



Adopted in House Comm. on May 29, 2007

09500SB1380ham001

LRB095 10799 AMC 37291 a

1 AMENDMENT TO SENATE BILL 1380

2 AMENDMENT NO. _____. Amend Senate Bill 1380 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by adding
5 Sections 3-110.9, 8-226.7, and 9-121.17 and by changing
6 Sections 5-146, 5-147, 5-152, and 7-139 as follows:

7 (40 ILCS 5/3-110.9 new)

8 Sec. 3-110.9. Transfer to Article 9.

9 (a) Until 6 months after the effective date of this
10 amendatory Act of the 95th General Assembly, any active member
11 of a pension fund established under Article 9 of this Code may
12 apply for transfer of up to 6 years of his or her creditable
13 service accumulated in any police pension fund under this
14 Article to the Article 9 fund. Such creditable service shall be
15 transferred only upon payment by such police pension fund to
16 the Article 9 fund of an amount equal to:

1 (1) the amounts accumulated to the credit of the
2 applicant on the books of the fund on the date of transfer;
3 and

4 (2) employer contributions in an amount equal to the
5 amount determined under subparagraph (1); and

6 (3) any interest paid by the applicant in order to
7 reinstate service.

8 Participation in the police pension fund shall terminate on
9 the date of transfer.

10 (b) Until 6 months after the effective date of this
11 amendatory Act of the 95th General Assembly, any active member
12 of an Article 9 fund may reinstate service that was terminated
13 by receipt of a refund, by payment to the police pension fund
14 of the amount of the refund with interest thereon at the rate
15 of 6% per year, compounded annually, from the date of refund to
16 the date of payment.

17 (40 ILCS 5/5-146) (from Ch. 108 1/2, par. 5-146)

18 Sec. 5-146. Wives and widows not entitled to annuities. The
19 following wives or widows have no right to annuity from the
20 fund:

21 (a) A wife or widow, married subsequent to the effective
22 date, of a policeman who dies in service, if the marriage
23 occurred less than one year prior to the policeman's death,
24 except with respect to a policeman who dies in the performance
25 of an act of duty, as provided in Section 5-147 in cases where

1 a widow entitled to an annuity remarries after age 60, or when
2 a widow entitled to an annuity remarries prior to attaining age
3 60 and the marriage is terminated, at any time thereafter, by
4 dissolution of marriage, declaration of invalidity of marriage
5 or the death of the husband; if after an evidentiary hearing,
6 however, the Board, at its sole discretion determines that
7 special circumstances exist warranting payment of a widow's
8 annuity, then and only then shall the Board have authority to
9 grant and award the annuity that would have been otherwise
10 available;

11 (b) A wife or widow of a policeman who withdraws, whether
12 or not he enters upon annuity, and dies out of service, if the
13 marriage occurred after the effective date and less than one
14 year prior to the policeman's death, and the widow was not his
15 wife while he was in service; if after an evidentiary hearing,
16 however, the Board, at its sole discretion determines that
17 special circumstances exist warranting payment of a widow's
18 annuity, then and only then shall the Board have authority to
19 grant and award the annuity that would have been otherwise
20 available;

21 (c) A wife or widow of a policeman who (1) has served 10 or
22 more years, (2) dies out of service after he has withdrawn, and
23 (3) has received a refund of the sums to his credit for
24 annuity, and such refund has not been repaid in accordance with
25 the other provisions of this Article;

26 (d) A wife or widow of a policeman who dies out of service

1 after he has withdrawn, and who has not served at least 10
2 years;

3 (e) A former wife of a policeman who has had a judgment of
4 dissolution of marriage from her policeman husband annulled,
5 vacated or set aside by court proceedings subsequent to the
6 policeman's death, unless (1) the proceedings were filed within
7 5 years after the date of dissolution of marriage, and within 1
8 year after the policeman's death, and (2) the board was made a
9 party to the proceedings;

10 (f) A widow of a policeman who died prior to January 1,
11 1922, if she had been denied a pension by the board of trustees
12 of any police pension fund existing in the city by operation of
13 any other law;

14 (g) A widow of a policeman who has been denied a pension or
15 annuity by the board created by this Article and who files a
16 petition for a rehearing, or files a second application for
17 annuity, unless the petition for rehearing or second
18 application is filed within 1 year from the date upon which the
19 annuity was denied by the board; provided, that in the case of
20 legal disability, the year of limitation shall begin on the day
21 after the termination of such disability.

22 (Source: P.A. 86-272.)

23 (40 ILCS 5/5-147) (from Ch. 108 1/2, par. 5-147)

24 Sec. 5-147. Widow's marriage to terminate annuity.

25 (a) Beginning on the effective date of this amendatory Act

1 of the 95th General Assembly, a widow's annuity shall no longer
2 be subject to termination or suspension under this Section due
3 to remarriage. Any widow's annuity that was previously
4 terminated or suspended under this Section by reason of
5 remarriage shall, upon application, be resumed as of the date
6 of the application, but in no event sooner than the effective
7 date of this amendatory Act. The resumption shall not be
8 retroactive. This subsection (a) applies regardless of whether
9 or not the deceased policeman was in service on or after the
10 effective date of this amendatory Act of the 95th General
11 Assembly.

12 (b) This subsection (b) does not apply on or after the
13 effective date of this amendatory Act of the 95th General
14 Assembly.

15 Any annuity granted to a widow shall be suspended when she
16 remarries, unless she remarries after attaining age 60 or the
17 annuity was granted under Section 5-144 and the remarriage
18 takes place after October 31, 1989. Except as otherwise
19 provided by this Section, if a widow remarries before reaching
20 age 60, annuity payment shall be suspended, but the widow's
21 annuity payments shall be resumed if the subsequent marriage
22 ends either by dissolution of marriage, declaration of
23 invalidity of marriage or the death of the husband. If a widow
24 remarries after attaining age 60, or the annuity was granted
25 under Section 5-144 and the remarriage takes place after June
26 1, 1990, regardless of whether or not the deceased policeman

1 was in service on or after the effective date of this
2 amendatory Act of 1991, the widow's annuity shall continue
3 without interruption.

4 If when a widow dies she has not received, in form of
5 annuity, an amount equal to the accumulated employee
6 contributions for widow's annuity, the difference between such
7 accumulated contributions and the sum received by her, along
8 with any part of the accumulated contributions for age and
9 service annuity remaining in the fund at her death shall be
10 refunded to the policemen's children, in equal parts to each;
11 provided, if any child is less than age 18, such part of any
12 such amount required to pay annuities to such children shall be
13 transferred to the child's annuity reserve. If no children or
14 descendants thereof survive the policeman, such refund shall be
15 paid to the estate of the policeman. In making refunds under
16 this Section, no interest shall be considered upon either the
17 total of annuity payments made or the amounts subject to
18 refund.

19 (Source: P.A. 86-1488.)

20 (40 ILCS 5/5-152) (from Ch. 108 1/2, par. 5-152)

21 Sec. 5-152. Child's annuity - Conditions - Amount. A
22 child's annuity shall be payable in the following cases of
23 policemen who die on or after the effective date: (a) A
24 policeman whose death results from injury incurred in the
25 performance of an act or acts of duty; (b) a policeman who dies

1 in service from any cause; (c) a policeman who withdraws upon
2 or after attainment of age 50 and who enters upon or is
3 eligible for annuity; (d) a present employee with at least 20
4 years of service who dies after withdrawal, whether or not he
5 has entered upon annuity.

6 A child to be eligible must have been born or legally
7 adopted before the policeman has withdrawn from service. In the
8 case of an adopted child, the policeman shall be married and
9 living with his wife at the time of the adoption, and the
10 proceedings for adoption must have been initiated at least 6
11 months prior to the policeman's death. The requirement that the
12 proceedings for adoption be initiated at least 6 months prior
13 to the policeman's death does not apply where death occurs as a
14 result of an act of duty.

15 Only one annuity shall be granted and paid for the benefit
16 of any child if both parents have been policemen.

17 The annuity shall be paid, without regard to the fact that
18 the death of the deceased policeman parent may have occurred
19 prior to the effective date of this amendatory Act of 1975, in
20 an amount equal to 10% of the annual maximum salary attached to
21 the classified civil service position of a first class
22 patrolman on July 1, 1975, or the date of the policeman's
23 death, whichever is later, for each child while a widow or
24 widower of the deceased policeman survives and in an amount
25 equal to 15% of the annual maximum salary attached to the
26 classified civil service position of a first class patrolman on

1 July 1, 1975, or the date of the policeman's death, whichever
2 is later, while no widow or widower shall survive, provided
3 that if the combined annuities for the widow and children of a
4 policeman who dies on or after September 26, 1969, as the
5 result of an act of duty, or for the children of such policeman
6 in any case wherein a widow or widower does not exist, exceed
7 the salary that would ordinarily have been paid to him if he
8 had been in the active discharge of his duties, all such
9 annuities shall be reduced pro rata so that the combined
10 annuities for the family shall not exceed such limitation. The
11 compensation portion of the annuity of the widow shall not be
12 considered in making such reduction. No age limitation in this
13 Section or Section 5-151 shall apply to a child who is so
14 physically or mentally handicapped as to be unable to support
15 himself or herself. Benefits payable under this Section shall
16 not be reduced or terminated by reason of any child's
17 attainment of age 18 if he is then dependent by reason of a
18 physical or mental disability but shall continue to be paid as
19 long as such dependency continues. For the purposes of this
20 subsection, "disability" means inability to engage in any
21 substantial gainful activity by reason of any medically
22 determinable physical or mental impairment which can be
23 expected to result in death or which has lasted or can be
24 expected to last for a continuous period of not less than 12
25 months.

26 In the case of a family of a policeman who dies on or after

1 September 26, 1969, as the result of any cause other than the
2 performance of an act of duty, in which annuities for such
3 family exceed an amount equal to 60% of the salary that would
4 ordinarily have been paid to him if he had been in the active
5 discharge of his duties, all such annuities shall be reduced
6 pro rata so that the combined annuities shall not exceed such
7 limitation.

8 Child's annuity shall be paid to the parent providing for
9 the child, unless another person is appointed by a court of law
10 as the child's guardian.

11 (Source: P.A. 79-699; 79-881; 79-1454.)

12 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

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

18 1. For prior service: Each participating employee who
19 is an employee of a participating municipality or
20 participating instrumentality on the effective date shall
21 be granted creditable service, but no credits under
22 paragraph 2 of this subsection (a), for periods of prior
23 service for which credit has not been received under any
24 other pension fund or retirement system established under
25 this Code, as follows:

1 If the effective date of participation for the
2 participating municipality or participating
3 instrumentality is on or before January 1, 1998, creditable
4 service shall be granted for the entire period of prior
5 service with that employer without any employee
6 contribution.

7 If the effective date of participation for the
8 participating municipality or participating
9 instrumentality is after January 1, 1998, creditable
10 service shall be granted for the last 20% of the period of
11 prior service with that employer, but no more than 5 years,
12 without any employee contribution. A participating
13 employee may establish creditable service for the
14 remainder of the period of prior service with that employer
15 by making an application in writing, accompanied by payment
16 of an employee contribution in an amount determined by the
17 Fund, based on the employee contribution rates in effect at
18 the time of application for the creditable service and the
19 employee's salary rate on the effective date of
20 participation for that employer, plus interest at the
21 effective rate from the date of the prior service to the
22 date of payment. Application for this creditable service
23 may be made at any time while the employee is still in
24 service.

25 A municipality that (i) has at least 35 employees; (ii)
26 is located in a county with at least 2,000,000 inhabitants;

1 and (iii) maintains an independent defined benefit pension
2 plan for the benefit of its eligible employees may restrict
3 creditable service in whole or in part for periods of prior
4 service with the employer if the governing body of the
5 municipality adopts an irrevocable resolution to restrict
6 that creditable service and files the resolution with the
7 board before the municipality's effective date of
8 participation.

9 Any person who has withdrawn from the service of a
10 participating municipality or participating
11 instrumentality prior to the effective date, who reenters
12 the service of the same municipality or participating
13 instrumentality after the effective date and becomes a
14 participating employee is entitled to creditable service
15 for prior service as otherwise provided in this subdivision
16 (a)(1) only if he or she renders 2 years of service as a
17 participating employee after the effective date.
18 Application for such service must be made while in a
19 participating status. The salary rate to be used in the
20 calculation of the required employee contribution, if any,
21 shall be the employee's salary rate at the time of first
22 reentering service with the employer after the employer's
23 effective date of participation.

24 2. For current service, each participating employee
25 shall be credited with:

26 a. Additional credits of amounts equal to each

1 payment of additional contributions received from him
2 under Section 7-173, as of the date the corresponding
3 payment of earnings is payable to him.

4 b. Normal credits of amounts equal to each payment
5 of normal contributions received from him, as of the
6 date the corresponding payment of earnings is payable
7 to him, and normal contributions made for the purpose
8 of establishing out-of-state service credits as
9 permitted under the conditions set forth in paragraph 6
10 of this subsection (a).

11 c. Municipality credits in an amount equal to 1.4
12 times the normal credits, except those established by
13 out-of-state service credits, as of the date of
14 computation of any benefit if these credits would
15 increase the benefit.

16 d. Survivor credits equal to each payment of
17 survivor contributions received from the participating
18 employee as of the date the corresponding payment of
19 earnings is payable, and survivor contributions made
20 for the purpose of establishing out-of-state service
21 credits.

22 3. For periods of temporary and total and permanent
23 disability benefits, each employee receiving disability
24 benefits shall be granted creditable service for the period
25 during which disability benefits are payable. Normal and
26 survivor credits, based upon the rate of earnings applied

1 for disability benefits, shall also be granted if such
2 credits would result in a higher benefit to any such
3 employee or his beneficiary.

4 4. For authorized leave of absence without pay: A
5 participating employee shall be granted credits and
6 creditable service for periods of authorized leave of
7 absence without pay under the following conditions:

8 a. An application for credits and creditable
9 service is submitted to the board while the employee is
10 in a status of active employment, and within 2 years
11 after termination of the leave of absence period for
12 which credits and creditable service are sought.

13 b. Not more than 12 complete months of creditable
14 service for authorized leave of absence without pay
15 shall be counted for purposes of determining any
16 benefits payable under this Article.

17 c. Credits and creditable service shall be granted
18 for leave of absence only if such leave is approved by
19 the governing body of the municipality, including
20 approval of the estimated cost thereof to the
21 municipality as determined by the fund, and employee
22 contributions, plus interest at the effective rate
23 applicable for each year from the end of the period of
24 leave to date of payment, have been paid to the fund in
25 accordance with Section 7-173. The contributions shall
26 be computed upon the assumption earnings continued

1 during the period of leave at the rate in effect when
2 the leave began.

3 d. Benefits under the provisions of Sections
4 7-141, 7-146, 7-150 and 7-163 shall become payable to
5 employees on authorized leave of absence, or their
6 designated beneficiary, only if such leave of absence
7 is creditable hereunder, and if the employee has at
8 least one year of creditable service other than the
9 service granted for leave of absence. Any employee
10 contributions due may be deducted from any benefits
11 payable.

12 e. No credits or creditable service shall be
13 allowed for leave of absence without pay during any
14 period of prior service.

15 5. For military service: The governing body of a
16 municipality or participating instrumentality may elect to
17 allow creditable service to participating employees who
18 leave their employment to serve in the armed forces of the
19 United States for all periods of such service, provided
20 that the person returns to active employment within 90 days
21 after completion of full time active duty, but no
22 creditable service shall be allowed such person for any
23 period that can be used in the computation of a pension or
24 any other pay or benefit, other than pay for active duty,
25 for service in any branch of the armed forces of the United
26 States. If necessary to the computation of any benefit, the

1 board shall establish municipality credits for
2 participating employees under this paragraph on the
3 assumption that the employee received earnings at the rate
4 received at the time he left the employment to enter the
5 armed forces. A participating employee in the armed forces
6 shall not be considered an employee during such period of
7 service and no additional death and no disability benefits
8 are payable for death or disability during such period.

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

25 Notwithstanding the foregoing, any participating
26 employee shall be entitled to creditable service as

1 required by any federal law relating to re-employment
2 rights of persons who served in the United States Armed
3 Services. Such creditable service shall be granted upon
4 payment by the member of an amount equal to the employee
5 contributions which would have been required had the
6 employee continued in service at the same rate of earnings
7 during the military leave period, plus interest at the
8 effective rate.

9 5.1. In addition to any creditable service established
10 under paragraph 5 of this subsection (a), creditable
11 service may be granted for up to 24 months of service in
12 the armed forces of the United States.

13 In order to receive creditable service for military
14 service under this paragraph 5.1, a participating employee
15 must (1) apply to the Fund in writing and provide evidence
16 of the military service that is satisfactory to the Board;
17 (2) obtain the written approval of the current employer;
18 and (3) make contributions to the Fund equal to (i) the
19 employee contributions that would have been required had
20 the service been rendered as a member, plus (ii) an amount
21 determined by the board to be equal to the employer's
22 normal cost of the benefits accrued for that military
23 service, plus (iii) interest on items (i) and (ii) from the
24 date of first membership in the Fund to the date of
25 payment. If payment is made during the 6-month period that
26 begins 3 months after the effective date of this amendatory

1 Act of 1997, the required interest shall be at the rate of
2 2.5% per year, compounded annually; otherwise, the
3 required interest shall be calculated at the regular
4 interest rate.

5 6. For out-of-state service: Creditable service shall
6 be granted for service rendered to an out-of-state local
7 governmental body under the following conditions: The
8 employee had participated and has irrevocably forfeited
9 all rights to benefits in the out-of-state public employees
10 pension system; the governing body of his participating
11 municipality or instrumentality authorizes the employee to
12 establish such service; the employee has 2 years current
13 service with this municipality or participating
14 instrumentality; the employee makes a payment of
15 contributions, which shall be computed at 8% (normal) plus
16 2% (survivor) times length of service purchased times the
17 average rate of earnings for the first 2 years of service
18 with the municipality or participating instrumentality
19 whose governing body authorizes the service established
20 plus interest at the effective rate on the date such
21 credits are established, payable from the date the employee
22 completes the required 2 years of current service to date
23 of payment. In no case shall more than 120 months of
24 creditable service be granted under this provision.

25 7. For retroactive service: Any employee who could have
26 but did not elect to become a participating employee, or

1 who should have been a participant in the Municipal Public
2 Utilities Annuity and Benefit Fund before that fund was
3 superseded, may receive creditable service for the period
4 of service not to exceed 50 months; however, a current or
5 former elected or appointed official of a participating
6 municipality may establish credit under this paragraph 7
7 for more than 50 months of service as an official of that
8 municipality, if the excess over 50 months is approved by
9 resolution of the governing body of the affected
10 municipality filed with the Fund before January 1, 2002.

11 Any employee who is a participating employee on or
12 after September 24, 1981 and who was excluded from
13 participation by the age restrictions removed by Public Act
14 82-596 may receive creditable service for the period, on or
15 after January 1, 1979, excluded by the age restriction and,
16 in addition, if the governing body of the participating
17 municipality or participating instrumentality elects to
18 allow creditable service for all employees excluded by the
19 age restriction prior to January 1, 1979, for service
20 during the period prior to that date excluded by the age
21 restriction. Any employee who was excluded from
22 participation by the age restriction removed by Public Act
23 82-596 and who is not a participating employee on or after
24 September 24, 1981 may receive creditable service for
25 service after January 1, 1979. Creditable service under
26 this paragraph shall be granted upon payment of the

1 employee contributions which would have been required had
2 he participated, with interest at the effective rate for
3 each year from the end of the period of service established
4 to date of payment.

5 8. For accumulated unused sick leave: A participating
6 employee who is applying for a retirement annuity shall be
7 entitled to creditable service for that portion of the
8 employee's accumulated unused sick leave for which payment
9 is not received, as follows:

10 a. Sick leave days shall be limited to those
11 accumulated under a sick leave plan established by a
12 participating municipality or participating
13 instrumentality which is available to all employees or
14 a class of employees.

15 b. Only sick leave days accumulated with a
16 participating municipality or participating
17 instrumentality with which the employee was in service
18 within 60 days of the effective date of his retirement
19 annuity shall be credited; If the employee was in
20 service with more than one employer during this period
21 only the sick leave days with the employer with which
22 the employee has the greatest number of unpaid sick
23 leave days shall be considered.

24 c. The creditable service granted shall be
25 considered solely for the purpose of computing the
26 amount of the retirement annuity and shall not be used

1 to establish any minimum service period required by any
2 provision of the Illinois Pension Code, the effective
3 date of the retirement annuity, or the final rate of
4 earnings.

5 d. The creditable service shall be at the rate of
6 1/20 of a month for each full sick day, provided that
7 no more than 12 months may be credited under this
8 subdivision 8.

9 e. Employee contributions shall not be required
10 for creditable service under this subdivision 8.

11 f. Each participating municipality and
12 participating instrumentality with which an employee
13 has service within 60 days of the effective date of his
14 retirement annuity shall certify to the board the
15 number of accumulated unpaid sick leave days credited
16 to the employee at the time of termination of service.

17 9. For service transferred from another system:
18 Credits and creditable service shall be granted for service
19 under Article 3, 4, 5, 8, 14, or 16 of this Act, to any
20 active member of this Fund, and to any inactive member who
21 has been a county sheriff, upon transfer of such credits
22 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,
23 14-105.6, or 16-131.4, and payment by the member of the
24 amount by which (1) the employer and employee contributions
25 that would have been required if he had participated in
26 this Fund as a sheriff's law enforcement employee during

1 the period for which credit is being transferred, plus
2 interest thereon at the effective rate for each year,
3 compounded annually, from the date of termination of the
4 service for which credit is being transferred to the date
5 of payment, exceeds (2) the amount actually transferred to
6 the Fund. Such transferred service shall be deemed to be
7 service as a sheriff's law enforcement employee for the
8 purposes of Section 7-142.1.

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

26 The board shall establish by rule the manner of making

1 the calculation required under this paragraph 10, taking
2 into account the appropriate actuarial assumptions; the
3 member's service, age, and salary history; the level of
4 funding of the employer; and any other factors that the
5 board determines to be relevant.

6 (b) Creditable service - amount:

7 1. One month of creditable service shall be allowed for
8 each month for which a participating employee made
9 contributions as required under Section 7-173, or for which
10 creditable service is otherwise granted hereunder. Not
11 more than 1 month of service shall be credited and counted
12 for 1 calendar month, and not more than 1 year of service
13 shall be credited and counted for any calendar year. A
14 calendar month means a nominal month beginning on the first
15 day thereof, and a calendar year means a year beginning
16 January 1 and ending December 31.

17 2. A seasonal employee shall be given 12 months of
18 creditable service if he renders the number of months of
19 service normally required by the position in a 12-month
20 period and he remains in service for the entire 12-month
21 period. Otherwise a fractional year of service in the
22 number of months of service rendered shall be credited.

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

26 (c) No application for correction of credits or creditable

1 service shall be considered unless the board receives an
2 application for correction while (1) the applicant is a
3 participating employee and in active employment with a
4 participating municipality or instrumentality, or (2) while
5 the applicant is actively participating in a pension fund or
6 retirement system which is a participating system under the
7 Retirement Systems Reciprocal Act. A participating employee or
8 other applicant shall not be entitled to credits or creditable
9 service unless the required employee contributions are made in
10 a lump sum or in installments made in accordance with board
11 rule.

12 (d) Upon the granting of a retirement, surviving spouse or
13 child annuity, a death benefit or a separation benefit, on
14 account of any employee, all individual accumulated credits
15 shall thereupon terminate. Upon the withdrawal of additional
16 contributions, the credits applicable thereto shall thereupon
17 terminate. Terminated credits shall not be applied to increase
18 the benefits any remaining employee would otherwise receive
19 under this Article.

20 (Source: P.A. 93-933, eff. 8-13-04; 94-356, eff. 7-29-05.)

21 (40 ILCS 5/8-226.7 new)

22 Sec. 8-226.7. Transfer to Article 7. Until 6 months after
23 the effective date of this amendatory Act of the 95th General
24 Assembly, any member who is a sheriff's law enforcement
25 employee under Article 7 of this Code who is eligible to

1 transfer service credit to that Fund from this Fund under
2 paragraph (9) of subsection (a) of Section 7-139 may apply for
3 transfer of that service credit to the Illinois Municipal
4 Retirement Fund. The credits and creditable service shall be
5 transferred upon application, and shall include payment by this
6 Fund to the Illinois Municipal Retirement Fund of:

7 (1) the amounts accumulated to the credit of the
8 applicant for that service, including interest, on the
9 books of the Fund on the date of transfer; and

10 (2) the corresponding employer credits computed and
11 credited for that service under this Article, including
12 interest, on the books of the Fund on the date of transfer.

13 Participation in this Fund as to the credits transferred
14 under this Section shall terminate on the date of transfer.

15 (40 ILCS 5/9-121.17 new)

16 Sec. 9-121.17. Transfer from Article 3. Until 6 months
17 after the effective date, an employee may transfer to this Fund
18 up to 6 years of creditable service accumulated under Article 3
19 of this Code, upon payment to this Fund of (1) the amount by
20 which the employee and employer contributions that would have
21 been required if the employee had participated in this Fund
22 during the period for which credit is being transferred, plus
23 interest, exceeds the amount actually transferred from the
24 Article 3 fund to this Fund, plus (2) interest on the amount
25 determined under item (1) at the rate of 6% per year,

1 compounded annually, from the date of the transfer to the date
2 of payment.

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.31 as follows:

5 (30 ILCS 805/8.31 new)

6 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
7 of this Act, no reimbursement by the State is required for the
8 implementation of any mandate created by this amendatory Act of
9 the 95th General Assembly.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.".