



Sen. David Koehler

Filed: 5/30/2009

09600HB3606sam002

LRB096 11400 AMC 27773 a

1 AMENDMENT TO HOUSE BILL 3606

2 AMENDMENT NO. _____. Amend House Bill 3606, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Pension Code is amended by
6 changing Sections 2-121, 3-109, 4-109.1, 7-141.1, and 14-104 as
7 follows:

8 (40 ILCS 5/2-121) (from Ch. 108 1/2, par. 2-121)

9 Sec. 2-121. Survivor's annuity - conditions for payment.

10 (a) A survivor's annuity shall be payable to a surviving
11 spouse or eligible child (1) upon the death in service of a
12 participant with at least 2 years of service credit, or (2)
13 upon the death of an annuitant in receipt of a retirement
14 annuity, or (3) upon the death of a participant who terminated
15 service with at least 4 years of service credit.

16 The change in this subsection (a) made by this amendatory

1 Act of 1995 applies to survivors of participants who die on or
2 after December 1, 1994, without regard to whether or not the
3 participant was in service on or after the effective date of
4 this amendatory Act of 1995.

5 (b) To be eligible for the survivor's annuity, the spouse
6 and the participant or annuitant must have been married for a
7 continuous period of at least one year immediately preceding
8 the date of death, but need not have been married on the day of
9 the participant's last termination of service, regardless of
10 whether such termination occurred prior to the effective date
11 of this amendatory Act of 1985.

12 (c) The annuity shall be payable beginning on the date of a
13 participant's death, or the first of the month following an
14 annuitant's death, if the spouse is then age 50 or over, or
15 beginning at age 50 if the spouse is then under age 50. If an
16 eligible child or children of the participant or annuitant (or
17 a child or children of the eligible spouse meeting the criteria
18 of item (1), (2), or (3) of subsection (d) of this Section)
19 also survive, and the child or children are under the care of
20 the eligible spouse, the annuity shall begin as of the date of
21 a participant's death, or the first of the month following an
22 annuitant's death, without regard to the spouse's age.

23 The change to this subsection made by this amendatory Act
24 of 1998 (relating to children of an eligible spouse) applies to
25 the eligible spouse of a participant or annuitant who dies on
26 or after the effective date of this amendatory Act, without

1 regard to whether the participant or annuitant is in service on
2 or after that effective date.

3 (c-5) Upon the death in service of a participant during the
4 90th General Assembly, the survivor's annuity shall be payable
5 prior to age 50, notwithstanding subsection (c) of this
6 Section, provided that the deceased participant had at least 6
7 years of service. This subsection (c-5) applies to the eligible
8 spouse of a deceased participant without regard to whether the
9 deceased participant was in service on or after the effective
10 date of this amendatory Act of the 96th General Assembly, and
11 retroactive benefits may be paid for periods of eligibility
12 after February 28, 2009.

13 (d) For the purposes of this Section and Section 2-121.1,
14 "eligible child" means a child of the deceased participant or
15 annuitant who is at least one of the following:

16 (1) unmarried and under the age of 18;

17 (2) unmarried, a full-time student, and under the age
18 of 22;

19 (3) dependent by reason of physical or mental
20 disability.

21 The inclusion of unmarried students under age 22 in the
22 calculation of survivor's annuities by this amendatory Act of
23 1991 shall apply to all eligible students beginning January 1,
24 1992, without regard to whether the deceased participant or
25 annuitant was in service on or after the effective date of this
26 amendatory Act of 1991.

1 (e) Remarriage of a surviving spouse prior to attainment of
2 age 55 shall disqualify the surviving spouse from the receipt
3 of a survivor's annuity, if the remarriage occurs before the
4 effective date of this amendatory Act of the 91st General
5 Assembly.

6 The changes made to this subsection by this amendatory Act
7 of the 91st General Assembly (pertaining to remarriage prior to
8 age 55) apply without regard to whether the deceased
9 participant or annuitant was in service on or after the
10 effective date of this amendatory Act.

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

12 (40 ILCS 5/3-109) (from Ch. 108 1/2, par. 3-109)

13 Sec. 3-109. Persons excluded.

14 (a) The following persons shall not be eligible to
15 participate in a fund created under this Article:

16 (1) part-time police officers, special police
17 officers, night watchmen, temporary employees, traffic
18 guards or so-called auxiliary police officers specially
19 appointed to aid or direct traffic at or near schools or
20 public functions, or to aid in civil defense, municipal
21 parking lot attendants, clerks or other civilian employees
22 of a police department who perform clerical duties
23 exclusively;

24 (2) any police officer who fails to pay the
25 contributions required under Section 3-125.1, computed (i)

1 for funds established prior to August 5, 1963, from the
2 date the municipality established the fund or the date of a
3 police officer's first appointment (including an
4 appointment on probation), whichever is later, or (ii) for
5 funds established after August 5, 1963, from the date, as
6 determined from the statistics or census provided in
7 Section 3-103, the municipality became subject to this
8 Article by attaining the minimum population or by
9 referendum, or the date of a police officer's first
10 appointment (including an appointment on probation),
11 whichever is later, and continuing during his or her entire
12 service as a police officer; and

13 (3) any person who has elected under Section 3-109.1 to
14 participate in the Illinois Municipal Retirement Fund
15 rather than in a fund established under this Article,
16 without regard to whether the person continues to be
17 employed as chief of police or is employed in some other
18 rank or capacity within the police department, unless the
19 person has lawfully rescinded that election.

20 (b) A police officer who is reappointed shall, before being
21 declared eligible to participate in the pension fund, repay to
22 the fund as required by Section 3-124 any refund received
23 thereunder.

24 (c) Any person otherwise qualified to participate who was
25 excluded from participation by reason of the age restriction
26 removed by Public Act 79-1165 may elect to participate by

1 making a written application to the Board before January 1,
2 1990. Persons so electing shall begin participation on the
3 first day of the month following the date of application. Such
4 persons may also elect to establish creditable service for
5 periods of employment as a police officer during which they did
6 not participate by paying into the police pension fund, before
7 January 1, 1990, the amount that the person would have
8 contributed had deductions from salary been made for such
9 purpose at the time such service was rendered, together with
10 interest thereon at 6% per annum from the time such service was
11 rendered until the date the payment is made.

12 (d) A person otherwise qualified to participate who was
13 excluded from participation by reason of the fitness
14 requirement removed by this amendatory Act of 1995 may elect to
15 participate by making a written application to the Board before
16 July 1, 1996. Persons so electing shall begin participation on
17 the first day of the month following the month in which the
18 application is received by the Board. These persons may also
19 elect to establish creditable service for periods of employment
20 as a police officer during which they did not participate by
21 paying into the police pension fund, before January 1, 1997,
22 the amount that the person would have contributed had
23 deductions from salary been made for this purpose at the time
24 the service was rendered, together with interest thereon at 6%
25 per annum, compounded annually, from the time the service was
26 rendered until the date of payment.

1 (e) A person employed by the Village of Shiloh who is
2 otherwise qualified to participate and was excluded from
3 participation by reason of his or her failure to make written
4 application to the Board within 3 months after receiving his or
5 her first appointment or reappointment as required under
6 Section 3-106 may elect to participate by making a written
7 application to the Board before July 1, 2008. Persons so
8 electing shall begin participation on the first day of the
9 month following the month in which the application is received
10 by the Board. These persons may also elect to establish
11 creditable service for periods of employment as a police
12 officer during which they did not participate by paying into
13 the police pension fund, before January 1, 2009, the amount
14 that the person would have contributed had deductions from
15 salary been made for this purpose at the time the service was
16 rendered, together with interest thereon at 6% per annum,
17 compounded annually, from the time the service was rendered
18 until the date of payment. The Village of Shiloh must pay to
19 the System the corresponding employer contributions, plus
20 interest.

21 (f) A person who has entered into a personal services
22 contract to perform police duties for the Village of
23 Bartonville on or before the effective date of this amendatory
24 Act of the 96th General Assembly may be appointed as an officer
25 in the Village of Bartonville within 6 months after the
26 effective date of this amendatory Act, but shall be excluded

1 from participating under this Article.

2 (Source: P.A. 95-483, eff. 8-28-07.)

3 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

4 Sec. 4-109.1. Increase in pension.

5 (a) Except as provided in subsection (e), the monthly
6 pension of a firefighter who retires after July 1, 1971 and
7 prior to January 1, 1986, shall, upon either the first of the
8 month following the first anniversary of the date of retirement
9 if 60 years of age or over at retirement date, or upon the
10 first day of the month following attainment of age 60 if it
11 occurs after the first anniversary of retirement, be increased
12 by 2% of the originally granted monthly pension and by an
13 additional 2% in each January thereafter. Effective January
14 1976, the rate of the annual increase shall be 3% of the
15 originally granted monthly pension.

16 (b) The monthly pension of a firefighter who retired from
17 service with 20 or more years of service, on or before July 1,
18 1971, shall be increased, in January of the year following the
19 year of attaining age 65 or in January 1972, if then over age
20 65, by 2% of the originally granted monthly pension, for each
21 year the firefighter received pension payments. In each January
22 thereafter, he or she shall receive an additional increase of
23 2% of the original monthly pension. Effective January 1976, the
24 rate of the annual increase shall be 3%.

25 (c) The monthly pension of a firefighter who is receiving a

1 disability pension under this Article shall be increased, in
2 January of the year following the year the firefighter attains
3 age 60, or in January 1974, if then over age 60, by 2% of the
4 originally granted monthly pension for each year he or she
5 received pension payments. In each January thereafter, the
6 firefighter shall receive an additional increase of 2% of the
7 original monthly pension. Effective January 1976, the rate of
8 the annual increase shall be 3%.

9 (c-1) On January 1, 1998, every child's disability benefit
10 payable on that date under Section 4-110 or 4-110.1 shall be
11 increased by an amount equal to 1/12 of 3% of the amount of the
12 benefit, multiplied by the number of months for which the
13 benefit has been payable. On each January 1 thereafter, every
14 child's disability benefit payable under Section 4-110 or
15 4-110.1 shall be increased by 3% of the amount of the benefit
16 then being paid, including any previous increases received
17 under this Article. These increases are not subject to any
18 limitation on the maximum benefit amount included in Section
19 4-110 or 4-110.1.

20 (c-2) On July 1, 2004, every pension payable to or on
21 behalf of a minor or disabled surviving child that is payable
22 on that date under Section 4-114 shall be increased by an
23 amount equal to 1/12 of 3% of the amount of the pension,
24 multiplied by the number of months for which the benefit has
25 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and
26 July 1, 2008, every pension payable to or on behalf of a minor

1 or disabled surviving child that is payable under Section 4-114
2 shall be increased by 3% of the amount of the pension then
3 being paid, including any previous increases received under
4 this Article. These increases are not subject to any limitation
5 on the maximum benefit amount included in Section 4-114.

6 (d) The monthly pension of a firefighter who retires after
7 January 1, 1986, shall, upon either the first of the month
8 following the first anniversary of the date of retirement if 55
9 years of age or over, or upon the first day of the month
10 following attainment of age 55 if it occurs after the first
11 anniversary of retirement, be increased by 1/12 of 3% of the
12 originally granted monthly pension for each full month that has
13 elapsed since the pension began, and by an additional 3% in
14 each January thereafter.

15 The changes made to this subsection (d) by this amendatory
16 Act of the 91st General Assembly apply to all initial increases
17 that become payable under this subsection on or after January
18 1, 1999. All initial increases that became payable under this
19 subsection on or after January 1, 1999 and before the effective
20 date of this amendatory Act shall be recalculated and the
21 additional amount accruing for that period, if any, shall be
22 payable to the pensioner in a lump sum.

23 (e) Notwithstanding the provisions of subsection (a), upon
24 the first day of the month following (1) the first anniversary
25 of the date of retirement, or (2) the attainment of age 55, or
26 (3) July 1, 1987, whichever occurs latest, the monthly pension

1 of a firefighter who retired on or after January 1, 1977 and on
2 or before January 1, 1986 and did not receive an increase under
3 subsection (a) before July 1, 1987, shall be increased by 3% of
4 the originally granted monthly pension for each full year that
5 has elapsed since the pension began, and by an additional 3% in
6 each January thereafter. The increases provided under this
7 subsection are in lieu of the increases provided in subsection
8 (a).

9 (f) In July 2009, the monthly pension of a firefighter who
10 retired before July 1, 1977 shall be recalculated and increased
11 to reflect the amount that the firefighter would have received
12 in July 2009 had the firefighter been receiving a 3% compounded
13 increase for each year he or she received pension payments
14 after January 1, 1986, plus any increases in pension received
15 for each year prior to January 1, 1986. In each January
16 thereafter, he or she shall receive an additional increase of
17 3% of the amount of the pension then being paid. The changes
18 made to this Section by this amendatory Act of the 96th General
19 Assembly apply without regard to whether the firefighter was in
20 service on or after its effective date.

21 (Source: P.A. 93-689, eff. 7-1-04.)

22 (40 ILCS 5/7-141.1)

23 Sec. 7-141.1. Early retirement incentive.

24 (a) The General Assembly finds and declares that:

25 (1) Units of local government across the State have

1 been functioning under a financial crisis.

2 (2) This financial crisis is expected to continue.

3 (3) Units of local government must depend on additional
4 sources of revenue and, when those sources are not
5 forthcoming, must establish cost-saving programs.

6 (4) An early retirement incentive designed
7 specifically to target highly-paid senior employees could
8 result in significant annual cost savings.

9 (5) The early retirement incentive should be made
10 available only to those units of local government that
11 determine that an early retirement incentive is in their
12 best interest.

13 (6) A unit of local government adopting a program of
14 early retirement incentives under this Section is
15 encouraged to implement personnel procedures to prohibit,
16 for at least 5 years, the rehiring (whether on payroll or
17 by independent contract) of employees who receive early
18 retirement incentives.

19 (7) A unit of local government adopting a program of
20 early retirement incentives under this Section is also
21 encouraged to replace as few of the participating employees
22 as possible and to hire replacement employees for salaries
23 totaling no more than 80% of the total salaries formerly
24 paid to the employees who participate in the early
25 retirement program.

26 It is the primary purpose of this Section to encourage

1 units of local government that can realize true cost savings,
2 or have determined that an early retirement program is in their
3 best interest, to implement an early retirement program.

4 (b) Until the effective date of this amendatory Act of
5 1997, this Section does not apply to any employer that is a
6 city, village, or incorporated town, nor to the employees of
7 any such employer. Beginning on the effective date of this
8 amendatory Act of 1997, any employer under this Article,
9 including an employer that is a city, village, or incorporated
10 town, may establish an early retirement incentive program for
11 its employees under this Section. The decision of a city,
12 village, or incorporated town to consider or establish an early
13 retirement program is at the sole discretion of that city,
14 village, or incorporated town, and nothing in this amendatory
15 Act of 1997 limits or otherwise diminishes this discretion.
16 Nothing contained in this Section shall be construed to require
17 a city, village, or incorporated town to establish an early
18 retirement program and no city, village, or incorporated town
19 may be compelled to implement such a program.

20 The benefits provided in this Section are available only to
21 members employed by a participating employer that has filed
22 with the Board of the Fund a resolution or ordinance expressly
23 providing for the creation of an early retirement incentive
24 program under this Section for its employees and specifying the
25 effective date of the early retirement incentive program.
26 Subject to the limitation in subsection (h), an employer may

1 adopt a resolution or ordinance providing a program of early
2 retirement incentives under this Section at any time.

3 The resolution or ordinance shall be in substantially the
4 following form:

5 RESOLUTION (ORDINANCE) NO.

6 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY

7 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES

8 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

9 WHEREAS, Section 7-141.1 of the Illinois Pension Code
10 provides that a participating employer may elect to adopt an
11 early retirement incentive program offered by the Illinois
12 Municipal Retirement Fund by adopting a resolution or
13 ordinance; and

14 WHEREAS, The goal of adopting an early retirement program
15 is to realize a substantial savings in personnel costs by
16 offering early retirement incentives to employees who have
17 accumulated many years of service credit; and

18 WHEREAS, Implementation of the early retirement program
19 will provide a budgeting tool to aid in controlling payroll
20 costs; and

21 WHEREAS, The (name of governing body) has determined that
22 the adoption of an early retirement incentive program is in the
23 best interests of the (name of participating employer);
24 therefore be it

25 RESOLVED (ORDAINED) by the (name of governing body) of

1 (name of participating employer) that:

2 (1) The (name of participating employer) does hereby adopt
3 the Illinois Municipal Retirement Fund early retirement
4 incentive program as provided in Section 7-141.1 of the
5 Illinois Pension Code. The early retirement incentive program
6 shall take effect on (date).

7 (2) In order to help achieve a true cost savings, a person
8 who retires under the early retirement incentive program shall
9 lose those incentives if he or she later accepts employment
10 with any IMRF employer in a position for which participation in
11 IMRF is required or is elected by the employee.

12 (3) In order to utilize an early retirement incentive as a
13 budgeting tool, the (name of participating employer) will use
14 its best efforts either to limit the number of employees who
15 replace the employees who retire under the early retirement
16 program or to limit the salaries paid to the employees who
17 replace the employees who retire under the early retirement
18 program.

19 (4) The effective date of each employee's retirement under
20 this early retirement program shall be set by (name of
21 employer) and shall be no earlier than the effective date of
22 the program and no later than one year after that effective
23 date; except that the employee may require that the retirement
24 date set by the employer be no later than the June 30 next
25 occurring after the effective date of the program and no
26 earlier than the date upon which the employee qualifies for

1 retirement.

2 (5) To be eligible for the early retirement incentive under
3 this Section, the employee must have attained age 50 and have
4 at least 20 years of creditable service by his or her
5 retirement date.

6 (6) The (clerk or secretary) shall promptly file a
7 certified copy of this resolution (ordinance) with the Board of
8 Trustees of the Illinois Municipal Retirement Fund.

9 CERTIFICATION

10 I, (name), the (clerk or secretary) of the (name of
11 participating employer) of the County of (name), State of
12 Illinois, do hereby certify that I am the keeper of the books
13 and records of the (name of employer) and that the foregoing is
14 a true and correct copy of a resolution (ordinance) duly
15 adopted by the (governing body) at a meeting duly convened and
16 held on (date).

17 SEAL

18 (Signature of clerk or secretary)

19 (c) To be eligible for the benefits provided under an early
20 retirement incentive program adopted under this Section, a
21 member must:

22 (1) be a participating employee of this Fund who, on
23 the effective date of the program, (i) is in active payroll
24 status as an employee of a participating employer that has
25 filed the required ordinance or resolution with the Board,

1 (ii) is on layoff status from such a position with a right
2 of re-employment or recall to service, (iii) is on a leave
3 of absence from such a position, or (iv) is on disability
4 but has not been receiving benefits under Section 7-146 or
5 7-150 for a period of more than 2 years from the date of
6 application;

7 (2) have never previously received a retirement
8 annuity under this Article or under the Retirement Systems
9 Reciprocal Act using service credit established under this
10 Article;

11 (3) (blank);

12 (4) have at least 20 years of creditable service in the
13 Fund by the date of retirement, without the use of any
14 creditable service established under this Section;

15 (5) have attained age 50 by the date of retirement,
16 without the use of any age enhancement received under this
17 Section; and

18 (6) be eligible to receive a retirement annuity under
19 this Article by the date of retirement, for which purpose
20 the age enhancement and creditable service established
21 under this Section may be considered.

22 (d) The employer shall determine the retirement date for
23 each employee participating in the early retirement program
24 adopted under this Section. The retirement date shall be no
25 earlier than the effective date of the program and no later
26 than one year after that effective date, except that the

1 employee may require that the retirement date set by the
2 employer be no later than the June 30 next occurring after the
3 effective date of the program and no earlier than the date upon
4 which the employee qualifies for retirement. The employer shall
5 give each employee participating in the early retirement
6 program at least 30 days written notice of the employee's
7 designated retirement date, unless the employee waives this
8 notice requirement.

9 (e) An eligible person may establish up to 5 years of
10 creditable service under this Section. In addition, for each
11 period of creditable service established under this Section, a
12 person shall have his or her age at retirement deemed enhanced
13 by an equivalent period.

14 The creditable service established under this Section may
15 be used for all purposes under this Article and the Retirement
16 Systems Reciprocal Act, except for the computation of final
17 rate of earnings and the determination of earnings, salary, or
18 compensation under this or any other Article of the Code.

19 The age enhancement established under this Section may be
20 used for all purposes under this Article (including calculation
21 of the reduction imposed under subdivision (a)1b(iv) of Section
22 7-142), except for purposes of a reversionary annuity under
23 Section 7-145 and any distributions required because of age.
24 The age enhancement established under this Section may be used
25 in calculating a proportionate annuity payable by this Fund
26 under the Retirement Systems Reciprocal Act, but shall not be

1 used in determining benefits payable under other Articles of
2 this Code under the Retirement Systems Reciprocal Act.

3 (f) For all creditable service established under this
4 Section, the member must pay to the Fund an employee
5 contribution consisting of 4.5% of the member's highest annual
6 salary rate used in the determination of the final rate of
7 earnings for retirement annuity purposes for each year of
8 creditable service granted under this Section. For creditable
9 service established under this Section by a person who is a
10 sheriff's law enforcement employee to be deemed service as a
11 sheriff's law enforcement employee, the employee contribution
12 shall be at the rate of 6.5% of highest annual salary per year
13 of creditable service granted. Contributions for fractions of a
14 year of service shall be prorated. Any amounts that are
15 disregarded in determining the final rate of earnings under
16 subdivision (d)(5) of Section 7-116 (the 125% rule) shall also
17 be disregarded in determining the required contribution under
18 this subsection (f).

19 The employee contribution shall be paid to the Fund as
20 follows: If the member is entitled to a lump sum payment for
21 accumulated vacation, sick leave, or personal leave upon
22 withdrawal from service, the employer shall deduct the employee
23 contribution from that lump sum and pay the deducted amount
24 directly to the Fund. If there is no such lump sum payment or
25 the required employee contribution exceeds the net amount of
26 the lump sum payment, then the remaining amount due, at the

1 option of the employee, may either be paid to the Fund before
2 the annuity commences or deducted from the retirement annuity
3 in 24 equal monthly installments.

4 (g) An annuitant who has received any age enhancement or
5 creditable service under this Section and thereafter accepts
6 employment with or enters into a personal services contract
7 with an employer under this Article thereby forfeits that age
8 enhancement and creditable service; except that this
9 restriction does not apply to (1) service in an elective
10 office, so long as the annuitant does not participate in this
11 Fund with respect to that office and (2) a person appointed as
12 an officer under subsection (f) of Section 3-109 of this Code.

13 A person forfeiting early retirement incentives under this
14 subsection (i) must repay to the Fund that portion of the
15 retirement annuity already received which is attributable to
16 the early retirement incentives that are being forfeited, (ii)
17 shall not be eligible to participate in any future early
18 retirement program adopted under this Section, and (iii) is
19 entitled to a refund of the employee contribution paid under
20 subsection (f). The Board shall deduct the required repayment
21 from the refund and may impose a reasonable payment schedule
22 for repaying the amount, if any, by which the required
23 repayment exceeds the refund amount.

24 (h) The additional unfunded liability accruing as a result
25 of the adoption of a program of early retirement incentives
26 under this Section by an employer shall be amortized over a

1 period of 10 years beginning on January 1 of the second
2 calendar year following the calendar year in which the latest
3 date for beginning to receive a retirement annuity under the
4 program (as determined by the employer under subsection (d) of
5 this Section) occurs; except that the employer may provide for
6 a shorter amortization period (of no less than 5 years) by
7 adopting an ordinance or resolution specifying the length of
8 the amortization period and submitting a certified copy of the
9 ordinance or resolution to the Fund no later than 6 months
10 after the effective date of the program. An employer, at its
11 discretion, may accelerate payments to the Fund.

12 An employer may provide more than one early retirement
13 incentive program for its employees under this Section.
14 However, an employer that has provided an early retirement
15 incentive program for its employees under this Section may not
16 provide another early retirement incentive program under this
17 Section until the liability arising from the earlier program
18 has been fully paid to the Fund.

19 (Source: P.A. 94-456, eff. 8-4-05.)

20 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

21 Sec. 14-104. Service for which contributions permitted.
22 Contributions provided for in this Section shall cover the
23 period of service granted. Except as otherwise provided in this
24 Section, the contributions shall be based upon the employee's
25 compensation and contribution rate in effect on the date he

1 last became a member of the System; provided that for all
2 employment prior to January 1, 1969 the contribution rate shall
3 be that in effect for a noncovered employee on the date he last
4 became a member of the System. Except as otherwise provided in
5 this Section, contributions permitted under this Section shall
6 include regular interest from the date an employee last became
7 a member of the System to the date of payment.

8 These contributions must be paid in full before retirement
9 either in a lump sum or in installment payments in accordance
10 with such rules as may be adopted by the board.

11 (a) Any member may make contributions as required in this
12 Section for any period of service, subsequent to the date of
13 establishment, but prior to the date of membership.

14 (b) Any employee who had been previously excluded from
15 membership because of age at entry and subsequently became
16 eligible may elect to make contributions as required in this
17 Section for the period of service during which he was
18 ineligible.

19 (c) An employee of the Department of Insurance who, after
20 January 1, 1944 but prior to becoming eligible for membership,
21 received salary from funds of insurance companies in the
22 process of rehabilitation, liquidation, conservation or
23 dissolution, may elect to make contributions as required in
24 this Section for such service.

25 (d) Any employee who rendered service in a State office to
26 which he was elected, or rendered service in the elective

1 office of Clerk of the Appellate Court prior to the date he
2 became a member, may make contributions for such service as
3 required in this Section. Any member who served by appointment
4 of the Governor under the Civil Administrative Code of Illinois
5 and did not participate in this System may make contributions
6 as required in this Section for such service.

7 (e) Any person employed by the United States government or
8 any instrumentality or agency thereof from January 1, 1942
9 through November 15, 1946 as the result of a transfer from
10 State service by executive order of the President of the United
11 States shall be entitled to prior service credit covering the
12 period from January 1, 1942 through December 31, 1943 as
13 provided for in this Article and to membership service credit
14 for the period from January 1, 1944 through November 15, 1946
15 by making the contributions required in this Section. A person
16 so employed on January 1, 1944 but whose employment began after
17 January 1, 1942 may qualify for prior service and membership
18 service credit under the same conditions.

19 (f) An employee of the Department of Labor of the State of
20 Illinois who performed services for and under the supervision
21 of that Department prior to January 1, 1944 but who was
22 compensated for those services directly by federal funds and
23 not by a warrant of the Auditor of Public Accounts paid by the
24 State Treasurer may establish credit for such employment by
25 making the contributions required in this Section. An employee
26 of the Department of Agriculture of the State of Illinois, who

1 performed services for and under the supervision of that
2 Department prior to June 1, 1963, but was compensated for those
3 services directly by federal funds and not paid by a warrant of
4 the Auditor of Public Accounts paid by the State Treasurer, and
5 who did not contribute to any other public employee retirement
6 system for such service, may establish credit for such
7 employment by making the contributions required in this
8 Section.

9 (g) Any employee who executed a waiver of membership within
10 60 days prior to January 1, 1944 may, at any time while in the
11 service of a department, file with the board a rescission of
12 such waiver. Upon making the contributions required by this
13 Section, the member shall be granted the creditable service
14 that would have been received if the waiver had not been
15 executed.

16 (h) Until May 1, 1990, an employee who was employed on a
17 full-time basis by a regional planning commission for at least
18 5 continuous years may establish creditable service for such
19 employment by making the contributions required under this
20 Section, provided that any credits earned by the employee in
21 the commission's retirement plan have been terminated.

22 (i) Any person who rendered full time contractual services
23 to the General Assembly as a member of a legislative staff may
24 establish service credit for up to 8 years of such services by
25 making the contributions required under this Section, provided
26 that application therefor is made not later than July 1, 1991.

1 (j) By paying the contributions otherwise required under
2 this Section, plus an amount determined by the Board to be
3 equal to the employer's normal cost of the benefit plus
4 interest, but with all of the interest calculated from the date
5 the employee last became a member of the System or November 19,
6 1991, whichever is later, to the date of payment, an employee
7 may establish service credit for a period of up to 4 years
8 spent in active military service for which he does not qualify
9 for credit under Section 14-105, provided that (1) he was not
10 dishonorably discharged from such military service, and (2) the
11 amount of service credit established by a member under this
12 subsection (j), when added to the amount of military service
13 credit granted to the member under subsection (b) of Section
14 14-105, shall not exceed 5 years. The change in the manner of
15 calculating interest under this subsection (j) made by this
16 amendatory Act of the 92nd General Assembly applies to credit
17 purchased by an employee on or after its effective date and
18 does not entitle any person to a refund of contributions or
19 interest already paid. In compliance with Section 14-152.1 of
20 this Act concerning new benefit increases, any new benefit
21 increase as a result of the changes to this subsection (j) made
22 by Public Act 95-483 is funded through the employee
23 contributions provided for in this subsection (j). Any new
24 benefit increase as a result of the changes made to this
25 subsection (j) by Public Act 95-483 is exempt from the
26 provisions of subsection (d) of Section 14-152.1.

1 (k) An employee who was employed on a full-time basis by
2 the Illinois State's Attorneys Association Statewide Appellate
3 Assistance Service LEAA-ILEC grant project prior to the time
4 that project became the State's Attorneys Appellate Service
5 Commission, now the Office of the State's Attorneys Appellate
6 Prosecutor, an agency of State government, may establish
7 creditable service for not more than 60 months service for such
8 employment by making contributions required under this
9 Section.

10 (1) By paying the contributions otherwise required under
11 this Section, plus an amount determined by the Board to be
12 equal to the employer's normal cost of the benefit plus
13 interest, a member may establish service credit for periods of
14 less than one year spent on authorized leave of absence from
15 service, provided that (1) the period of leave began on or
16 after January 1, 1982 and (2) any credit established by the
17 member for the period of leave in any other public employee
18 retirement system has been terminated. A member may establish
19 service credit under this subsection for more than one period
20 of authorized leave, and in that case the total period of
21 service credit established by the member under this subsection
22 may exceed one year. In determining the contributions required
23 for establishing service credit under this subsection, the
24 interest shall be calculated from the beginning of the leave of
25 absence to the date of payment.

26 (1-5) By paying the contributions otherwise required under

1 this Section, plus an amount determined by the Board to be
2 equal to the employer's normal cost of the benefit plus
3 interest, a member may establish service credit for periods of
4 up to 2 years spent on authorized leave of absence from
5 service, provided that during that leave the member represented
6 or was employed as an officer or employee of a statewide labor
7 organization that represents members of this System. In
8 determining the contributions required for establishing
9 service credit under this subsection, the interest shall be
10 calculated from the beginning of the leave of absence to the
11 date of payment.

12 (m) Any person who rendered contractual services to a
13 member of the General Assembly as a worker in the member's
14 district office may establish creditable service for up to 3
15 years of those contractual services by making the contributions
16 required under this Section. The System shall determine a
17 full-time salary equivalent for the purpose of calculating the
18 required contribution. To establish credit under this
19 subsection, the applicant must apply to the System by March 1,
20 1998.

21 (n) Any person who rendered contractual services to a
22 member of the General Assembly as a worker providing
23 constituent services to persons in the member's district may
24 establish creditable service for up to 8 years of those
25 contractual services by making the contributions required
26 under this Section. The System shall determine a full-time

1 salary equivalent for the purpose of calculating the required
2 contribution. To establish credit under this subsection, the
3 applicant must apply to the System by March 1, 1998.

4 (o) A member who participated in the Illinois Legislative
5 Staff Internship Program may establish creditable service for
6 up to one year of that participation by making the contribution
7 required under this Section. The System shall determine a
8 full-time salary equivalent for the purpose of calculating the
9 required contribution. Credit may not be established under this
10 subsection for any period for which service credit is
11 established under any other provision of this Code.

12 (p) By paying the contributions otherwise required under
13 this Section, plus an amount determined by the Board to be
14 equal to the employer's normal cost of the benefit plus
15 interest, a member may establish service credit for a period of
16 up to 8 years during which he or she was employed by the
17 Visually Handicapped Managers of Illinois in a vending program
18 operated under a contractual agreement with the Department of
19 Rehabilitation Services or its successor agency.

20 This subsection (p) applies without regard to whether the
21 person was in service on or after the effective date of this
22 amendatory Act of the 94th General Assembly. In the case of a
23 person who is receiving a retirement annuity on that effective
24 date, the increase, if any, shall begin to accrue on the first
25 annuity payment date following receipt by the System of the
26 contributions required under this subsection (p).

1 (q) By paying the required contributions under this
2 Section, plus an amount determined by the Board to be equal to
3 the employer's normal cost of the benefit plus interest, an
4 employee who was laid off but returned to State employment
5 under circumstances in which the employee is considered to have
6 been in continuous service for purposes of determining
7 seniority may establish creditable service for the period of
8 the layoff, provided that (1) the applicant applies for the
9 creditable service under this subsection (q) within 6 months
10 after the effective date of this amendatory Act of the 94th
11 General Assembly, (2) the applicant does not receive credit for
12 that period under any other provision of this Code, (3) at the
13 time of the layoff, the applicant is not in an initial
14 probationary status consistent with the rules of the Department
15 of Central Management Services, and (4) the total amount of
16 creditable service established by the applicant under this
17 subsection (q) does not exceed 3 years. For service established
18 under this subsection (q), the required employee contribution
19 shall be based on the rate of compensation earned by the
20 employee on the date of returning to employment after the
21 layoff and the contribution rate then in effect, and the
22 required interest shall be calculated from the date of
23 returning to employment after the layoff to the date of
24 payment.

25 (r) A member who participated in the University of Illinois
26 Government Public Service Internship Program (GPSI) may

1 establish creditable service for up to 2 years of that
2 participation by making the contribution required under this
3 Section, plus an amount determined by the Board to be equal to
4 the employer's normal cost of the benefit plus interest. The
5 System shall determine a full-time salary equivalent for the
6 purpose of calculating the required contribution. Credit may
7 not be established under this subsection for any period for
8 which service credit is established under any other provision
9 of this Code.

10 (s) A member who worked as a nurse under a contractual
11 agreement for the Department of Public Aid, or its successor
12 agency, the Department of Human Services, in the Client
13 Assessment Unit and was subsequently determined to be a State
14 employee by the United States Internal Revenue Service and the
15 Illinois Labor Relations Board may establish creditable
16 service for those contractual services by making the
17 contributions required under this Section. To establish credit
18 under this subsection, the applicant must apply to the System
19 by July 1, 2008.

20 The Department of Human Services shall pay an employer
21 contribution based upon an amount determined by the Board to be
22 equal to the employer's normal cost of the benefit, plus
23 interest.

24 In compliance with Section 14-152.1 added by Public Act
25 94-4, the cost of the benefits provided by Public Act 95-583
26 are offset by the required employee and employer contributions.

1 (t) Any person who rendered contractual services on a
2 full-time basis to the Illinois Institute of Natural Resources
3 and the Illinois Department of Energy and Natural Resources may
4 establish creditable service for up to 4 years of those
5 contractual services by making the contributions required
6 under this Section, plus an amount determined by the Board to
7 be equal to the employer's normal cost of the benefit plus
8 interest at the actuarially assumed rate from the first day of
9 the service for which credit is being established to the date
10 of payment. To establish credit under this subsection (t), the
11 applicant must apply to the System within 6 months after the
12 effective date of this amendatory Act of the 96th General
13 Assembly.

14 (Source: P.A. 94-612, eff. 8-18-05; 94-1111, eff. 2-27-07;
15 95-483, eff. 8-28-07; 95-583, eff. 8-31-07; 95-652, eff.
16 10-11-07; 95-876, eff. 8-21-08.)

17 Section 90. The State Mandates Act is amended by adding
18 Section 8.33 as follows:

19 (30 ILCS 805/8.33 new)

20 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
21 of this Act, no reimbursement by the State is required for the
22 implementation of any mandate created by this amendatory Act of
23 the 96th General Assembly.

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