

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 14-119 and 14-121 as follows:

6 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

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

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

15 (b) If an eligible widow, regardless of age, has in her
16 care any unmarried child or children of the member under age 18
17 (under age 22 if a full-time student), the widow's annuity
18 shall be increased in the amount of 5% of the retirement
19 annuity for each such child, but the combined payments for a
20 widow and children shall not exceed 66 2/3% of the member's
21 earned retirement annuity.

22 The amount of retirement annuity from which the widow's
23 annuity is derived shall be that earned by the member without

1 regard to whether he attained age 60 prior to his withdrawal
2 under the conditions stated or prior to his death.

3 (c) Marriage of a child shall render the child ineligible
4 for further consideration in the increase in the amount of the
5 widow's annuity.

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

11 (d) Except as otherwise provided in this subsection (d), a
12 ~~A~~ widow's annuity payable on account of any covered employee
13 who has ~~shall have~~ been a covered employee for at least 18
14 months shall be reduced by 1/2 of the amount of survivors
15 benefits to which his beneficiaries are eligible under the
16 provisions of the Federal Social Security Act, except that (1)
17 the amount of any widow's annuity payable under this Article
18 shall not be reduced by reason of any increase under that Act
19 which occurs after the offset required by this subsection is
20 first applied to that annuity, and (2) for benefits granted on
21 or after January 1, 1992, the offset under this subsection (d)
22 shall not exceed 50% of the amount of widow's annuity otherwise
23 payable.

24 Beginning July 1, 2009, the offset under this subsection
25 (d) shall no longer be applied to any widow's annuity of any
26 person who began receiving retirement benefits or a widow's

1 annuity prior to January 1, 1998.

2 Beginning July 1, 2009, the offset under this subsection
3 (d) shall no longer be applied to the widow's annuity of any
4 person who began receiving a widow's annuity on or after
5 January 1, 1998 and before the effective date of this
6 amendatory Act of the 95th General Assembly.

7 Any person who began receiving retirement benefits after
8 January 1, 1998 and before the effective date of this
9 amendatory Act of the 95th General Assembly may, during a
10 one-time election period established by the System, elect to
11 reduce his or her retirement annuity by 1% in exchange for not
12 having the offset under this subsection (d) applied to his or
13 her widow's annuity.

14 Any employee in service on the effective date of this
15 amendatory Act of the 95th General Assembly may, at the time of
16 retirement, elect to reduce his or her retirement annuity by 1%
17 in exchange for not having the offset under this subsection (d)
18 applied to his or her widow's annuity.

19 If a widow's annuity is payable to the widow of an employee
20 based on the employee's death in service, then the offset under
21 this subsection (d) shall no longer applied to the widow's
22 annuity.

23 (e) Upon the death of a recipient of a widow's annuity the
24 excess, if any, of the member's accumulated contributions plus
25 credited interest over all annuity payments to the member and
26 widow, exclusive of the \$500 lump sum payment, shall be paid to

1 the named beneficiary of the widow, or if none has been named,
2 to the estate of the widow, provided no reversionary annuity is
3 payable.

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

18 (g) Beginning January 1, 1990, every widow's annuity shall
19 be increased (1) on each January 1 occurring on or after the
20 commencement of the annuity if the deceased member died while
21 receiving a retirement annuity, or (2) in other cases, on each
22 January 1 occurring on or after the first anniversary of the
23 commencement of the annuity, by an amount equal to 3% of the
24 current amount of the annuity, including any previous increases
25 under this Article. Such increases shall apply without regard
26 to whether the deceased member was in service on or after the

1 effective date of Public Act 86-1488, but shall not accrue for
2 any period prior to January 1, 1990.

3 (Source: P.A. 95-279, eff. 1-1-08.)

4 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

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

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

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

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

1 each child, and 10% of final average compensation divided pro
2 rata among all such children entitled to such annuity, subject
3 to a maximum payment to all children combined of \$600 per month
4 or 80% of the member's final average compensation, whichever is
5 the lesser.

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

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

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

25 (g) Except as otherwise provided in this subsection (g), a
26 survivors annuity payable on account of any covered employee

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

12 Beginning July 1, 2009, the offset under this subsection
13 (g) shall no longer be applied to any survivors annuity of any
14 person who began receiving retirement benefits or a survivors
15 annuity prior to January 1, 1998.

16 Beginning July 1, 2009, the offset under this subsection
17 (g) shall no longer be applied to the survivors annuity of any
18 person who began receiving a survivors annuity on or after
19 January 1, 1998 and before the effective date of this
20 amendatory Act of the 95th General Assembly.

21 Any person who began receiving retirement benefits after
22 January 1, 1998 and before the effective date of this
23 amendatory Act of the 95th General Assembly may, during a
24 one-time election period established by the System, elect to
25 reduce his or her retirement annuity by 1% in exchange for not
26 having the offset under this subsection (g) applied to his or

1 her survivors annuity.

2 Any employee in service on the effective date of this
3 amendatory Act of the 95th General Assembly may, at the time of
4 retirement, elect to reduce his or her retirement annuity by 1%
5 in exchange for not having the offset under this subsection (g)
6 applied to his or her survivors annuity.

7 If a survivors annuity is payable to the widow of an
8 employee based on the employee's death in service, then the
9 offset under this subsection (g) shall no longer applied to the
10 survivors annuity.

11 (h) The minimum payment to a beneficiary hereunder shall be
12 \$60 per month, which shall be reduced in accordance with the
13 limitation prescribed on the combined payments to all
14 beneficiaries of a member.

15 (i) Subject to the conditions set forth in Section 14-120,
16 the minimum total survivors annuity benefit payable to the
17 survivors annuity beneficiaries of a deceased member or
18 annuitant whose death occurs on or after January 1, 1984, shall
19 be 50% of the amount of retirement annuity that was or would
20 have been payable to the deceased on the date of death,
21 regardless of the age of the deceased on such date. If the
22 minimum total benefit provided by this subsection exceeds the
23 maximum otherwise imposed by this Section, the minimum total
24 benefit shall nevertheless be payable. Any increase in the
25 total survivors annuity benefit resulting from the operation of
26 this subsection shall be divided among the survivors annuity

1 beneficiaries of the deceased in proportion to their shares of
2 the total survivors annuity benefit otherwise payable under
3 this Section.

4 (j) Any survivors annuity beneficiary whose annuity
5 terminates due to any condition specified in this Article other
6 than death shall be entitled to a refund of the excess, if any,
7 of the accumulated contributions of the member plus credited
8 interest over all payments to the member and beneficiary or
9 beneficiaries, exclusive of the single sum payment of \$1,000,
10 provided no future survivors or reversionary annuity benefits
11 are payable.

12 (k) Upon the death of the last eligible recipient of a
13 survivors annuity the excess, if any, of the member's
14 accumulated contributions plus credited interest over all
15 annuity payments to the member and survivors exclusive of the
16 single sum payment of \$1000, shall be paid to the named
17 beneficiary of the last eligible survivor, or if none has been
18 named, to the estate of the last eligible survivor, provided no
19 reversionary annuity is payable.

20 (l) On January 1, 1981, any survivor who was receiving a
21 survivors annuity on or before January 1, 1971, shall have his
22 survivors annuity then being paid increased by 1% for each full
23 year which has elapsed from the date the annuity began. On
24 January 1, 1982, any survivor who began receiving a survivor's
25 annuity after January 1, 1971, but before January 1, 1981,
26 shall have his survivor's annuity then being paid increased by

1 1% for each full year that has elapsed from the date the
2 annuity began. On January 1, 1987, any survivor who began
3 receiving a survivor's annuity on or before January 1, 1977,
4 shall have the monthly survivor's annuity increased by \$1 for
5 each full year which has elapsed since the date the survivor's
6 annuity began.

7 (m) Beginning January 1, 1990, every survivor's annuity
8 shall be increased (1) on each January 1 occurring on or after
9 the commencement of the annuity if the deceased member died
10 while receiving a retirement annuity, or (2) in other cases, on
11 each January 1 occurring on or after the first anniversary of
12 the commencement of the annuity, by an amount equal to 3% of
13 the current amount of the annuity, including any previous
14 increases under this Article. Such increases shall apply
15 without regard to whether the deceased member was in service on
16 or after the effective date of Public Act 86-1488, but shall
17 not accrue for any period prior to January 1, 1990.

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

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