tax
13 levies under any Act concerning the levy and extension of
14 taxes, shall not consider this tax as a part of the general tax
15 levy for county purposes, and shall not include it within any
16 limitation of the per cent of the assessed valuation upon which
17 taxes are required to be extended for the county. It is lawful
18 to extend this tax in addition to the general county rate fixed
19 by statute, without being authorized as additional by a vote of
20 the people of the county.

21 Revenues derived from this tax shall be paid to the
22 treasurer of the county and held by him for the benefit of the
23 fund.

24 If the payments on account of taxes are insufficient during
25 any year to meet the requirements of this Article, the county
26 may issue tax anticipation warrants against the current tax

1 levy.

2 (b) By January 10, annually, the board shall notify the
3 county board of the requirement of this Article that this tax
4 shall be levied. The board ~~shall compute the amounts necessary~~
5 ~~for the purposes of the fund for that current year to be~~
6 ~~credited to the reserves established and maintained as provided~~
7 ~~in this Act,~~ shall make an annual determination of the required
8 county contributions, and shall certify the results thereof to
9 the county board.

10 (c) The various sums to be contributed by the county board
11 and allocated for the purposes of this Article and any interest
12 to be contributed by the county shall be taken from the revenue
13 derived from this tax and no money of the county derived from
14 any source other than the levy and collection of this tax or
15 the sale of tax anticipation warrants, except state or federal
16 funds contributed for annuity and benefit purposes for
17 employees of a county department of public aid under "The
18 Illinois Public Aid Code", approved April 11, 1967, as now or
19 hereafter amended, may be used to provide revenue for the fund.

20 If it is not possible or practicable for the county to make
21 contributions for age and service annuity and widow's annuity
22 concurrently with the employee contributions made for such
23 purposes, such county shall make such contributions as soon as
24 possible and practicable thereafter with interest thereon at
25 the effective rate until the time it shall be made.

26 (d) With respect to employees whose wages are funded as

1 participants under the Comprehensive Employment and Training
2 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
3 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
4 subsequent to October 1, 1978, and in instances where the board
5 has elected to establish a manpower program reserve, the board
6 shall compute the amounts necessary to be credited to the
7 manpower program reserves established and maintained as herein
8 provided, and shall make a periodic determination of the amount
9 of required contributions from the County to the reserve to be
10 reimbursed by the federal government in accordance with rules
11 and regulations established by the Secretary of the United
12 States Department of Labor or his designee, and certify the
13 results thereof to the County Board. Any such amounts shall
14 become a credit to the County and will be used to reduce the
15 amount which the County would otherwise contribute during
16 succeeding years for all employees.

17 (e) In lieu of establishing a manpower program reserve with
18 respect to employees whose wages are funded as participants
19 under the Comprehensive Employment and Training Act of 1973, as
20 authorized by subsection (d), the board may elect to establish
21 a special County contribution rate for all such employees. If
22 this option is elected, the County shall contribute to the Fund
23 from federal funds provided under the Comprehensive Employment
24 and Training Act program at the special rate so established and
25 such contributions shall become a credit to the County and be
26 used to reduce the amount which the County would otherwise

1 contribute during succeeding years for all employees.

2 (Source: P.A. 83-1362.)

3 (40 ILCS 5/9-179.3) (from Ch. 108 1/2, par. 9-179.3)

4 Sec. 9-179.3. Optional plan of additional benefits and
5 contributions.

6 (a) While this plan is in effect, an employee may establish
7 additional optional credit for additional optional benefits by
8 electing in writing at any time to make additional optional
9 contributions. The employee may discontinue making the
10 additional optional contributions at any time by notifying the
11 fund in writing.

12 (b) Additional optional contributions for the additional
13 optional benefits shall be as follows:

14 (1) For service after the option is elected, an
15 additional contribution of 3% of salary shall be
16 contributed to the fund on the same basis and under the
17 same conditions as contributions required under Sections
18 9-170 and 9-176.

19 (2) For service before the option is elected, an
20 additional contribution of 3% of the salary for the
21 applicable period of service, plus interest at the
22 effective rate from the date of service to the date of
23 payment. All payments for past service must be paid in full
24 before credit is given. No additional optional
25 contributions may be made for any period of service for

1 which credit has been previously forfeited by acceptance of
2 a refund, unless the refund is repaid in full with interest
3 at the effective rate from the date of refund to the date
4 of repayment.

5 (c) Additional optional benefits shall accrue for all
6 periods of eligible service for which additional contributions
7 are paid in full. The additional benefit shall consist of an
8 additional 1% for each year of service for which optional
9 contributions have been paid, based on the highest average
10 annual salary for any 4 consecutive years within the last 10
11 years of service immediately preceding the date of withdrawal,
12 to be added to the employee retirement annuity benefits as
13 otherwise computed under this Article. The calculation of these
14 additional benefits shall be subject to the same terms and
15 conditions as are used in the calculation of retirement annuity
16 under Section 9-134. The additional benefit shall be included
17 in the calculation of the automatic annual increase in annuity,
18 and in the calculation of widow's annuity, where applicable.
19 However no additional benefits will be granted which produce a
20 total annuity greater than the applicable maximum established
21 for that type of annuity in this Article, and additional
22 benefits shall not apply to any benefit computed under Section
23 9-128.1.

24 (d) Refunds of additional optional contributions shall be
25 made on the same basis and under the same conditions as
26 provided under Sections 9-164, 9-166 and 9-167. Interest shall

1 be credited at the effective rate on the same basis and under
2 the same conditions as for other contributions.

3 (e) (Blank) ~~Optional contributions shall be accounted for~~
4 ~~in a separate Optional Contribution Reserve.~~

5 (f) The tax levy, computed under Section 9-169, shall be
6 based on employee contributions including the amount of
7 optional additional employee contributions.

8 (g) Service eligible under this Section may include only
9 service as an employee of the County as defined in Section
10 9-108, and subject to Sections 9-219 and 9-220. No service
11 granted under Section 9-121.1, 9-121.4 or 9-179.2 shall be
12 eligible for optional service credit. No optional service
13 credit may be established for any military service, or for any
14 service under any other Article of this Code. Optional service
15 credit may be established for any period of disability paid
16 from this fund, if the employee makes additional optional
17 contributions for such periods of disability.

18 (h) This plan of optional benefits and contributions shall
19 not apply to any former county employee receiving an annuity
20 from the fund, who re-enters service as a County employee,
21 unless he renders at least 3 years of additional service after
22 the date of re-entry.

23 (i) The effective date of the optional plan of additional
24 benefits and contributions shall be July 1, 1985, or the date
25 upon which approval is received from the Internal Revenue
26 Service, whichever is later.

1 (j) This plan of additional benefits and contributions
2 shall expire July 1, 2005. No additional contributions may be
3 made after that date, and no additional benefits will accrue
4 after that date.

5 (Source: P.A. 92-599, eff. 6-28-02.)

6 (40 ILCS 5/9-182) (from Ch. 108 1/2, par. 9-182)

7 Sec. 9-182. Contributions by county for prior service
8 annuities and pensions under former acts.

9 (a) The county, State or federal contributions authorized
10 in Section 9-169 shall be applied first for the purposes of
11 this Article 9 other than those stated in this Section.

12 The balance of the sum produced from such contributions
13 shall be applied for the following purposes:

14 1. "An Act to provide for the formation and
15 disbursement of a pension fund in counties having a
16 population of 150,000 or more inhabitants, for the benefit
17 of officers and employees in the service of such counties",
18 approved June 29, 1915, as amended;

19 2. Section 9-225 of this Article;

20 3. To meet such part of any minimum annuity as shall be
21 in excess of the age and service annuity and prior service
22 annuity, and to meet such part of any minimum widow's
23 annuity in excess of the amount of widow's annuity and
24 widow's prior service annuity also for the purpose of
25 providing the county cost of automatic increases in annuity

1 after retirement in accordance with Section 9-133 and for
2 any other purpose for which moneys are not otherwise
3 provided in this Article;

4 4. (Blank) ~~To provide a sufficient balance in the~~
5 ~~investment and interest reserve to permit a transfer from~~
6 ~~that reserve to other reserves of the fund;~~

7 5. (Blank) ~~To credit to the county contribution reserve~~
8 ~~such amounts required from the county but not contributed~~
9 ~~by it for age and service and prior service annuities, and~~
10 ~~widows' and widows' prior service annuities.~~

11 (b) (Blank) ~~All such contributions shall be credited to the~~
12 ~~prior service annuity reserve. When the balance of this reserve~~
13 ~~equals its liabilities (including in addition to all other~~
14 ~~liabilities, the present values of all annuities, present or~~
15 ~~prospective, according to the applicable mortality tables and~~
16 ~~rates of interest), the county shall cease to contribute the~~
17 ~~sum stated in this Section. Whenever the balance of the~~
18 ~~investment and interest reserve is not sufficient to permit a~~
19 ~~transfer from that reserve to any other reserve, the county~~
20 ~~shall contribute sums sufficient to make possible such~~
21 ~~transfer; provided, that if annexation of territory and the~~
22 ~~employment by the county of any county employee of any such~~
23 ~~territory at the time of annexation, after the county has~~
24 ~~ceased to contribute as herein provided results in additional~~
25 ~~liabilities for prior service annuity and widow's prior service~~
26 ~~annuity for any such employee, contributions by the county for~~

1 ~~such purposes shall be resumed.~~

2 (Source: P.A. 90-655, eff. 7-30-98.)

3 (40 ILCS 5/9-199) (from Ch. 108 1/2, par. 9-199)

4 Sec. 9-199. To submit an annual report.

5 To submit a report in July of each year to the county board
6 of the county as of the close of business on December 31st of
7 the preceding year. The report shall contain a detailed
8 statement of the affairs of the fund, its income and
9 expenditures, and assets and liabilities, ~~and the status of the~~
10 ~~several reserves.~~ The county board shall have power to require
11 and compel the board to prepare and submit such reports.

12 (Source: Laws 1963, p. 161.)

13 (40 ILCS 5/9-204) (from Ch. 108 1/2, par. 9-204)

14 Sec. 9-204. Accounting.

15 An adequate system of accounts and records shall be
16 established to give effect to the requirements of this Article
17 and to report the financial condition of the fund. Such
18 additional data as is necessary for required calculations,
19 actuarial valuations, and operation of the fund shall be
20 maintained. The reserves designated in Sections 9-205 to
21 9-214, inclusive, shall be maintained. At the end of each year
22 and at any other time when necessary the amounts in such
23 reserves shall be improved by proper interest accretions.

24 (Source: Laws 1963, p. 161.)

1 (40 ILCS 5/10-104.5 new)

2 Sec. 10-104.5. Alternative retirement cancellation
3 payment.

4 (a) To be eligible for the alternative retirement
5 cancellation payment provided in this Section, a person must:

6 (1) be a member of this Fund who, on December 31, 2006,
7 was (i) in active payroll status as an employee and
8 continuously employed in a position on and after the
9 effective date of this Section and (ii) an active
10 contributor to this Fund with respect to that employment;

11 (2) have not previously received any retirement
12 annuity under this Article;

13 (3) file with the Board on or before 45 days after the
14 effective date of this Section, a written application
15 requesting the alternative retirement cancellation payment
16 provided in this Section; (4) terminate employment under
17 this Article no later than 60 days after the effective date
18 of this Section.

19 (4) if there is a QILDRO in effect against the person,
20 file with the Board the written consent of all alternate
21 payees under the QILDRO to the election of an alternative
22 retirement cancellation payment under this Section; and

23 (b) In lieu of any retirement annuity or other benefit
24 provided under this Article, a person who qualifies for and
25 elects to receive the alternative retirement cancellation

1 payment under this Section shall be entitled to receive a
2 one-time lump sum retirement cancellation payment equal to the
3 amount of his or her contributions to the Fund (including any
4 employee contributions for optional service credit and
5 including any employee contributions paid by the employer or
6 credited to the employee during disability) on the date of
7 termination, with regular interest, multiplied by 1.5.

8 (c) Notwithstanding any other provision of this Article, a
9 person who receives an alternative retirement cancellation
10 payment under this Section thereby forfeits the right to any
11 other retirement or disability benefit or refund under this
12 Article, and no widow's, survivor's, or death benefit deriving
13 from that person shall be payable under this Article. Upon
14 accepting an alternative retirement cancellation payment under
15 this Section, the person's creditable service and all other
16 rights in the Fund are terminated for all purposes.

17 (d) To the extent permitted by federal law, a person who
18 receives an alternative retirement cancellation payment under
19 this Section may direct the Fund to pay all or a portion of
20 that payment as a rollover into another retirement plan or
21 account qualified under the Internal Revenue Code of 1986, as
22 amended.

23 (e) Notwithstanding any other provision of this Article, a
24 person who has received an alternative retirement cancellation
25 payment under this Section and who reenters service under this
26 Article must first repay to the Fund the amount by which that

1 alternative retirement cancellation payment exceeded the
2 amount of his or her refundable employee contributions with
3 interest of 6% per annum. For the purposes of re-establishing
4 creditable service that was terminated upon election of the
5 alternative retirement cancellation payment, the portion of
6 the alternative retirement cancellation payment representing
7 refundable employee contributions shall be deemed a refund
8 repayable together with interest at the effective rate from the
9 application date of such refund to the date of repayment.

10 (f) No individual who receives an alternative retirement
11 cancellation payment under this Section may return to active
12 payroll status within 365 days after separation from service to
13 the employer.

14 (40 ILCS 5/15-106) (from Ch. 108 1/2, par. 15-106)

15 Sec. 15-106. Employer. "Employer": The University of
16 Illinois, Southern Illinois University, Chicago State
17 University, Eastern Illinois University, Governors State
18 University, Illinois State University, Northeastern Illinois
19 University, Northern Illinois University, Western Illinois
20 University, the State Board of Higher Education, the Illinois
21 Mathematics and Science Academy, the State Geological Survey
22 Division of the Department of Natural Resources, the State
23 Natural History Survey Division of the Department of Natural
24 Resources, the State Water Survey Division of the Department of
25 Natural Resources, the Waste Management and Research Center of

1 the Department of Natural Resources, the University Civil
2 Service Merit Board, the Board of Trustees of the State
3 Universities Retirement System, the Illinois Community College
4 Board, community college boards, any association of community
5 college boards organized under Section 3-55 of the Public
6 Community College Act, the Board of Examiners established under
7 the Illinois Public Accounting Act, and, only during the period
8 for which employer contributions required under Section 15-155
9 are paid, the following organizations: the alumni
10 associations, the foundations and the athletic associations
11 which are affiliated with the universities and colleges
12 included in this Section as employers.

13 A department as defined in Section 14-103.04 is an employer
14 for any person appointed by the Governor under the Civil
15 Administrative Code of Illinois who is a participating employee
16 as defined in Section 15-109. The Department of Central
17 Management Services is an employer with respect to persons
18 employed by the State Board of Higher Education in positions
19 with the Illinois Century Network as of June 30, 2004 who
20 remain continuously employed after that date by the Department
21 of Central Management Services in positions with the Illinois
22 Century Network, the Bureau of Communication and Computer
23 Services, or, if applicable, any successor bureau.

24 The cities of Champaign and Urbana shall be considered
25 employers, but only during the period for which contributions
26 are required to be made under subsection (b-1) of Section

1 15-155 and only with respect to individuals described in
2 subsection (h) of Section 15-107.

3 (Source: P.A. 93-839, eff. 7-30-04.)

4 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

5 Sec. 15-107. Employee.

6 (a) "Employee" means any member of the educational,
7 administrative, secretarial, clerical, mechanical, labor or
8 other staff of an employer whose employment is permanent and
9 continuous or who is employed in a position in which services
10 are expected to be rendered on a continuous basis for at least
11 4 months or one academic term, whichever is less, who (A)
12 receives payment for personal services on a warrant issued
13 pursuant to a payroll voucher certified by an employer and
14 drawn by the State Comptroller upon the State Treasurer or by
15 an employer upon trust, federal or other funds, or (B) is on a
16 leave of absence without pay. Employment which is irregular,
17 intermittent or temporary shall not be considered continuous
18 for purposes of this paragraph.

19 However, a person is not an "employee" if he or she:

20 (1) is a student enrolled in and regularly attending
21 classes in a college or university which is an employer,
22 and is employed on a temporary basis at less than full
23 time;

24 (2) is currently receiving a retirement annuity or a
25 disability retirement annuity under Section 15-153.2 from

1 this System;

2 (3) is on a military leave of absence;

3 (4) is eligible to participate in the Federal Civil
4 Service Retirement System and is currently making
5 contributions to that system based upon earnings paid by an
6 employer;

7 (5) is on leave of absence without pay for more than 60
8 days immediately following termination of disability
9 benefits under this Article;

10 (6) is hired after June 30, 1979 as a public service
11 employment program participant under the Federal
12 Comprehensive Employment and Training Act and receives
13 earnings in whole or in part from funds provided under that
14 Act; or

15 (7) is employed on or after July 1, 1991 to perform
16 services that are excluded by subdivision (a)(7)(f) or
17 (a)(19) of Section 210 of the federal Social Security Act
18 from the definition of employment given in that Section (42
19 U.S.C. 410).

20 (b) Any employer may, by filing a written notice with the
21 board, exclude from the definition of "employee" all persons
22 employed pursuant to a federally funded contract entered into
23 after July 1, 1982 with a federal military department in a
24 program providing training in military courses to federal
25 military personnel on a military site owned by the United
26 States Government, if this exclusion is not prohibited by the

1 federally funded contract or federal laws or rules governing
2 the administration of the contract.

3 (c) Any person appointed by the Governor under the Civil
4 Administrative Code of the State is an employee, if he or she
5 is a participant in this system on the effective date of the
6 appointment.

7 (d) A participant on lay-off status under civil service
8 rules is considered an employee for not more than 120 days from
9 the date of the lay-off.

10 (e) A participant is considered an employee during (1) the
11 first 60 days of disability leave, (2) the period, not to
12 exceed one year, in which his or her eligibility for disability
13 benefits is being considered by the board or reviewed by the
14 courts, and (3) the period he or she receives disability
15 benefits under the provisions of Section 15-152, workers'
16 compensation or occupational disease benefits, or disability
17 income under an insurance contract financed wholly or partially
18 by the employer.

19 (f) Absences without pay, other than formal leaves of
20 absence, of less than 30 calendar days, are not considered as
21 an interruption of a person's status as an employee. If such
22 absences during any period of 12 months exceed 30 work days,
23 the employee status of the person is considered as interrupted
24 as of the 31st work day.

25 (g) A staff member whose employment contract requires
26 services during an academic term is to be considered an

1 employee during the summer and other vacation periods, unless
2 he or she declines an employment contract for the succeeding
3 academic term or his or her employment status is otherwise
4 terminated, and he or she receives no earnings during these
5 periods.

6 (h) An individual who was a participating employee employed
7 in the fire department of the University of Illinois's
8 Champaign-Urbana campus immediately prior to the elimination
9 of that fire department and who immediately after the
10 elimination of that fire department became employed by the fire
11 department of the City of Urbana or the City of Champaign shall
12 continue to be considered as an employee for purposes of this
13 Article for so long as the individual remains employed as a
14 firefighter by the City of Urbana or the City of Champaign. The
15 individual shall cease to be considered an employee under this
16 subsection (h) upon the first termination of the individual's
17 employment as a firefighter by the City of Urbana or the City
18 of Champaign.

19 (i) An individual who is employed on a full-time basis as
20 an officer or employee of a statewide teacher organization that
21 serves System participants or an officer of a national teacher
22 organization that serves System participants may participate
23 in the System and shall be deemed an employee, provided that
24 (1) the individual has previously earned creditable service
25 under this Article, (2) the individual files with the System an
26 irrevocable election to become a participant, and (3) the

1 individual does not receive credit for that employment under
2 any other Article of this Code. An employee under this
3 subsection (i) is responsible for paying to the System both (A)
4 employee contributions based on the actual compensation
5 received for service with the teacher organization and (B)
6 employer contributions equal to the normal costs (as defined in
7 Section 15-155) resulting from that service; all or any part of
8 these contributions may be paid on the employee's behalf or
9 picked up for tax purposes (if authorized under federal law) by
10 the teacher organization.

11 A person who is an employee as defined in this subsection
12 (i) may establish service credit for similar employment prior
13 to becoming an employee under this subsection by paying to the
14 System for that employment the contributions specified in this
15 subsection, plus interest at the effective rate from the date
16 of service to the date of payment. However, credit shall not be
17 granted under this subsection for any such prior employment for
18 which the applicant received credit under any other provision
19 of this Code, or during which the applicant was on a leave of
20 absence under Section 15-113.2.

21 (j) A person employed by the State Board of Higher
22 Education in a position with the Illinois Century Network as of
23 June 30, 2004 shall be considered to be an employee for so long
24 as he or she remains continuously employed after that date by
25 the Department of Central Management Services in a position
26 with the Illinois Century Network, the Bureau of Communication

1 and Computer Services, or, if applicable, any successor bureau
2 and meets the requirements of subsection (a).

3 (Source: P.A. 93-347, eff. 7-24-03; 93-839, eff. 7-30-04.)

4 (40 ILCS 5/9-168 rep.)

5 (40 ILCS 5/9-205 rep.)

6 (40 ILCS 5/9-206 rep.)

7 (40 ILCS 5/9-207 rep.)

8 (40 ILCS 5/9-208 rep.)

9 (40 ILCS 5/9-209 rep.)

10 (40 ILCS 5/9-210 rep.)

11 (40 ILCS 5/9-211 rep.)

12 (40 ILCS 5/9-212 rep.)

13 (40 ILCS 5/9-213 rep.)

14 (40 ILCS 5/9-214 rep.)

15 (40 ILCS 5/9-215 rep.)

16 Section 10. The Illinois Pension Code is amended by
17 repealing Sections 9-168, 9-205, 9-206, 9-207, 9-208, 9-209,
18 9-210, 9-211, 9-212, 9-213, 9-214, and 9-215.

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.31 as follows:

21 (30 ILCS 805/8.31 new)

22 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
23 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this amendatory Act of
2 the 95th General Assembly.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.".