



Sen. Kwame Raoul

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09500SB1985sam002

LRB095 14944 AMC 49171 a

1 AMENDMENT TO SENATE BILL 1985

2 AMENDMENT NO. _____. Amend Senate Bill 1985, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

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

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

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

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

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

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

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

11 (c) Marriage of a child shall render the child ineligible
12 for further consideration in the increase in the amount of the
13 widow's annuity.

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

19 (d) Except as otherwise provided in this subsection (d), a
20 ~~A~~ widow's annuity payable on account of any covered employee
21 who has ~~shall have~~ been a covered employee for at least 18
22 months shall be reduced by 1/2 of the amount of survivors
23 benefits to which his beneficiaries are eligible under the
24 provisions of the Federal Social Security Act, except that (1)
25 the amount of any widow's annuity payable under this Article
26 shall not be reduced by reason of any increase under that Act

1 which occurs after the offset required by this subsection is
2 first applied to that annuity, and (2) for benefits granted on
3 or after January 1, 1992, the offset under this subsection (d)
4 shall not exceed 50% of the amount of widow's annuity otherwise
5 payable.

6 Beginning July 1, 2009, the offset under this subsection
7 (d) shall no longer be applied to any widow's annuity of any
8 person who began receiving retirement benefits or a widow's
9 annuity prior to January 1, 1998.

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

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

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

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

5 (e) Upon the death of a recipient of a widow's annuity the
6 excess, if any, of the member's accumulated contributions plus
7 credited interest over all annuity payments to the member and
8 widow, exclusive of the \$500 lump sum payment, shall be paid to
9 the named beneficiary of the widow, or if none has been named,
10 to the estate of the widow, provided no reversionary annuity is
11 payable.

12 (f) On January 1, 1981, any recipient of a widow's annuity
13 who was receiving a widow's annuity on or before January 1,
14 1971, shall have her widow's annuity then being paid increased
15 by 1% for each full year which has elapsed from the date the
16 widow's annuity began. On January 1, 1982, any recipient of a
17 widow's annuity who began receiving a widow's annuity after
18 January 1, 1971, but before January 1, 1981, shall have her
19 widow's annuity then being paid increased by 1% for each full
20 year which has elapsed from the date the widow's annuity began.
21 On January 1, 1987, any recipient of a widow's annuity who
22 began receiving the widow's annuity on or before January 1,
23 1977, shall have the monthly widow's annuity increased by \$1
24 for each full year which has elapsed since the date the annuity
25 began.

26 (g) Beginning January 1, 1990, every widow's annuity shall

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

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

12 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

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

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

22 (b) If an eligible child or children under the care of a
23 spouse also survives the member, such spouse as natural
24 guardian of the child or children shall receive, in addition to
25 the foregoing annuity, 20% of final average compensation on

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

6 (c) If the survivors annuity beneficiary or beneficiaries
7 consists of an unmarried child or children, the amount of
8 survivors annuity shall be 20% of final average compensation to
9 each child, and 10% of final average compensation divided pro
10 rata among all such children entitled to such annuity, subject
11 to a maximum payment to all children combined of \$600 per month
12 or 80% of the member's final average compensation, whichever is
13 the lesser.

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

20 (e) The survivors annuity to the spouse, children or
21 dependent parents of a member whose death occurs after the date
22 of last withdrawal, or after retirement, or while in service
23 following reentry into service after retirement but before
24 completing 1 1/2 years of additional creditable service, shall
25 not exceed the lesser of 80% of the member's earned retirement
26 annuity at the date of death or the maximum previously

1 established in this Section.

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

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

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

24 Beginning July 1, 2009, the offset under this subsection
25 (g) shall no longer be applied to the survivors annuity of any
26 person who began receiving a survivors annuity on or after

1 January 1, 1998 and before the effective date of this
2 amendatory Act of the 95th General Assembly.

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

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

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

19 (h) The minimum payment to a beneficiary hereunder shall be
20 \$60 per month, which shall be reduced in accordance with the
21 limitation prescribed on the combined payments to all
22 beneficiaries of a member.

23 (i) Subject to the conditions set forth in Section 14-120,
24 the minimum total survivors annuity benefit payable to the
25 survivors annuity beneficiaries of a deceased member or
26 annuitant whose death occurs on or after January 1, 1984, shall

1 be 50% of the amount of retirement annuity that was or would
2 have been payable to the deceased on the date of death,
3 regardless of the age of the deceased on such date. If the
4 minimum total benefit provided by this subsection exceeds the
5 maximum otherwise imposed by this Section, the minimum total
6 benefit shall nevertheless be payable. Any increase in the
7 total survivors annuity benefit resulting from the operation of
8 this subsection shall be divided among the survivors annuity
9 beneficiaries of the deceased in proportion to their shares of
10 the total survivors annuity benefit otherwise payable under
11 this Section.

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

20 (k) Upon the death of the last eligible recipient of a
21 survivors annuity the excess, if any, of the member's
22 accumulated contributions plus credited interest over all
23 annuity payments to the member and survivors exclusive of the
24 single sum payment of \$1000, shall be paid to the named
25 beneficiary of the last eligible survivor, or if none has been
26 named, to the estate of the last eligible survivor, provided no

1 reversionary annuity is payable.

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

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

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".