



Personnel and Pensions Committee

**Filed: 5/12/2009**

09600SB1292ham001

LRB096 08007 AMC 26625 a

1 AMENDMENT TO SENATE BILL 1292

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1292 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Labor Relations Act is  
5 amended by changing Section 15 as follows:

6 (5 ILCS 315/15) (from Ch. 48, par. 1615)

7 Sec. 15. Act Takes Precedence.

8 (a) In case of any conflict between the provisions of this  
9 Act and any other law (other than Section 5 of the State  
10 Employees Group Insurance Act of 1971 and other than the  
11 changes made to the Illinois Pension Code by this amendatory  
12 Act of the 96th General Assembly), executive order or  
13 administrative regulation relating to wages, hours and  
14 conditions of employment and employment relations, the  
15 provisions of this Act or any collective bargaining agreement  
16 negotiated thereunder shall prevail and control. Nothing in

1 this Act shall be construed to replace or diminish the rights  
2 of employees established by Sections 28 and 28a of the  
3 Metropolitan Transit Authority Act, Sections 2.15 through 2.19  
4 of the Regional Transportation Authority Act. The provisions of  
5 this Act are subject to Section 5 of the State Employees Group  
6 Insurance Act of 1971. Nothing in this Act shall be construed  
7 to replace the necessity of complaints against a sworn peace  
8 officer, as defined in Section 2(a) of the Uniform Peace  
9 Officer Disciplinary Act, from having a complaint supported by  
10 a sworn affidavit.

11 (b) Except as provided in subsection (a) above, any  
12 collective bargaining contract between a public employer and a  
13 labor organization executed pursuant to this Act shall  
14 supersede any contrary statutes, charters, ordinances, rules  
15 or regulations relating to wages, hours and conditions of  
16 employment and employment relations adopted by the public  
17 employer or its agents. Any collective bargaining agreement  
18 entered into prior to the effective date of this Act shall  
19 remain in full force during its duration.

20 (c) It is the public policy of this State, pursuant to  
21 paragraphs (h) and (i) of Section 6 of Article VII of the  
22 Illinois Constitution, that the provisions of this Act are the  
23 exclusive exercise by the State of powers and functions which  
24 might otherwise be exercised by home rule units. Such powers  
25 and functions may not be exercised concurrently, either  
26 directly or indirectly, by any unit of local government,

1 including any home rule unit, except as otherwise authorized by  
2 this Act.

3 (Source: P.A. 95-331, eff. 8-21-07.)

4 Section 10. The Illinois Pension Code is amended by adding  
5 Sections 2-300, 2-305, 2-310, 2-315, 2-320, 2-325, 2-330,  
6 2-335, 2-340, 14-300, 14-305, 14-310, 14-315, 14-320, 14-325,  
7 14-330, 14-335, 14-340, 15-300, 15-305, 15-310, 15-315,  
8 15-320, 15-325, 15-330, 15-335, 15-340, 16-300, 16-305,  
9 16-310, 16-315, 16-320, 16-325, 16-330, 16-335, 16-340,  
10 18-300, 18-305, 18-310, 18-315, 18-320, 18-325, 18-330,  
11 18-335, and 18-340 as follows:

12 (40 ILCS 5/2-300 new)

13 Sec. 2-300. Provisions applicable to later entrants.

14 (a) The provisions of this Article following this Section  
15 apply only to members who first become members on or after  
16 August 1, 2009, who are referred to as "later entrants".

17 (b) Except as provided in subsection (c) of this Section,  
18 the Sections of this Article before this Section do not apply  
19 to members who first become members on or after August 1, 2009.

20 (c) The following Sections are also applicable to members  
21 who first become members on or after August 1, 2009: Sections  
22 2-101, 2-102, 2-103, 2-104, 2-105, 2-107, 2-108, 2-109, 2-111,  
23 2-112, 2-113, 2-114, 2-116, 2-117, 2-117.1, 2-117.3, and  
24 2-121.2 and Sections 2-124 through 2-162.

1       (d) To the extent that the Sections enumerated in  
2 subsection (c) of this Section conflict with the Sections  
3 following this Section, the Sections following this Section  
4 shall control.

5       (e) To the extent that the applicable Sections are included  
6 under subsection (c) of this Section, later entrants, including  
7 survivors, are entitled to disability benefits under this  
8 Article.

9       (40 ILCS 5/2-305 new)

10       Sec. 2-305. Creditable service for later entrants.

11       (a) Creditable service under this Article is subject to the  
12 following conditions:

13           (1) The maximum amount of creditable service a member  
14 may establish under this Article is 35 years.

15           (2) A member may only establish creditable service for  
16 his or her service as a member under this Article. Except  
17 as provided in subsection (b), a member may not establish  
18 creditable service for any other service.

19           (3) A member may not convert any unused sick leave or  
20 vacation into creditable service under this Article.

21       (b) A member may establish creditable service for up to 2  
22 years of military service, as defined in Section 2-109, before  
23 becoming a member under this Article by paying to the System

24 (1) employee contributions based upon the member's salary upon  
25 becoming a member under this Article, (2) an amount determined

1 by the board to be equal to the employer's normal cost of the  
2 benefit, and (3) interest on items (1) and (2) at 4% per year  
3 from the date of first membership in the System to the date of  
4 payment.

5 (40 ILCS 5/2-310 new)

6 Sec. 2-310. Retirement annuity; conditions for  
7 eligibility; later entrants. A member may claim his or her  
8 retirement annuity upon attainment of (1) the full (normal)  
9 retirement age as provided in the federal Social Security Act  
10 with at least 10 years of service credit or (2) age 62 with at  
11 least 35 years of service credit.

12 A member may claim a reduced retirement annuity under  
13 subsection (c) of Section 2-315 if he or she is at least 62  
14 years of age and has at least 10 years of service.

15 The annuity shall begin with the first full calendar month  
16 specified in the member's application therefor, the first day  
17 of which shall not be before the date of withdrawal as approved  
18 by the board. Regardless of the date of withdrawal, the annuity  
19 need not begin within one year of application therefor.

20 (40 ILCS 5/2-315 new)

21 Sec. 2-315. Retirement life annuity; amount; later  
22 entrants.

23 (a) With respect to late entrants:

24 (1) "Final average salary" means the monthly salary

1       obtained by dividing the total salary of a participant  
2       during the period of: (A) the 96 consecutive months of  
3       service within the last 120 months of service in which the  
4       total salary was the highest or (B) the total period of  
5       service, if less than 96 months, by the number of months of  
6       service in such period; provided that for the purposes of a  
7       retirement annuity the average salary for the last 12  
8       months of the 96 months shall not exceed the final average  
9       salary by more than 25%.

10       In no event shall the monthly salary used to determined  
11       final average salary exceed (i) the Social Security Covered  
12       Wage Base for the given month of service or (ii) \$12,500,  
13       whichever is less.

14       The earnings limitations contained in this item (1)  
15       apply to earnings under any other participating system  
16       under the Retirement Systems Reciprocal Act that are  
17       considered in calculating a proportional annuity under  
18       this Article, except in the case of a person who first  
19       became a member of this System before August 22, 1994.

20       (2) "Salary" means:

21       (A) For members of the General Assembly, the total  
22       salary paid to the member by the State for one year of  
23       service, including the additional amounts, if any,  
24       paid to the member as an officer, committee chair, or  
25       minority spokesman pursuant to Section 1 of General  
26       Assembly Compensation Act. "Salary" shall not include

1           any compensation or allowance for mileage, food, or  
2           lodging.

3           (B) For the State executive officers specified in  
4           Section 2-105, the total salary paid to the member for  
5           one year of service. "Salary" shall not include any  
6           compensation or allowance for mileage, food, or  
7           lodging.

8           However, in the event that federal law results in any  
9           participant receiving imputed income based on the value of  
10           group term life insurance provided by the State, such  
11           imputed income shall not be included in salary for the  
12           purposes of this Article.

13           (b) The retirement life annuity shall be 2% of final  
14           average salary for each year of service.

15           (c) For a member retiring after attaining age 62, the  
16           retirement life annuity shall be reduced by one-half of 1% for  
17           each month that the member's age is under the full (normal)  
18           retirement age as provided in the federal Social Security Act.

19           (40 ILCS 5/2-320 new)

20           Sec. 2-320. Alternative forms of annuities for later  
21           entrants. A participant may choose any of the following types  
22           of annuities in lieu of receiving the full annuity provided in  
23           Section 2-315:

24           (1) Joint and 50% survivor annuity. Under this form of  
25           payment, the participant receives a reduced monthly

1 payment for his or her lifetime with a payment equal to 50%  
2 of the reduced amount payable to the participant paid to  
3 the participant's designated beneficiary for the  
4 beneficiary's lifetime if the beneficiary survives the  
5 participant.

6 (2) Joint and 75% survivor annuity. Under this form of  
7 payment, the participant receives a reduced monthly  
8 payment for his or her lifetime with a payment equal to 75%  
9 of the reduced amount payable to the participant paid to  
10 the participant's designated beneficiary for the  
11 beneficiary's lifetime if the beneficiary survives the  
12 participant.

13 (3) Joint and 100% survivor annuity. Under this form of  
14 payment, the participant receives a reduced monthly  
15 payment for his or her lifetime with a payment equal to  
16 100% of the reduced amount payable to the participant paid  
17 to the participant's designated beneficiary for the  
18 beneficiary's lifetime if the beneficiary survives the  
19 participant.

20 (4) Single life annuity with 60, 120, or 180 months of  
21 guaranteed payments. Under this option, the participant  
22 receives a reduced monthly payment for his or her lifetime.  
23 If the participant dies before receiving at least the  
24 number of guaranteed monthly payments, then the  
25 participant's beneficiary or estate receives the remaining  
26 guaranteed number of monthly payments.



1       The Board must determine the participant's optional form of  
2 annuity provided under this Section by taking into account the  
3 appropriate actuarial assumptions, including without  
4 limitation the participant's and beneficiary's age; applicable  
5 mortality tables; and any other factors that the Board  
6 determines to be relevant. For this purpose, the participant's  
7 joint and survivor annuity should result in no significant  
8 increase to the System's unfunded actuarial accrued liability  
9 determined as of the most recent actuarial valuation, based on  
10 the same assumptions and methods used to develop and report the  
11 System's actuarial accrued liability and actuarial value of  
12 assets under Statement No. 25 of Governmental Accounting  
13 Standards Board or any subsequent applicable Statement.

14       (40 ILCS 5/2-325 new)

15       Sec. 2-325. Automatic annual increases for later entrants.  
16 Notwithstanding any other provision of this Article, a person  
17 receiving a retirement or survivor annuity under Sections 2-315  
18 or 2-320 shall, on the first anniversary of retirement, but not  
19 before attaining age 67, and annually thereafter, have his or  
20 her annuity increased by (1) 3% or (2) one-half of the  
21 percentage increase, if any, in the Consumer Price Index for  
22 All Urban Consumers measured from the preceding January 1 to  
23 the January 1 of the year during which the increase is being  
24 granted, whichever is less, of the originally granted annuity.

1 (40 ILCS 5/2-330 new)

2 Sec. 2-330. Contributions by participants; later entrants.

3 (a) Each participant shall contribute 7% of each payment of  
4 salary received by him or her for service as a member toward  
5 the cost of his or her retirement annuity. In no event shall  
6 contributions be deducted from salary in excess of (1) the  
7 Social Security Covered Wage Base for the given calendar year  
8 or (2) \$150,000, whichever is less.

9 (b) Contributions shall be in the form of a deduction from  
10 salary and shall be made notwithstanding that the salary paid  
11 in cash to the member shall be reduced thereby below the  
12 minimum prescribed by law or regulation. Each member is deemed  
13 to consent and agree to the deductions from compensation  
14 provided for in this Article and shall receipt in full for  
15 salary or compensation.

16 (c) These contributions shall be picked up in the manner  
17 provided in Section 2-126.1.

18 (40 ILCS 5/2-335 new)

19 Sec. 2-335. Refunds; later entrants. A participant who  
20 ceases to be a member, other than an annuitant, shall, upon  
21 written request, receive a refund of his or her total  
22 contributions, plus interest at (1) 3% or (2) one-half of the  
23 percentage increase, if any, in the Consumer Price Index for  
24 All Urban Consumers measured from the preceding January 1 to  
25 the January 1 of the year during which the interest is being

1 credited, whichever is less, per year, not compounded.

2 Upon re-entry into service as a member, a former member may  
3 reestablish any creditable service forfeited by acceptance of a  
4 refund by paying to the System the full amount refunded, plus  
5 interest at the actuarially assumed rate, not compounded, from  
6 the date of payment of the refund to the date of repayment.

7 (40 ILCS 5/2-340 new)

8 Sec. 2-340. Re-entry after retirement; later entrants.

9 (a) An annuitant who re-enters service as a member shall  
10 become a participant on the date of re-entry, less he or she  
11 elects not to participate under Section 2-117, and retirement  
12 annuity payments shall cease at that time. The participant  
13 shall resume contributions to the system on the date of  
14 re-entry at the rates then in effect and shall begin to accrue  
15 additional service credit.

16 (b) Upon subsequent retirement, the participant shall be  
17 entitled to a retirement annuity consisting of: (1) the amount  
18 of retirement annuity previously granted and terminated by  
19 re-entry into service and (2) the amount of additional  
20 retirement annuity earned during the additional service.

21 (c) In computing the retirement annuity under subsection  
22 (b) of this Section, the time that the member was on retirement  
23 shall not interrupt the continuity of service for the  
24 computation of final average compensation and the additional  
25 membership service shall be considered, together with service

1 rendered before the previous retirement, in establishing final  
2 average compensation.

3 (d) A person who re-enters service within 3 years after  
4 retiring may qualify to have the retirement annuity computed as  
5 though the member had not previously retired by paying to the  
6 System, within 5 years after re-entry and prior to subsequent  
7 retirement, in a lump-sum or in installment payments, in  
8 accordance with rules adopted by the board, an amount equal to  
9 all retirement annuity payments received, plus interest at the  
10 actuarially assumed rate from the date retirement payments were  
11 suspended to the date of repayment.

12 (40 ILCS 5/14-300 new)

13 Sec. 14-300. Provisions applicable to later entrants.

14 (a) The provisions of this Article following this Section  
15 apply only to employees who first become employees on or after  
16 August 1, 2009, who are referred to as "later entrants".

17 (b) Except as provided in subsection (c) of this Section,  
18 the Sections of this Article before this Section do not apply  
19 to employees who first become employees on or after August 1,  
20 2009.

21 (c) The following Sections are also applicable to employees  
22 who first become employees on or after August 1, 2009: Sections  
23 14-101, 14-102, 14-103.01, 14-103.02, 14-103.03, 14-103.04,  
24 14-103.05, 14-103.06, 14-103.07, 14-103.08, 14-103.09,  
25 14-103.10, 14-103.11, 14-103.13, 14-103.15, 14-103.16,

1 14-103.17, 14-103.18, 14-103.19, 14-103.22, 14-103.24,  
2 14-103.25, 14-103.26, 14-103.27, 14-103.28, 14-103.29,  
3 14-103.32, 14-103.33, 14-103.34, 14-103.35, 14-103.36,  
4 14-103.37, 14-103.38, 14-103.39, 14-104.7, 14-123, 14-123.1,  
5 14-124, 14-125, 14-125.1, 14-126, 14-127, 14-131, 14-132.2,  
6 14-132.2, and 14-133.1 and Sections 14-134 through 14-152.2.

7 (d) To the extent that the Sections enumerated in  
8 subsection (c) of this Section conflict with the Sections  
9 following this Section, the Sections following this Section  
10 shall control.

11 (e) To the extent that the applicable Sections are included  
12 under subsection (c) of this Section, later entrants, including  
13 survivors, are entitled to disability benefits under this  
14 Article.

15 (40 ILCS 5/14-305 new)

16 Sec. 14-305. Creditable service for later entrants.

17 (a) Creditable service under this Article is subject to the  
18 following conditions:

19 (1) The maximum amount of creditable service a member  
20 may establish under this Article is 35 years.

21 (2) A member may only establish creditable service for  
22 his or her membership service, as defined in Section  
23 14-103.13. Except as provided in subsection (b), a member  
24 may not establish creditable service for any other service.

25 (3) A member may not convert any unused sick leave or

1       vacation into creditable service under this Article.

2       (b) A member may establish creditable service for up to 2  
3 years of military service, as defined in Section 14-103.16,  
4 before becoming a member under this Article by paying to the  
5 System (1) employee contributions based upon the member's  
6 salary upon becoming a member under this Article, (2) an amount  
7 determined by the board to be equal to the employer's normal  
8 cost of the benefit, and (3) interest on items (1) and (2) at  
9 the actuarially assumed rate from the date of first membership  
10 in the System to the date of payment.

11       (40 ILCS 5/14-310 new)

12       Sec. 14-310. Retirement annuity; conditions for  
13 eligibility; later entrants. A member may claim his or her  
14 retirement annuity upon attainment of (1) the full (normal)  
15 retirement age as provided in the federal Social Security Act  
16 with at least 10 years of service credit or (2) age 62 with at  
17 least 35 years of service credit.

18       A member may claim a reduced retirement annuity under  
19 subsection (c) of Section 14-315 if he or she is at least 62  
20 years of age and has at least 10 years of service.

21       The annuity shall begin with the first full calendar month  
22 specified in the member's application therefor, the first day  
23 of which shall not be before the date of withdrawal as approved  
24 by the board. Regardless of the date of withdrawal, the annuity  
25 need not begin within one year of application therefor.

1 (40 ILCS 5/14-315 new)

2 Sec. 14-315. Retirement life annuity; amount; later  
3 entrants.

4 (a) With respect to late entrants:

5 (1) "Final average compensation" means the monthly  
6 compensation obtained by dividing the total compensation  
7 of an employee during the period of: (A) the 96 consecutive  
8 months of service within the last 120 months of service in  
9 which the total compensation was the highest or (B) the  
10 total period of service, if less than 96 months, by the  
11 number of months of service in such period; provided that  
12 for the purposes of a retirement annuity the average  
13 compensation for the last 12 months of the 96 months shall  
14 not exceed the final average compensation by more than 25%.

15 In no event shall the monthly compensation used to  
16 determined final average compensation exceed (i) the  
17 Social Security Covered Wage Base for the given month of  
18 service or (ii) \$12,500, whichever is less.

19 (2) "Compensation" means a member's base compensation  
20 and does not include any overtime or bonuses.

21 (b) The retirement life annuity shall be (1) 1.5% of final  
22 average compensation for each year of service for covered  
23 employees or (2) 2% of final average compensation for each year  
24 of service for noncovered employees.

25 (c) For a member retiring after attaining age 62, the

1 retirement life annuity shall be reduced by one-half of 1% for  
2 each month that the member's age is under the full (normal)  
3 retirement age as provided in the federal Social Security Act.

4 (40 ILCS 5/14-320 new)

5 Sec. 14-320. Alternative forms of annuities for later  
6 entrants. A member may choose any of the following types of  
7 annuities in lieu of receiving the full annuity provided in  
8 Section 14-315:

9 (1) Joint and 50% survivor annuity. Under this form of  
10 payment, the member receives a reduced monthly payment for  
11 his or her lifetime with a payment equal to 50% of the  
12 reduced amount payable to the member paid to the member's  
13 designated beneficiary for the beneficiary's lifetime if  
14 the beneficiary survives the member.

15 (2) Joint and 75% survivor annuity. Under this form of  
16 payment, the member receives a reduced monthly payment for  
17 his or her lifetime with a payment equal to 75% of the  
18 reduced amount payable to the member paid to the member's  
19 designated beneficiary for the beneficiary's lifetime if  
20 the beneficiary survives the member.

21 (3) Joint and 100% survivor annuity. Under this form of  
22 payment, the member receives a reduced monthly payment for  
23 his or her lifetime with a payment equal to 100% of the  
24 reduced amount payable to the member paid to the member's  
25 designated beneficiary for the beneficiary's lifetime if



1 the beneficiary survives the member.

2 (4) Single life annuity with 60, 120, or 180 months of  
3 guaranteed payments. Under this option, the member  
4 receives a reduced monthly payment for his or her lifetime.  
5 If the member dies before receiving at least the number of  
6 guaranteed monthly payments, then the member's beneficiary  
7 or estate receives the remaining guaranteed number of  
8 monthly payments.

9 The Board must determine the participant's optional form of  
10 annuity provided under this Section by taking into account the  
11 appropriate actuarial assumptions, including without  
12 limitation the participant's and beneficiary's age; applicable  
13 mortality tables; and any other factors that the Board  
14 determines to be relevant. For this purpose, the participant's  
15 joint and survivor annuity should result in no significant  
16 increase to the System's unfunded actuarial accrued liability  
17 determined as of the most recent actuarial valuation, based on  
18 the same assumptions and methods used to develop and report the  
19 System's actuarial accrued liability and actuarial value of  
20 assets under Statement No. 25 of Governmental Accounting  
21 Standards Board or any subsequent applicable Statement.

22 (40 ILCS 5/14-325 new)

23 Sec. 14-325. Automatic annual increases for later  
24 entrants. Notwithstanding any other provision of this Article,  
25 a person receiving a retirement or survivor annuity under

1 Sections 14-315 or 14-320 shall, on the first anniversary of  
2 retirement, but not before attaining age 67, and annually  
3 thereafter, have his or her annuity increased by (1) 3% or (2)  
4 one-half of the percentage increase, if any, in the Consumer  
5 Price Index for All Urban Consumers measured from the preceding  
6 January 1 to the January 1 of the year during which the  
7 increase is being granted, whichever is less, of the originally  
8 granted annuity.

9 (40 ILCS 5/14-330 new)

10 Sec. 14-330. Contributions by members; later entrants.

11 (a) Each employee shall contribute the following  
12 percentage of each payment of salary received by him or her for  
13 service as an employee toward the cost of his or her retirement  
14 annuity:

15 (1) Covered employees, 3%.

16 (2) Noncovered employees, 7%.

17 (b) Contributions shall be in the form of a deduction from  
18 compensation and shall be made notwithstanding that the  
19 compensation paid in cash to the employee shall be reduced  
20 thereby below the minimum prescribed by law or regulation. Each  
21 member is deemed to consent and agree to the deductions from  
22 compensation provided for in this Article and shall receipt in  
23 full for salary or compensation.

24 (c) These contributions shall be picked up in the manner  
25 provided in Section 14-133.1.

1       (d) In no event shall contributions be deducted from salary  
2 in excess of (1) the Social Security Covered Wage Base for the  
3 given calendar year or (2) \$150,000, whichever is less.

4       (40 ILCS 5/14-335 new)

5       Sec. 14-335. Refunds; later entrants. An employee who  
6 ceases to be a member, other than an annuitant, shall, upon  
7 written request, receive a refund of his or her total  
8 contributions, plus interest at (1) 3% or (2) one-half of the  
9 percentage increase, if any, in the Consumer Price Index for  
10 All Urban Consumers measured from the preceding January 1 to  
11 the January 1 of the year during which the interest is being  
12 credited, whichever is less, per year, not compounded.

13       Upon re-entry into service as a member, a former member may  
14 reestablish any creditable service forfeited by acceptance of a  
15 refund by paying to the System the full amount refunded, plus  
16 interest at actuarially assumed rate, not compounded, from the  
17 date of payment of the refund to the date of repayment.

18       (40 ILCS 5/14-340 new)

19       Sec. 14-340. Re-entry after retirement; later entrants.

20       (a) An annuitant who re-enters service as a member shall  
21 become a member on the date of re-entry and retirement annuity  
22 payments shall cease at that time. The employee shall resume  
23 contributions to the system on the date of re-entry at the  
24 rates then in effect and shall begin to accrue additional

1 service credit.

2 (b) Upon subsequent retirement, the employee shall be  
3 entitled to a retirement annuity consisting of: (1) the amount  
4 of retirement annuity previously granted and terminated by  
5 re-entry into service and (2) the amount of additional  
6 retirement annuity earned during the additional service.

7 (c) In computing the retirement annuity under subsection  
8 (b) of this Section, the time that the member was on retirement  
9 shall not interrupt the continuity of service for the  
10 computation of final average compensation and the additional  
11 membership service shall be considered, together with service  
12 rendered before the previous retirement, in establishing final  
13 average compensation.

14 (d) A person who re-enters service within 3 years after  
15 retiring may qualify to have the retirement annuity computed as  
16 though the member had not previously retired by paying to the  
17 System, within 5 years after re-entry and prior to subsequent  
18 retirement, in a lump-sum or in installment payments, in  
19 accordance with rules adopted by the board, an amount equal to  
20 all retirement annuity payments received, plus interest at the  
21 actuarially assumed rate from the date retirement payments were  
22 suspended to the date of repayment.

23 (40 ILCS 5/15-300 new)

24 Sec. 15-300. Provisions applicable to later entrants.

25 (a) The provisions of this Article following this Section

1 apply only to employees who first become employees on or after  
2 August 1, 2009, who are referred to as "later entrants".

3 (b) Except as provided in subsection (c) of this Section,  
4 the Sections of this Article before this Section do not apply  
5 to employees who first become employees on or after August 1,  
6 2009.

7 (c) The following Sections are also applicable to employees  
8 who first become employees on or after August 1, 2009: Sections  
9 15-101, 15-102, 15-103.2, 15-103.3, 15-104, 15-105, 15-106,  
10 15-107, 15-108, 15-109, 15-110, 15-111, 15-113, 15-113.1,  
11 15-118, 15-119, 15-124, 15-126, 15-126.1, 15-134, 15-136.4,  
12 15-150, 15-151, 15-152, 15-153, 15-153.1, 15-153.2, 15-153.3,  
13 15-155, 15-156, 15-157.1, and 15-158.2 and Sections 15-159  
14 through 15-198.

15 (d) To the extent that the Sections enumerated in  
16 subsection (c) of this Section conflict with the Sections  
17 following this Section, the Sections following this Section  
18 shall control.

19 (e) To the extent that the applicable Sections are included  
20 under subsection (c) of this Section, later entrants, including  
21 survivors, are entitled to disability benefits under this  
22 Article.

23 (40 ILCS 5/15-305 new)

24 Sec. 15-305. Creditable service for later entrants.

25 (a) Creditable service under this Article is subject to the

1 following conditions:

2 (1) The maximum amount of creditable service a  
3 participant may establish under this Article is 35 years.

4 (2) A participant may only establish creditable  
5 service for his or her service for employment with an  
6 employer, as defined in Section 15-106. Except as provided  
7 in subsection (b), a participant may not establish  
8 creditable service for any other service.

9 (3) A participant may not convert any unused sick leave  
10 or vacation into creditable service under this Article.

11 (b) A participant may establish creditable service for up  
12 to 2 years of military service before becoming a participant  
13 under this Article by paying to the System (1) employee  
14 contributions based upon the participant's salary upon  
15 becoming a participant under this Article, (2) an amount  
16 determined by the board to be equal to the employer's normal  
17 cost of the benefit, and (3) interest on items (1) and (2) at  
18 the actuarially assumed rate from the date of first employment  
19 in the System to the date of payment.

20 For the purposes of this subsection (b), "military service"  
21 means periods during which a person served in the armed forces  
22 of the United States for which the person received a discharge  
23 other than dishonorable.

24 (40 ILCS 5/15-310 new)

25 Sec. 15-310. Retirement annuity; conditions for

1 eligibility; later entrants. A participant may claim his or her  
2 retirement annuity upon attainment of (1) the full (normal)  
3 retirement age as provided in the federal Social Security Act  
4 with at least 10 years of service credit or (2) age 62 with at  
5 least 35 years of service credit.

6 A participant may claim a reduced retirement annuity under  
7 subsection (c) of Section 15-315 if he or she is at least 62  
8 years of age and has at least 10 years of service.

9 The annuity shall begin with the first full calendar month  
10 specified in the participant's application therefor, the first  
11 day of which shall not be before the date of withdrawal as  
12 approved by the board. Regardless of the date of withdrawal,  
13 the annuity need not begin within one year of application  
14 therefor.

15 (40 ILCS 5/15-315 new)

16 Sec. 15-315. Retirement life annuity; amount; employer  
17 contribution; later entrants.

18 (a) With respect to late entrants:

19 (1) "Final average rate of earnings" means the monthly  
20 rate of earnings obtained by dividing the total rate of  
21 earnings of an employee during the period of: (A) the 96  
22 consecutive months of service within the last 120 months of  
23 service in which the total rate of earnings was the highest  
24 or (B) the total period of service, if less than 96 months,  
25 by the number of months of service in such period; provided

1 that for the purposes of a retirement annuity the average  
2 rate of earnings for the last 12 months of the 96 months  
3 shall not exceed the final average rate of earnings by more  
4 than 25%.

5 In no event shall the monthly rate of earnings used to  
6 determined final average rate of earnings exceed (i) the  
7 Social Security Covered Wage Base for the given month of  
8 service or (ii) \$12,500, whichever is less.

9 (2) "Earnings" means a participant's base earnings and  
10 does not include any overtime or bonuses.

11 (b) The retirement life annuity shall be 2% of final  
12 average rate of earnings for each year of service.

13 (c) For a participant retiring after attaining age 62, the  
14 retirement life annuity shall be reduced by one-half of 1% for  
15 each month that the participant's age is under the full  
16 (normal) retirement age as provided in the federal Social  
17 Security Act.

18 (40 ILCS 5/15-320 new)

19 Sec. 15-320. Alternative forms of annuities for later  
20 entrants.

21 (a) A participant may choose any of the following types of  
22 annuities in lieu of receiving the full annuity provided in  
23 Section 15-315:

24 (1) Joint and 50% survivor annuity. Under this form of  
25 payment, the participant receives a reduced monthly



1       payment for his or her lifetime with a payment equal to 50%  
2       of the reduced amount payable to the participant paid to  
3       the participant's designated beneficiary for the  
4       beneficiary's lifetime if the beneficiary survives the  
5       participant.

6       (2) Joint and 75% survivor annuity. Under this form of  
7       payment, the participant receives a reduced monthly  
8       payment for his or her lifetime with a payment equal to 75%  
9       of the reduced amount payable to the participant paid to  
10       the participant's designated beneficiary for the  
11       beneficiary's lifetime if the beneficiary survives the  
12       participant.

13       (3) Joint and 100% survivor annuity. Under this form of  
14       payment, the participant receives a reduced monthly  
15       payment for his or her lifetime with a payment equal to  
16       100% of the reduced amount payable to the participant paid  
17       to the participant's designated beneficiary for the  
18       beneficiary's lifetime if the beneficiary survives the  
19       participant.

20       (4) Single life annuity with 60, 120, or 180 months of  
21       guaranteed payments. Under this option, the participant  
22       receives a reduced monthly payment for his or her lifetime.  
23       If the participant dies before receiving at least the  
24       number of guaranteed monthly payments, then the  
25       participant's beneficiary or estate receives the remaining  
26       guaranteed number of monthly payments.

1       (b) In lieu of the annuities under Section 15-315 and  
2       subsection (a) of this Section, a participant may choose the  
3       portable benefit package under Section 15-136.4 or the  
4       self-managed plan under Section 15-158.2.

5       (c) The Board must determine the participant's optional  
6       form of annuity provided under this Section by taking into  
7       account the appropriate actuarial assumptions, including  
8       without limitation the participant's and beneficiary's age;  
9       applicable mortality tables; and any other factors that the  
10       Board determines to be relevant. For this purpose, the  
11       participant's joint and survivor annuity should result in no  
12       significant increase to the System's unfunded actuarial  
13       accrued liability determined as of the most recent actuarial  
14       valuation, based on the same assumptions and methods used to  
15       develop and report the System's actuarial accrued liability and  
16       actuarial value of assets under Statement No. 25 of  
17       Governmental Accounting Standards Board or any subsequent  
18       applicable Statement.

19       (40 ILCS 5/15-325 new)

20       Sec. 15-325. Automatic annual increases for later  
21       entrants. Notwithstanding any other provision of this Article,  
22       a person receiving a retirement or survivor annuity under  
23       Sections 15-315 or 15-320 shall, on the first anniversary of  
24       retirement, but not before attaining age 67, and annually  
25       thereafter, have his or her annuity increased by (1) 3% or (2)

1 one-half of the percentage increase, if any, in the Consumer  
2 Price Index for All Urban Consumers measured from the preceding  
3 January 1 to the January 1 of the year during which the  
4 increase is being granted, whichever is less, of the originally  
5 granted annuity.

6 (40 ILCS 5/15-330 new)

7 Sec. 15-330. Contributions by participants; later  
8 entrants.

9 (a) Each employee shall contribute 7% of each payment of  
10 salary received by him or her for service as an employee toward  
11 the cost of his or her retirement annuity.

12 (b) Contributions shall be in the form of a deduction from  
13 earnings and shall be made notwithstanding that the earnings  
14 paid in cash to the employee shall be reduced thereby below the  
15 minimum prescribed by law or regulation. Each participant is  
16 deemed to consent and agree to the deductions from earnings  
17 provided for in this Article and shall receipt in full for  
18 salary or compensation.

19 (c) These contributions shall be picked up in the manner  
20 provided in Section 15-157.1.

21 (d) In no event shall contributions be deducted from salary  
22 in excess of (1) the Social Security Covered Wage Base for the  
23 given calendar year or (2) \$150,000, whichever is less.

24 (40 ILCS 5/15-335 new)

1       Sec. 15-335. Refunds; later entrants. An employee who  
2 ceases to be a participant, other than an annuitant, shall,  
3 upon written request, receive a refund of his or her total  
4 contributions, plus interest at (1) 3% or (2) one-half of the  
5 percentage increase, if any, in the Consumer Price Index for  
6 All Urban Consumers measured from the preceding January 1 to  
7 the January 1 of the year during which the interest is being  
8 credited, whichever is less, per year, not compounded.

9       Upon re-entry into service as an employee, a former  
10 participant may reestablish any creditable service forfeited  
11 by acceptance of a refund by paying to the System the full  
12 amount refunded, plus interest at the actuarially assumed rate,  
13 not compounded, from the date of payment of the refund to the  
14 date of repayment.

15       (40 ILCS 5/15-340 new)

16       Sec. 15-340. Re-entry after retirement; later entrants.

17       (a) An annuitant who re-enters service as an employee shall  
18 become a participant on the date of re-entry and retirement  
19 annuity payments shall cease at that time. The employee shall  
20 resume contributions to the system on the date of re-entry at  
21 the rates then in effect and shall begin to accrue additional  
22 service credit.

23       (b) Upon subsequent retirement, the employee shall be  
24 entitled to a retirement annuity consisting of: (1) the amount  
25 of retirement annuity previously granted and terminated by

1 re-entry into service and (2) the amount of additional  
2 retirement annuity earned during the additional service.

3 (c) In computing the retirement annuity under subsection  
4 (b) of this Section, the time that the employee was on  
5 retirement shall not interrupt the continuity of service for  
6 the computation of final average rate of earnings and the  
7 additional service shall be considered, together with service  
8 rendered before the previous retirement, in establishing final  
9 average rate of earnings.

10 (d) A person who re-enters service within 3 years after  
11 retiring may qualify to have the retirement annuity computed as  
12 though the participant had not previously retired by paying to  
13 the System, within 5 years after re-entry and prior to  
14 subsequent retirement, in a lump-sum or in installment  
15 payments, in accordance with rules adopted by the board, an  
16 amount equal to all retirement annuity payments received, plus  
17 interest at the actuarially assumed rate from the date  
18 retirement payments were suspended to the date of repayment.

19 (40 ILCS 5/16-300 new)

20 Sec. 16-300. Provisions applicable to later entrants.

21 (a) The provisions of this Article following this Section  
22 apply only to teachers who first become teachers on or after  
23 August 1, 2009, who are referred to as "later entrants".

24 (b) Except as provided in subsection (c) of this Section,  
25 the Sections of this Article before this Section do not apply

1 to teachers who first become teachers on or after August 1,  
2 2009.

3 (c) The following Sections are also applicable to teachers  
4 who first become teachers on or after August 1, 2009: Sections  
5 16-101, 16-102, 16-103, 16-104, 16-105, 16-106, 16-106.1,  
6 16-106.2, 16-106.3, 16-107, 16-109, 16-110, 16-111.1, 16-113,  
7 16-114, 16-118, 16-121, 16-123, 16-149, 16-149.1, 16-149.2,  
8 16-149.3, 16-149.4, 16-149.5, 16-149.6, and 16-152.1 and  
9 Sections 16-155 through 16-203.

10 (d) To the extent that the Sections enumerated in  
11 subsection (c) of this Section conflict with the Sections  
12 following this Section, the Sections following this Section  
13 shall control.

14 (e) To the extent that the applicable Sections are included  
15 under subsection (c) of this Section, later entrants, including  
16 survivors, are entitled to disability benefits under this  
17 Article.

18 (40 ILCS 5/16-305 new)

19 Sec. 16-305. Creditable service for later entrants.

20 (a) Creditable service under this Article is subject to the  
21 following conditions:

22 (1) The maximum amount of creditable service a member  
23 may establish under this Article is 35 years.

24 (2) A member may only establish creditable service for  
25 his or her service for employment as a teacher, as defined

1 in Section 16-106. Except as provided in subsection (b), a  
2 member may not establish creditable service for any other  
3 service.

4 (3) A member may not convert any unused sick leave or  
5 vacation into creditable service under this Article.

6 (b) A member may establish creditable service for up to 2  
7 years of military service before becoming a member under this  
8 Article by paying to the System (1) employee contributions  
9 based upon the member's salary upon becoming a member under  
10 this Article, (2) an amount determined by the board to be equal  
11 to the employer's normal cost of the benefit, and (3) interest  
12 on items (1) and (2) at the actuarially assumed rate from the  
13 date of first employment in the System to the date of payment.

14 For the purposes of this subsection (b), "military service"  
15 means periods a person spent in active service with the  
16 military forces of the United States for which the person  
17 received a discharge other than dishonorable.

18 (40 ILCS 5/16-310 new)

19 Sec. 16-310. Retirement annuity; conditions for  
20 eligibility; later entrants. A member may claim his or her  
21 retirement annuity upon attainment of (1) the full (normal)  
22 retirement age as provided in the federal Social Security Act  
23 with at least 10 years of service credit or (2) age 62 with at  
24 least 35 years of service credit.

25 A member may claim a reduced retirement annuity under

1 subsection (c) of Section 16-315 if he or she is at least 62  
2 years of age and has at least 10 years of service.

3 The annuity shall begin with the first full calendar month  
4 specified in the member's application therefor, the first day  
5 of which shall not be before the date of withdrawal as approved  
6 by the board. Regardless of the date of withdrawal, the annuity  
7 need not begin within one year of application therefor.

8 (40 ILCS 5/16-315 new)

9 Sec. 16-315. Retirement life annuity; amount; employer  
10 contribution; later entrants.

11 (a) With respect to late entrants:

12 (1) "Final average salary" means the monthly salary  
13 obtained by dividing the total salary of a member during  
14 the period of: (A) the 96 consecutive months of service  
15 within the last 120 months of service in which the total  
16 salary was the highest or (B) the total period of service,  
17 if less than 96 months, by the number of months of service  
18 in such period; provided that for the purposes of a  
19 retirement annuity the average salary for the last 12  
20 months of the 96 months shall not exceed the final average  
21 salary by more than 25%.

22 In no event shall the monthly salary used to determined  
23 final average salary exceed (i) the Social Security Covered  
24 Wage Base for the given month of service or (ii) \$12,500,  
25 whichever is less.



1           (2) "Salary" means a member's base salary and does not  
2           include any overtime or bonuses.

3           (b) The retirement life annuity shall be 2% of final  
4           average salary for each year of service.

5           (c) For a member retiring after attaining age 62, the  
6           retirement life annuity shall be reduced by one-half of 1% for  
7           each month that the member's age is under the full (normal)  
8           retirement age as provided in the federal Social Security Act.

9           (40 ILCS 5/16-320 new)

10          Sec. 16-320. Alternative forms of annuities for later  
11          entrants. A member may choose any of the following types of  
12          annuities in lieu of receiving the full annuity provided in  
13          Section 14-315:

14           (1) Joint and 50% survivor annuity. Under this form of  
15           payment, the member receives a reduced monthly payment for  
16           his or her lifetime with a payment equal to 50% of the  
17           reduced amount payable to the member paid to the member's  
18           designated beneficiary for the beneficiary's lifetime if  
19           the beneficiary survives the member.

20           (2) Joint and 75% survivor annuity. Under this form of  
21           payment, the member receives a reduced monthly payment for  
22           his or her lifetime with a payment equal to 75% of the  
23           reduced amount payable to the member paid to the member's  
24           designated beneficiary for the beneficiary's lifetime if  
25           the beneficiary survives the member.

1           (3) Joint and 100% survivor annuity. Under this form of  
2           payment, the member receives a reduced monthly payment for  
3           his or her lifetime with a payment equal to 100% of the  
4           reduced amount payable to the member paid to the member's  
5           designated beneficiary for the beneficiary's lifetime if  
6           the beneficiary survives the member.

7           (4) Single life annuity with 60, 120, or 180 months of  
8           guaranteed payments. Under this option, the member  
9           receives a reduced monthly payment for his or her lifetime.  
10          If the member dies before receiving at least the number of  
11          guaranteed monthly payments, then the member's beneficiary  
12          or estate receives the remaining guaranteed number of  
13          monthly payments.

14          The Board must determine the participant's optional form of  
15          annuity provided under this Section by taking into account the  
16          appropriate actuarial assumptions, including without  
17          limitation the participant's and beneficiary's age; applicable  
18          mortality tables; and any other factors that the Board  
19          determines to be relevant. For this purpose, the participant's  
20          joint and survivor annuity should result in no significant  
21          increase to the System's unfunded actuarial accrued liability  
22          determined as of the most recent actuarial valuation, based on  
23          the same assumptions and methods used to develop and report the  
24          System's actuarial accrued liability and actuarial value of  
25          assets under Statement No. 25 of Governmental Accounting  
26          Standards Board or any subsequent applicable Statement.

1 (40 ILCS 5/16-325 new)

2 Sec. 16-325. Automatic annual increases for later  
3 entrants. Notwithstanding any other provision of this Article,  
4 a person receiving a retirement or survivor annuity under  
5 Sections 16-315 or 16-320 shall, on the first anniversary of  
6 retirement, but not before attaining age 67, and annually  
7 thereafter, have his or her annuity increased by (1) 3% or (2)  
8 one-half of the percentage increase, if any, in the Consumer  
9 Price Index for All Urban Consumers measured from the preceding  
10 January 1 to the January 1 of the year during which the  
11 increase is being granted, whichever is less, of the originally  
12 granted annuity.

13 (40 ILCS 5/16-330 new)

14 Sec. 16-330. Contributions by teachers; later entrants.  
15 (a) Each teacher shall contribute 8% of each payment of  
16 salary received by him or her for service as a teacher toward  
17 the cost of his or her retirement annuity.  
18 (b) Contributions shall be in the form of a deduction from  
19 salary and shall be made notwithstanding that the salary paid  
20 in cash to the teacher shall be reduced thereby below the  
21 minimum prescribed by law or regulation. Each member is deemed  
22 to consent and agree to the deductions from salary provided for  
23 in this Article and shall receipt in full for salary or  
24 compensation.

1       (c) These contributions shall be picked up in the manner  
2 provided in Section 16-152.1.

3       (d) In no event shall contributions be deducted from salary  
4 in excess of (1) the Social Security Covered Wage Base for the  
5 given calendar year or (2) \$150,000, whichever is less.

6       (40 ILCS 5/16-335 new)

7       Sec. 16-335. Refunds; later entrants. A teacher who ceases  
8 to be a member, other than an annuitant, shall, upon written  
9 request, receive a refund of his or her total contributions,  
10 plus interest at (1) 3% or (2) one-half of the percentage  
11 increase, if any, in the Consumer Price Index for All Urban  
12 Consumers measured from the preceding January 1 to the January  
13 1 of the year during which the interest is being credited,  
14 whichever is less, per year, not compounded.

15       Upon re-entry into service as a teacher, a former member  
16 may reestablish any creditable service forfeited by acceptance  
17 of a refund by paying to the System the full amount refunded,  
18 plus interest at the actuarially assumed rate, not compounded,  
19 from the date of payment of the refund to the date of  
20 repayment.

21       (40 ILCS 5/16-340 new)

22       Sec. 16-340. Re-entry after retirement; later entrants.

23       (a) An annuitant who re-enters service as a teacher shall  
24 become a member on the date of re-entry and retirement annuity

1 payments shall cease at that time. The teacher shall resume  
2 contributions to the system on the date of re-entry at the  
3 rates then in effect and shall begin to accrue additional  
4 service credit.

5 (b) Upon subsequent retirement, the teacher shall be  
6 entitled to a retirement annuity consisting of: (1) the amount  
7 of retirement annuity previously granted and terminated by  
8 re-entry into service and (2) the amount of additional  
9 retirement annuity earned during the additional service.

10 (c) In computing the retirement annuity under subsection  
11 (b) of this Section, the time that the teacher was on  
12 retirement shall not interrupt the continuity of service for  
13 the computation of final average salary and the additional  
14 service shall be considered, together with service rendered  
15 before the previous retirement, in establishing final average  
16 salary.

17 (d) A person who re-enters service within 3 years after  
18 retiring may qualify to have the retirement annuity computed as  
19 though the member had not previously retired by paying to the  
20 System, within 5 years after re-entry and prior to subsequent  
21 retirement, in a lump-sum or in installment payments, in  
22 accordance with rules adopted by the board, an amount equal to  
23 all retirement annuity payments received, plus interest at the  
24 actuarially assumed rate from the date retirement payments were  
25 suspended to the date of repayment.

1 (40 ILCS 5/18-300 new)

2 Sec. 18-300. Provisions applicable to later entrants.

3 (a) The provisions of this Article following this Section  
4 apply only to judges who first become judges on or after August  
5 1, 2009, who are referred to as "later entrants".

6 (b) Except as provided in subsection (c) of this Section,  
7 the Sections of this Article before this Section do not apply  
8 to judges who first become judges on or after August 1, 2009.

9 (c) The following Sections are also applicable to judges  
10 who first become judges on or after August 1, 2009: Sections  
11 18-101, 18-102, 18-103, 18-104, 18-105, 18-106, 18-107,  
12 18-108, 18-109, 18-110, 18-111, 18-112.5, 18-113, 18-114,  
13 18-116, 18-118, 18-119, 18-120, 18-120.1, 18-121, 18-126,  
14 18-126.1, 18-128.2, 18-131, and 18-132 and Sections 18-133.1  
15 through 18-169.

16 (d) To the extent that the Sections enumerated in  
17 subsection (c) of this Section conflict with the Sections  
18 following this Section, the Sections following this Section  
19 shall control.

20 (e) To the extent that the applicable Sections are included  
21 under subsection (c) of this Section, later entrants, including  
22 survivors, are entitled to disability benefits under this  
23 Article.

24 (40 ILCS 5/18-305 new)

25 Sec. 18-305. Creditable service for later entrants.

1       (a) Creditable service under this Article is subject to the  
2 following conditions:

3           (1) The maximum amount of creditable service a  
4 participant may establish under this Article is 35 years.

5           (2) A participant may only establish creditable  
6 service for his or her service for employment as a judge,  
7 as defined in Section 16-106. Except as provided in  
8 subsection (b), a participant may not establish creditable  
9 service for any other service.

10          (3) A participant may not convert any unused sick leave  
11 or vacation into creditable service under this Article.

12          (b) A participant may establish creditable service for up  
13 to 2 years of military service before becoming a participant  
14 under this Article by paying to the System (1) employee  
15 contributions based upon the participant's salary upon  
16 becoming a participant under this Article, (2) an amount  
17 determined by the board to be equal to the employer's normal  
18 cost of the benefit, and (3) interest on items (1) and (2) at  
19 the actuarially assumed rate from the date of first employment  
20 in the System to the date of payment.

21          For the purposes of this subsection (b), "military service"  
22 means periods a person spent in active service with the  
23 military forces of the United States for which the person  
24 received a discharge other than dishonorable.

1       Sec. 18-310. Retirement annuity; conditions for  
2 eligibility; later entrants. A participant may claim his or her  
3 retirement annuity upon attainment of (1) the full (normal)  
4 retirement age as provided in the federal Social Security Act  
5 with at least 10 years of service credit or (2) age 62 with at  
6 least 35 years of service credit.

7       A participant may claim a reduced retirement annuity under  
8 subsection (c) of Section 16-315 if he or she is at least 62  
9 years of age and has at least 10 years of service.

10       The annuity shall begin with the first full calendar month  
11 specified in the participant's application therefor, the first  
12 day of which shall not be before the date of withdrawal as  
13 approved by the board. Regardless of the date of withdrawal,  
14 the annuity need not begin within one year of application  
15 therefor.

16       (40 ILCS 5/18-315 new)

17       Sec. 18-315. Retirement life annuity; amount; employer  
18 contribution; later entrants.

19       (a) With respect to late entrants:

20       (1) "Final average salary" means the monthly salary  
21 obtained by dividing the total salary of a participant  
22 during the period of: (A) the 96 consecutive months of  
23 service within the last 120 months of service in which the  
24 total salary was the highest or (B) the total period of  
25 service, if less than 96 months, by the number of months of



1 service in such period; provided that for the purposes of a  
2 retirement annuity the average salary for the last 12  
3 months of the 96 months shall not exceed the final average  
4 salary by more than 25%.

5 In no event shall the monthly salary used to determined  
6 final average salary exceed (i) the Social Security Covered  
7 Wage Base for the given month of service or (ii) \$12,500,  
8 whichever is less.

9 (2) "Salary" means a participant's base salary and does  
10 not include any overtime or bonuses.

11 (b) The retirement life annuity shall be 2% of final  
12 average salary for each year of service.

13 (c) For a participant retiring after attaining age 62, the  
14 retirement life annuity shall be reduced by one-half of 1% for  
15 each month that the participant's age is under the full  
16 (normal) retirement age as provided in the federal Social  
17 Security Act.

18 (40 ILCS 5/18-320 new)

19 Sec. 18-320. Alternative forms of annuities for later  
20 entrants. A participant may choose any of the following types  
21 of annuities in lieu of receiving the full annuity provided in  
22 Section 14-315:

23 (1) Joint and 50% survivor annuity. Under this form of  
24 payment, the participant receives a reduced monthly  
25 payment for his or her lifetime with a payment equal to 50%

1       of the reduced amount payable to the participant paid to  
2       the participant's designated beneficiary for the  
3       beneficiary's lifetime if the beneficiary survives the  
4       participant.

5       (2) Joint and 75% survivor annuity. Under this form of  
6       payment, the participant receives a reduced monthly  
7       payment for his or her lifetime with a payment equal to 75%  
8       of the reduced amount payable to the participant paid to  
9       the participant's designated beneficiary for the  
10       beneficiary's lifetime if the beneficiary survives the  
11       participant.

12       (3) Joint and 100% survivor annuity. Under this form of  
13       payment, the participant receives a reduced monthly  
14       payment for his or her lifetime with a payment equal to  
15       100% of the reduced amount payable to the participant paid  
16       to the participant's designated beneficiary for the  
17       beneficiary's lifetime if the beneficiary survives the  
18       participant.

19       (4) Single life annuity with 60, 120, or 180 months of  
20       guaranteed payments. Under this option, the participant  
21       receives a reduced monthly payment for his or her lifetime.  
22       If the participant dies before receiving at least the  
23       number of guaranteed monthly payments, then the  
24       participant's beneficiary or estate receives the remaining  
25       guaranteed number of monthly payments.

26       The Board must determine the participant's optional form of

1 annuity provided under this Section by taking into account the  
2 appropriate actuarial assumptions, including without  
3 limitation the participant's and beneficiary's age; applicable  
4 mortality tables; and any other factors that the Board  
5 determines to be relevant. For this purpose, the participant's  
6 joint and survivor annuity should result in no significant  
7 increase to the System's unfunded actuarial accrued liability  
8 determined as of the most recent actuarial valuation, based on  
9 the same assumptions and methods used to develop and report the  
10 System's actuarial accrued liability and actuarial value of  
11 assets under Statement No. 25 of Governmental Accounting  
12 Standards Board or any subsequent applicable Statement.

13 (40 ILCS 5/18-325 new)

14 Sec. 18-325. Automatic annual increases for later  
15 entrants. Notwithstanding any other provision of this Article,  
16 a person receiving a retirement or survivor annuity under  
17 Sections 16-315 or 16-320 shall, on the first anniversary of  
18 retirement, but not before attaining age 67, and annually  
19 thereafter, have his or her annuity increased by (1) 3% or (2)  
20 one-half of the percentage increase, if any, in the Consumer  
21 Price Index for All Urban Consumers measured from the preceding  
22 January 1 to the January 1 of the year during which the  
23 interest is being credited, whichever is less, of the  
24 originally granted annuity.

1 (40 ILCS 5/18-330 new)

2 Sec. 18-330. Contributions by judges; later entrants.

3 (a) Each judge shall contribute 7% of each payment of  
4 salary received by him or her for service as a judge toward the  
5 cost of his or her retirement annuity.

6 (b) Contributions shall be in the form of a deduction from  
7 salary and shall be made notwithstanding that the salary paid  
8 in cash to the judge shall be reduced thereby below the minimum  
9 prescribed by law or regulation. Each participant is deemed to  
10 consent and agree to the deductions from salary provided for in  
11 this Article and shall receipt in full for salary or  
12 compensation.

13 (c) These contributions shall be picked up in the manner  
14 provided in Section 18-133.1.

15 (d) In no event shall contributions be deducted from salary  
16 in excess of (1) the Social Security Covered Wage Base for the  
17 given calendar year or (2) \$150,000, whichever is less.

18 (40 ILCS 5/18-335 new)

19 Sec. 18-335. Refunds; later entrants. A judge who ceases to  
20 be a participant, other than an annuitant, shall, upon written  
21 request, receive a refund of his or her total contributions,  
22 plus interest at (1) 3% or (2) one-half of the percentage  
23 increase, if any, in the Consumer Price Index for All Urban  
24 Consumers measured from the preceding January 1 to the January  
25 1 of the year during which the interest is being credited,

1 whichever is less, per year, not compounded.

2 Upon re-entry into service as a judge, a former participant  
3 may reestablish any creditable service forfeited by acceptance  
4 of a refund by paying to the System the full amount refunded,  
5 plus interest at the actuarially assumed rate, not compounded,  
6 from the date of payment of the refund to the date of  
7 repayment.

8 (40 ILCS 5/18-340 new)

9 Sec. 18-340. Re-entry after retirement; later entrants.

10 (a) An annuitant who re-enters service as a judge shall  
11 become a participant on the date of re-entry and retirement  
12 annuity payments shall cease at that time. The judge shall  
13 resume contributions to the system on the date of re-entry at  
14 the rates then in effect and shall begin to accrue additional  
15 service credit.

16 (b) Upon subsequent retirement, the judge shall be entitled  
17 to a retirement annuity consisting of: (1) the amount of  
18 retirement annuity previously granted and terminated by  
19 re-entry into service and (2) the amount of additional  
20 retirement annuity earned during the additional service.

21 (c) In computing the retirement annuity under subsection  
22 (b) of this Section, the time that the judge was on retirement  
23 shall not interrupt the continuity of service for the  
24 computation of final average salary and the additional service  
25 shall be considered, together with service rendered before the

1 previous retirement, in establishing final average salary.

2 (d) A person who re-enters service within 3 years after  
3 retiring may qualify to have the retirement annuity computed as  
4 though the participant had not previously retired by paying to  
5 the System, within 5 years after re-entry and prior to  
6 subsequent retirement, in a lump-sum or in installment  
7 payments, in accordance with rules adopted by the board, an  
8 amount equal to all retirement annuity payments received, plus  
9 interest at the actuarially assumed rate from the date  
10 retirement payments were suspended to the date of repayment.

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