

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 1-114, 1-135, 3-110, 4-108, 5-214, 6-209, 8-138,
6 8-226, 8-233, 9-219, 11-134, 11-215, 11-217, 15-107, 16-106,
7 and 17-134 as follows:

8 (40 ILCS 5/1-114) (from Ch. 108 1/2, par. 1-114)

9 Sec. 1-114. Liability for Breach of Fiduciary Duty. (a) Any
10 person who is a fiduciary with respect to a retirement system
11 or pension fund established under this Code who breaches any
12 duty imposed upon fiduciaries by this Code, including, but not
13 limited to, a failure to report a reasonable suspicion of a
14 false statement specified in Section 1-135 of this Code, shall
15 be personally liable to make good to such retirement system or
16 pension fund any losses to it resulting from each such breach,
17 and to restore to such retirement system or pension fund any
18 profits of such fiduciary which have been made through use of
19 assets of the retirement system or pension fund by the
20 fiduciary, and shall be subject to such equitable or remedial
21 relief as the court may deem appropriate, including the removal
22 of such fiduciary.

23 (b) No person shall be liable with respect to a breach of

1 fiduciary duty under this Code if such breach occurred before
2 such person became a fiduciary or after such person ceased to
3 be a fiduciary.

4 (Source: P.A. 82-960.)

5 (40 ILCS 5/1-135)

6 Sec. 1-135. Fraud. Any person who knowingly makes any false
7 statement or falsifies or permits to be falsified any record of
8 a retirement system or pension fund created under this Code or
9 the Illinois State Board of Investment in an attempt to defraud
10 the retirement system or pension fund created under this Code
11 or the Illinois State Board of Investment is guilty of a Class
12 3 felony. Any reasonable suspicion by any appointed or elected
13 commissioner, trustee, director, or board member of a
14 retirement system or pension fund created under this Code or
15 the State Board of Investment of a false statement or falsified
16 record being submitted or permitted by a person under this Code
17 shall be immediately referred to the board of trustees of the
18 applicable retirement system or pension fund created under this
19 Code, the State Board of Investment, or the State's Attorney of
20 the jurisdiction where the alleged fraudulent activity
21 occurred. The board of trustees of a retirement system or
22 pension fund created under this Code or the State Board of
23 Investment shall immediately notify the State's Attorney of the
24 jurisdiction where any alleged fraudulent activity occurred
25 for investigation. For the purposes of this Section,

1 "reasonable suspicion" means a belief, based upon specific and
2 articulable facts, taken together with rational inferences
3 from those facts, that would lead a reasonable person to
4 believe that fraud has been, or will be, committed. A
5 reasonable suspicion is more than a non-particularized
6 suspicion. A mere inconsistency, standing alone, does not give
7 rise to a reasonable suspicion.

8 (Source: P.A. 96-6, eff. 4-3-09.)

9 (40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)

10 Sec. 3-110. Creditable service.

11 (a) "Creditable service" is the time served by a police
12 officer as a member of a regularly constituted police force of
13 a municipality. In computing creditable service furloughs
14 without pay exceeding 30 days shall not be counted, but all
15 leaves of absence for illness or accident, regardless of
16 length, and all periods of disability retirement for which a
17 police officer has received no disability pension payments
18 under this Article shall be counted.

19 (a-5) Up to 3 years of time during which the police officer
20 receives a disability pension under Section 3-114.1, 3-114.2,
21 3-114.3, or 3-114.6 shall be counted as creditable service,
22 provided that (i) the police officer returns to active service
23 after the disability for a period at least equal to the period
24 for which credit is to be established and (ii) the police
25 officer makes contributions to the fund based on the rates

1 specified in Section 3-125.1 and the salary upon which the
2 disability pension is based. These contributions may be paid at
3 any time prior to the commencement of a retirement pension. The
4 police officer may, but need not, elect to have the
5 contributions deducted from the disability pension or to pay
6 them in installments on a schedule approved by the board. If
7 not deducted from the disability pension, the contributions
8 shall include interest at the rate of 6% per year, compounded
9 annually, from the date for which service credit is being
10 established to the date of payment. If contributions are paid
11 under this subsection (a-5) in excess of those needed to
12 establish the credit, the excess shall be refunded. This
13 subsection (a-5) applies to persons receiving a disability
14 pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on
15 the effective date of this amendatory Act of the 91st General
16 Assembly, as well as persons who begin to receive such a
17 disability pension after that date.

18 (b) Creditable service includes all periods of service in
19 the military, naval or air forces of the United States entered
20 upon while an active police officer of a municipality, provided
21 that upon applying for a permanent pension, and in accordance
22 with the rules of the board, the police officer pays into the
23 fund the amount the officer would have contributed if he or she
24 had been a regular contributor during such period, to the
25 extent that the municipality which the police officer served
26 has not made such contributions in the officer's behalf. The

1 total amount of such creditable service shall not exceed 5
2 years, except that any police officer who on July 1, 1973 had
3 more than 5 years of such creditable service shall receive the
4 total amount thereof.

5 (b-5) Creditable service includes all periods of service in
6 the military, naval, or air forces of the United States entered
7 upon before beginning service as an active police officer of a
8 municipality, provided that, in accordance with the rules of
9 the board, the police officer pays into the fund the amount the
10 police officer would have contributed if he or she had been a
11 regular contributor during such period, plus an amount
12 determined by the Board to be equal to the municipality's
13 normal cost of the benefit, plus interest at the actuarially
14 assumed rate calculated from the date the employee last became
15 a police officer under this Article. The total amount of such
16 creditable service shall not exceed 2 years.

17 (c) Creditable service also includes service rendered by a
18 police officer while on leave of absence from a police
19 department to serve as an executive of an organization whose
20 membership consists of members of a police department, subject
21 to the following conditions: (i) the police officer is a
22 participant of a fund established under this Article with at
23 least 10 years of service as a police officer; (ii) the police
24 officer received no credit for such service under any other
25 retirement system, pension fund, or annuity and benefit fund
26 included in this Code; (iii) pursuant to the rules of the board

1 the police officer pays to the fund the amount he or she would
2 have contributed had the officer been an active member of the
3 police department; ~~and~~ (iv) the organization pays a
4 contribution equal to the municipality's normal cost for that
5 period of service; and (v) for all leaves of absence under this
6 subsection (c), including those beginning before the effective
7 date of this amendatory Act of the 97th General Assembly, the
8 police officer continues to remain in sworn status, subject to
9 the professional standards of the public employer or those
10 terms established in statute.

11 (d) (1) Creditable service also includes periods of
12 service originally established in another police pension
13 fund under this Article or in the Fund established under
14 Article 7 of this Code for which (i) the contributions have
15 been transferred under Section 3-110.7 or Section 7-139.9
16 and (ii) any additional contribution required under
17 paragraph (2) of this subsection has been paid in full in
18 accordance with the requirements of this subsection (d).

19 (2) If the board of the pension fund to which
20 creditable service and related contributions are
21 transferred under Section 7-139.9 determines that the
22 amount transferred is less than the true cost to the
23 pension fund of allowing that creditable service to be
24 established, then in order to establish that creditable
25 service the police officer must pay to the pension fund,
26 within the payment period specified in paragraph (3) of

1 this subsection, an additional contribution equal to the
2 difference, as determined by the board in accordance with
3 the rules and procedures adopted under paragraph (6) of
4 this subsection. If the board of the pension fund to which
5 creditable service and related contributions are
6 transferred under Section 3-110.7 determines that the
7 amount transferred is less than the true cost to the
8 pension fund of allowing that creditable service to be
9 established, then the police officer may elect (A) to
10 establish that creditable service by paying to the pension
11 fund, within the payment period specified in paragraph (3)
12 of this subsection (d), an additional contribution equal to
13 the difference, as determined by the board in accordance
14 with the rules and procedures adopted under paragraph (6)
15 of this subsection (d) or (B) to have his or her creditable
16 service reduced by an amount equal to the difference
17 between the amount transferred under Section 3-110.7 and
18 the true cost to the pension fund of allowing that
19 creditable service to be established, as determined by the
20 board in accordance with the rules and procedures adopted
21 under paragraph (6) of this subsection (d).

22 (3) Except as provided in paragraph (4), the additional
23 contribution that is required or elected under paragraph
24 (2) of this subsection (d) must be paid to the board (i)
25 within 5 years from the date of the transfer of
26 contributions under Section 3-110.7 or 7-139.9 and (ii)

1 before the police officer terminates service with the fund.
2 The additional contribution may be paid in a lump sum or in
3 accordance with a schedule of installment payments
4 authorized by the board.

5 (4) If the police officer dies in service before
6 payment in full has been made and before the expiration of
7 the 5-year payment period, the surviving spouse of the
8 officer may elect to pay the unpaid amount on the officer's
9 behalf within 6 months after the date of death, in which
10 case the creditable service shall be granted as though the
11 deceased police officer had paid the remaining balance on
12 the day before the date of death.

13 (5) If the additional contribution that is required or
14 elected under paragraph (2) of this subsection (d) is not
15 paid in full within the required time, the creditable
16 service shall not be granted and the police officer (or the
17 officer's surviving spouse or estate) shall be entitled to
18 receive a refund of (i) any partial payment of the
19 additional contribution that has been made by the police
20 officer and (ii) those portions of the amounts transferred
21 under subdivision (a)(1) of Section 3-110.7 or
22 subdivisions (a)(1) and (a)(3) of Section 7-139.9 that
23 represent employee contributions paid by the police
24 officer (but not the accumulated interest on those
25 contributions) and interest paid by the police officer to
26 the prior pension fund in order to reinstate service

1 terminated by acceptance of a refund.

2 At the time of paying a refund under this item (5), the
3 pension fund shall also repay to the pension fund from
4 which the contributions were transferred under Section
5 3-110.7 or 7-139.9 the amount originally transferred under
6 subdivision (a)(2) of that Section, plus interest at the
7 rate of 6% per year, compounded annually, from the date of
8 the original transfer to the date of repayment. Amounts
9 repaid to the Article 7 fund under this provision shall be
10 credited to the appropriate municipality.

11 Transferred credit that is not granted due to failure
12 to pay the additional contribution within the required time
13 is lost; it may not be transferred to another pension fund
14 and may not be reinstated in the pension fund from which it
15 was transferred.

16 (6) The Public Employee Pension Fund Division of the
17 Department of Insurance shall establish by rule the manner
18 of making the calculation required under paragraph (2) of
19 this subsection, taking into account the appropriate
20 actuarial assumptions; the police officer's service, age,
21 and salary history; the level of funding of the pension
22 fund to which the credits are being transferred; and any
23 other factors that the Division determines to be relevant.
24 The rules may require that all calculations made under
25 paragraph (2) be reported to the Division by the board
26 performing the calculation, together with documentation of

1 the creditable service to be transferred, the amounts of
2 contributions and interest to be transferred, the manner in
3 which the calculation was performed, the numbers relied
4 upon in making the calculation, the results of the
5 calculation, and any other information the Division may
6 deem useful.

7 (e) (1) Creditable service also includes periods of
8 service originally established in the Fund established
9 under Article 7 of this Code for which the contributions
10 have been transferred under Section 7-139.11.

11 (2) If the board of the pension fund to which
12 creditable service and related contributions are
13 transferred under Section 7-139.11 determines that the
14 amount transferred is less than the true cost to the
15 pension fund of allowing that creditable service to be
16 established, then the amount of creditable service the
17 police officer may establish under this subsection (e)
18 shall be reduced by an amount equal to the difference, as
19 determined by the board in accordance with the rules and
20 procedures adopted under paragraph (3) of this subsection.

21 (3) The Public Pension Division of the Department of
22 Financial and Professional Regulation shall establish by
23 rule the manner of making the calculation required under
24 paragraph (2) of this subsection, taking into account the
25 appropriate actuarial assumptions; the police officer's
26 service, age, and salary history; the level of funding of

1 the pension fund to which the credits are being
2 transferred; and any other factors that the Division
3 determines to be relevant. The rules may require that all
4 calculations made under paragraph (2) be reported to the
5 Division by the board performing the calculation, together
6 with documentation of the creditable service to be
7 transferred, the amounts of contributions and interest to
8 be transferred, the manner in which the calculation was
9 performed, the numbers relied upon in making the
10 calculation, the results of the calculation, and any other
11 information the Division may deem useful.

12 (4) Until January 1, 2010, a police officer who
13 transferred service from the Fund established under
14 Article 7 of this Code under the provisions of Public Act
15 94-356 may establish additional credit, but only for the
16 amount of the service credit reduction in that transfer, as
17 calculated under paragraph (3) of this subsection (e). This
18 credit may be established upon payment by the police
19 officer of an amount to be determined by the board, equal
20 to (1) the amount that would have been contributed as
21 employee and employer contributions had all of the service
22 been as an employee under this Article, plus interest
23 thereon at the rate of 6% per year, compounded annually
24 from the date of service to the date of transfer, less (2)
25 the total amount transferred from the Article 7 Fund, plus
26 (3) interest on the difference at the rate of 6% per year,

1 compounded annually, from the date of the transfer to the
2 date of payment. The additional service credit is allowed
3 under this amendatory Act of the 95th General Assembly
4 notwithstanding the provisions of Article 7 terminating
5 all transferred credits on the date of transfer.

6 (Source: P.A. 95-812, eff. 8-13-08; 96-297, eff. 8-11-09;
7 96-1260, eff. 7-23-10.)

8 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)
9 Sec. 4-108. Creditable service.

10 (a) Creditable service is the time served as a firefighter
11 of a municipality. In computing creditable service, furloughs
12 and leaves of absence without pay exceeding 30 days in any one
13 year shall not be counted, but leaves of absence for illness or
14 accident regardless of length, and periods of disability for
15 which a firefighter received no disability pension payments
16 under this Article, shall be counted.

17 (b) Furloughs and leaves of absence of 30 days or less in
18 any one year may be counted as creditable service, if the
19 firefighter makes the contribution to the fund that would have
20 been required had he or she not been on furlough or leave of
21 absence. To qualify for this creditable service, the
22 firefighter must pay the required contributions to the fund not
23 more than 90 days subsequent to the termination of the furlough
24 or leave of absence, to the extent that the municipality has
25 not made such contribution on his or her behalf.

1 (c) Creditable service includes:

2 (1) Service in the military, naval or air forces of the
3 United States entered upon when the person was an active
4 firefighter, provided that, upon applying for a permanent
5 pension, and in accordance with the rules of the board the
6 firefighter pays into the fund the amount that would have
7 been contributed had he or she been a regular contributor
8 during such period of service, if and to the extent that
9 the municipality which the firefighter served made no such
10 contributions in his or her behalf. The total amount of
11 such creditable service shall not exceed 5 years, except
12 that any firefighter who on July 1, 1973 had more than 5
13 years of such creditable service shall receive the total
14 amount thereof as of that date.

15 (1.5) Up to 24 months of service in the military,
16 naval, or air forces of the United States that was served
17 prior to employment by a municipality or fire protection
18 district as a firefighter. To receive the credit for the
19 military service prior to the employment as a firefighter,
20 the firefighter must apply in writing to the fund and must
21 make contributions to the fund equal to (i) the employee
22 contributions that would have been required had the service
23 been rendered as a member, plus (ii) an amount determined
24 by the fund to be equal to the employer's normal cost of
25 the benefits accrued for that military service, plus (iii)
26 interest at the actuarially assumed rate provided by the

1 Department of Financial and Professional Regulation,
2 compounded annually from the first date of membership in
3 the fund to the date of payment on items (i) and (ii). The
4 changes to this paragraph (1.5) by this amendatory Act of
5 the 95th General Assembly apply only to participating
6 employees in service on or after its effective date.

7 (2) Service prior to July 1, 1976 by a firefighter
8 initially excluded from participation by reason of age who
9 elected to participate and paid the required contributions
10 for such service.

11 (3) Up to 8 years of service by a firefighter as an
12 officer in a statewide firefighters' association when he is
13 on a leave of absence from a municipality's payroll,
14 provided that (i) the firefighter has at least 10 years of
15 creditable service as an active firefighter, (ii) the
16 firefighter contributes to the fund the amount that he
17 would have contributed had he remained an active member of
18 the fund, ~~and~~ (iii) the employee or statewide firefighter
19 association contributes to the fund an amount equal to the
20 employer's required contribution as determined by the
21 board, and (iv) for all leaves of absence under this
22 subdivision (3), including those beginning before the
23 effective date of this amendatory Act of the 97th General
24 Assembly, the firefighter continues to remain in sworn
25 status, subject to the professional standards of the public
26 employer or those terms established in statute.

1 (4) Time spent as an on-call fireman for a
2 municipality, calculated at the rate of one year of
3 creditable service for each 5 years of time spent as an
4 on-call fireman, provided that (i) the firefighter has at
5 least 18 years of creditable service as an active
6 firefighter, (ii) the firefighter spent at least 14 years
7 as an on-call firefighter for the municipality, (iii) the
8 firefighter applies for such creditable service within 30
9 days after the effective date of this amendatory Act of
10 1989, (iv) the firefighter contributes to the Fund an
11 amount representing employee contributions for the number
12 of years of creditable service granted under this
13 subdivision (4), based on the salary and contribution rate
14 in effect for the firefighter at the date of entry into the
15 Fund, to be determined by the board, and (v) not more than
16 3 years of creditable service may be granted under this
17 subdivision (4).

18 Except as provided in Section 4-108.5, creditable
19 service shall not include time spent as a volunteer
20 firefighter, whether or not any compensation was received
21 therefor. The change made in this Section by Public Act
22 83-0463 is intended to be a restatement and clarification
23 of existing law, and does not imply that creditable service
24 was previously allowed under this Article for time spent as
25 a volunteer firefighter.

26 (5) Time served between July 1, 1976 and July 1, 1988

1 in the position of protective inspection officer or
2 administrative assistant for fire services, for a
3 municipality with a population under 10,000 that is located
4 in a county with a population over 3,000,000 and that
5 maintains a firefighters' pension fund under this Article,
6 if the position included firefighting duties,
7 notwithstanding that the person may not have held an
8 appointment as a firefighter, provided that application is
9 made to the pension fund within 30 days after the effective
10 date of this amendatory Act of 1991, and the corresponding
11 contributions are paid for the number of years of service
12 granted, based upon the salary and contribution rate in
13 effect for the firefighter at the date of entry into the
14 pension fund, as determined by the Board.

15 (6) Service before becoming a participant by a
16 firefighter initially excluded from participation by
17 reason of age who becomes a participant under the amendment
18 to Section 4-107 made by this amendatory Act of 1993 and
19 pays the required contributions for such service.

20 (7) Up to 3 years of time during which the firefighter
21 receives a disability pension under Section 4-110,
22 4-110.1, or 4-111, provided that (i) the firefighter
23 returns to active service after the disability for a period
24 at least equal to the period for which credit is to be
25 established and (ii) the firefighter makes contributions
26 to the fund based on the rates specified in Section 4-118.1

1 and the salary upon which the disability pension is based.
2 These contributions may be paid at any time prior to the
3 commencement of a retirement pension. The firefighter may,
4 but need not, elect to have the contributions deducted from
5 the disability pension or to pay them in installments on a
6 schedule approved by the board. If not deducted from the
7 disability pension, the contributions shall include
8 interest at the rate of 6% per year, compounded annually,
9 from the date for which service credit is being established
10 to the date of payment. If contributions are paid under
11 this subdivision (c)(7) in excess of those needed to
12 establish the credit, the excess shall be refunded. This
13 subdivision (c)(7) applies to persons receiving a
14 disability pension under Section 4-110, 4-110.1, or 4-111
15 on the effective date of this amendatory Act of the 91st
16 General Assembly, as well as persons who begin to receive
17 such a disability pension after that date.

18 (Source: P.A. 94-856, eff. 6-15-06; 95-1056, eff. 4-10-09.)

19 (40 ILCS 5/5-214) (from Ch. 108 1/2, par. 5-214)

20 Sec. 5-214. Credit for other service. Any participant in
21 this fund (other than a member of the fire department of the
22 city) who has rendered service as a member of the police
23 department of the city for a period of 3 years or more is
24 entitled to credit for the various purposes of this Article for
25 service rendered prior to becoming a member or subsequent

1 thereto for the following periods:

2 (a) While on leave of absence from the police
3 department assigned or detailed to investigative,
4 protective, security or police work for the park district
5 of the city, the department of the Port of Chicago or the
6 sanitary district in which the city is located.

7 (b) As a temporary police officer in the city or while
8 serving in the office of the mayor or in the office of the
9 corporation counsel, as a member of the city council of the
10 city, as an employee of the Policemen's Annuity and Benefit
11 Fund created by this Article, as the head of an
12 organization whose membership consists of members of the
13 police department, the Public Vehicle License Commission
14 and the board of election commissioners of the city,
15 provided that, in each of these cases and for all periods
16 specified in this item (b), including those beginning
17 before the effective date of this amendatory Act of the
18 97th General Assembly, the police officer is on leave and
19 continues to remain in sworn status, subject to the
20 professional standards of the public employer or those
21 terms established in statute.

22 (c) While performing safety or investigative work for
23 the county in which such city is principally located or for
24 the State of Illinois or for the federal government, on
25 leave of absence from the department of police, or while
26 performing investigative work for the department as a

1 civilian employee of the department.

2 (d) While on leave of absence from the police
3 department of the city and serving as the chief of police
4 of a police department outside the city.

5 No credit shall be granted in this fund, however, for this
6 service if the policeman has credit therefor in any other
7 annuity and benefit fund, or unless he contributes to this fund
8 the amount he would have contributed with interest had he
9 remained an active member of the police department in the
10 position he occupied as a result of a civil service competitive
11 examination, certification and appointment by the Civil
12 Service Board; or in the case of a city operating under the
13 provisions of a personnel ordinance the position he occupied as
14 a result of a personnel ordinance competitive examination
15 certification and appointment under the authority of a
16 Municipal Personnel ordinance.

17 Concurrently with such contributions, the city shall
18 contribute the amounts provided by this Article. No credit
19 shall be allowed for any period of time for which contributions
20 by the policeman have not been paid. The period of service
21 rendered by such policeman prior to the date he became a member
22 of the police department of the city or while detailed,
23 assigned or on leave of absence and employed in any of the
24 departments set forth hereinabove in this Section for which
25 such policeman has contributed to this fund shall be credited
26 to him as service for all the purposes of this Article, except

1 that he shall not have any of the rights conferred by the
2 provisions of Sections 5-127 and 5-162 of this Article.

3 The changes in this Section made by Public Act 86-273 shall
4 apply to members of the fund who have not begun receiving a
5 pension under this Article on August 23, 1989, without regard
6 to whether employment is terminated before that date.

7 (Source: P.A. 86-273; 87-1265.)

8 (40 ILCS 5/6-209) (from Ch. 108 1/2, par. 6-209)

9 Sec. 6-209. In computing the service rendered by a fireman
10 prior to the effective date, the following periods shall be
11 counted, in addition to all periods during which he performed
12 the duties of his position, as periods of service for annuity
13 purposes only: All periods of (a) vacation, (b) leave of
14 absence with whole or part pay, (c) leave of absence without
15 pay which were necessary on account of disability, and (d)
16 leave of absence during which he was engaged in the military or
17 naval service of the United States of America. Service credit
18 shall not be allowed for any period during which a fireman was
19 in receipt of pension on account of disability from any pension
20 fund superseded by this fund.

21 In computing the service rendered by a fireman on and after
22 the effective date, the following periods shall be counted in
23 addition to all periods during which he performed the duties of
24 his position, as periods of service for annuity purposes only:
25 All periods of (a) vacation, (b) leave of absence with whole or

1 part pay, (c) leave of absence during which he was engaged in
2 the military or naval service of the United States of America,
3 (d) disability for which he receives any disability benefit,
4 (e) disability for which he receives whole or part pay, (f)
5 leave of absence, or other authorized relief from active duty,
6 during which he served as president of The Firemen's
7 Association of Chicago, provided that for all leaves of absence
8 or other authorized relief under this item (f), including those
9 beginning before the effective date of this amendatory Act of
10 the 97th General Assembly, the fireman continues to remain in
11 sworn status, subject to the professional standards of the
12 public employer or those terms established in statute, (g)
13 periods of suspension from duty not to exceed a total of one
14 year during the total period of service of the fireman, and (h)
15 a period of time not to exceed 23 days in 1980 in accordance
16 with an agreement with the City on a settlement of strike;
17 provided that the fireman elects to make contributions to the
18 Fund for the various annuity and benefit purposes according to
19 the provisions of this Article as though he were an active
20 fireman, based upon the salary attached to the civil service
21 rank held by him during such absence from duty, and if the
22 fireman so elects, the city shall make the prescribed
23 concurrent contributions for such annuity and benefit purposes
24 as provided in this Article, all to the end that such fireman
25 shall be entitled to receive the same annuities and benefits
26 for which he would otherwise be eligible if he had continued as

1 an active fireman during the periods of absence from duty.

2 In computing service on and after the effective date for
3 ordinary disability benefit, all periods described in the
4 preceding paragraph, except any period for which a fireman
5 receives ordinary disability benefit, shall be counted as
6 periods of service.

7 In computing service for any of the purposes of this
8 Article, credit shall be given for any periods prior to January
9 9, 1997, during which an active fireman (or fire paramedic) who
10 is a member of the General Assembly is on leave of absence or
11 is otherwise authorized to be absent from duty to enable him to
12 perform his legislative duties, notwithstanding any reduction
13 in salary for such periods and notwithstanding that the
14 contributions paid by the fireman were based on such reduced
15 salary rather than the full amount of salary attached to his
16 civil service rank.

17 In computing service for any of the purposes of this
18 Article, no credit shall be given for any period during which a
19 fireman was not rendering active service because of his
20 discharge from the service, unless proceedings to test the
21 legality of the discharge are filed in a court of competent
22 jurisdiction within one year from the date of discharge and a
23 final judgment is entered therein declaring the discharge
24 illegal.

25 No overtime or extra service shall be included in computing
26 service of a fireman and not more than one year or a proper

1 fractional part thereof of service shall be allowed for service
2 rendered during any calendar year.

3 (Source: P.A. 86-273; 86-1488; 87-1265.)

4 (40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

5 Sec. 8-138. Minimum annuities - Additional provisions.

6 (a) An employee who withdraws after age 65 or more with at
7 least 20 years of service, for whom the amount of age and
8 service and prior service annuity combined is less than the
9 amount stated in this Section, shall from the date of
10 withdrawal, instead of all annuities otherwise provided, be
11 entitled to receive an annuity for life of \$150 a year, plus 1
12 1/2% for each year of service, to and including 20 years, and 1
13 2/3% for each year of service over 20 years, of his highest
14 average annual salary for any 4 consecutive years within the
15 last 10 years of service immediately preceding the date of
16 withdrawal.

17 An employee who withdraws after 20 or more years of
18 service, before age 65, shall be entitled to such annuity, to
19 begin not earlier than upon attained age of 55 years if under
20 such age at withdrawal, reduced by 2% for each full year or
21 fractional part thereof that his attained age is less than 65,
22 plus an additional 2% reduction for each full year or
23 fractional part thereof that his attained age when annuity is
24 to begin is less than 60 so that the total reduction at age 55
25 shall be 30%.

1 (b) An employee who withdraws after July 1, 1957, at age 60
2 or over, with 20 or more years of service, for whom the age and
3 service and prior service annuity combined, is less than the
4 amount stated in this paragraph, shall, from the date of
5 withdrawal, instead of such annuities, be entitled to receive
6 an annuity for life equal to 1 2/3% for each year of service,
7 of the highest average annual salary for any 5 consecutive
8 years within the last 10 years of service immediately preceding
9 the date of withdrawal; provided, that in the case of any
10 employee who withdraws on or after July 1, 1971, such employee
11 age 60 or over with 20 or more years of service, shall receive
12 an annuity for life equal to 1.67% for each of the first 10
13 years of service; 1.90% for each of the next 10 years of
14 service; 2.10% for each year of service in excess of 20 but not
15 exceeding 30; and 2.30% for each year of service in excess of
16 30, based on the highest average annual salary for any 4
17 consecutive years within the last 10 years of service
18 immediately preceding the date of withdrawal.

19 An employee who withdraws after July 1, 1957 and before
20 January 1, 1988, with 20 or more years of service, before age
21 60 years is entitled to annuity, to begin not earlier than upon
22 attained age of 55 years, if under such age at withdrawal, as
23 computed in the last preceding paragraph, reduced 0.25% for
24 each full month or fractional part thereof that his attained
25 age when annuity is to begin is less than 60 if the employee
26 was born before January 1, 1936, or 0.5% for each such month if

1 the employee was born on or after January 1, 1936.

2 Any employee born before January 1, 1936, who withdraws
3 with 20 or more years of service, and any employee with 20 or
4 more years of service who withdraws on or after January 1,
5 1988, may elect to receive, in lieu of any other employee
6 annuity provided in this Section, an annuity for life equal to
7 1.80% for each of the first 10 years of service, 2.00% for each
8 of the next 10 years of service, 2.20% for each year of service
9 in excess of 20 but not exceeding 30, and 2.40% for each year
10 of service in excess of 30, of the highest average annual
11 salary for any 4 consecutive years within the last 10 years of
12 service immediately preceding the date of withdrawal, to begin
13 not earlier than upon attained age of 55 years, if under such
14 age at withdrawal, reduced 0.25% for each full month or
15 fractional part thereof that his attained age when annuity is
16 to begin is less than 60; except that an employee retiring on
17 or after January 1, 1988, at age 55 or over but less than age
18 60, having at least 35 years of service, or an employee
19 retiring on or after July 1, 1990, at age 55 or over but less
20 than age 60, having at least 30 years of service, or an
21 employee retiring on or after the effective date of this
22 amendatory Act of 1997, at age 55 or over but less than age 60,
23 having at least 25 years of service, shall not be subject to
24 the reduction in retirement annuity because of retirement below
25 age 60.

26 However, in the case of an employee who retired on or after

1 January 1, 1985 but before January 1, 1988, at age 55 or older
2 and with at least 35 years of service, and who was subject
3 under this subsection (b) to the reduction in retirement
4 annuity because of retirement below age 60, that reduction
5 shall cease to be effective January 1, 1991, and the retirement
6 annuity shall be recalculated accordingly.

7 Any employee who withdraws on or after July 1, 1990, with
8 20 or more years of service, may elect to receive, in lieu of
9 any other employee annuity provided in this Section, an annuity
10 for life equal to 2.20% for each year of service if withdrawal
11 is before January 1, 2002, or 2.40% for each year of service if
12 withdrawal is on or after January 1, 2002, of the highest
13 average annual salary for any 4 consecutive years within the
14 last 10 years of service immediately preceding the date of
15 withdrawal, to begin not earlier than upon attained age of 55
16 years, if under such age at withdrawal, reduced 0.25% for each
17 full month or fractional part thereof that his attained age
18 when annuity is to begin is less than 60; except that an
19 employee retiring at age 55 or over but less than age 60,
20 having at least 30 years of service, shall not be subject to
21 the reduction in retirement annuity because of retirement below
22 age 60.

23 Any employee who withdraws on or after the effective date
24 of this amendatory Act of 1997 with 20 or more years of service
25 may elect to receive, in lieu of any other employee annuity
26 provided in this Section, an annuity for life equal to 2.20%

1 for each year of service, if withdrawal is before January 1,
2 2002, or 2.40% for each year of service if withdrawal is on or
3 after January 1, 2002, of the highest average annual salary for
4 any 4 consecutive years within the last 10 years of service
5 immediately preceding the date of withdrawal, to begin not
6 earlier than upon attainment of age 55 (age 50 if the employee
7 has at least 30 years of service), reduced 0.25% for each full
8 month or remaining fractional part thereof that the employee's
9 attained age when annuity is to begin is less than 60; except
10 that an employee retiring at age 50 or over with at least 30
11 years of service or at age 55 or over with at least 25 years of
12 service shall not be subject to the reduction in retirement
13 annuity because of retirement below age 60.

14 The maximum annuity payable under part (a) and (b) of this
15 Section shall not exceed 70% of highest average annual salary
16 in the case of an employee who withdraws prior to July 1, 1971,
17 75% if withdrawal takes place on or after July 1, 1971 and
18 prior to January 1, 2002, or 80% if withdrawal takes place on
19 or after January 1, 2002. For the purpose of the minimum
20 annuity provided in this Section \$1,500 is considered the
21 minimum annual salary for any year; and the maximum annual
22 salary for the computation of such annuity is \$4,800 for any
23 year before 1953, \$6000 for the years 1953 to 1956, inclusive,
24 and the actual annual salary, as salary is defined in this
25 Article, for any year thereafter.

26 To preserve rights existing on December 31, 1959, for

1 participants and contributors on that date to the fund created
2 by the Court and Law Department Employees' Annuity Act, who
3 became participants in the fund provided for on January 1,
4 1960, the maximum annual salary to be considered for such
5 persons for the years 1955 and 1956 is \$7,500.

6 (c) For an employee receiving disability benefit, his
7 salary for annuity purposes under paragraphs (a) and (b) of
8 this Section, for all periods of disability benefit subsequent
9 to the year 1956, is the amount on which his disability benefit
10 was based.

11 (d) An employee with 20 or more years of service, whose
12 entire disability benefit credit period expires before
13 attainment of age 55 while still disabled for service, is
14 entitled upon withdrawal to the larger of (1) the minimum
15 annuity provided above, assuming he is then age 55, and
16 reducing such annuity to its actuarial equivalent as of his
17 attained age on such date or (2) the annuity provided from his
18 age and service and prior service annuity credits.

19 (e) The minimum annuity provisions do not apply to any
20 former municipal employee receiving an annuity from the fund
21 who re-enters service as a municipal employee, unless he
22 renders at least 3 years of additional service after the date
23 of re-entry.

24 (f) An employee in service on July 1, 1947, or who became a
25 contributor after July 1, 1947 and before attainment of age 70,
26 who withdraws after age 65, with less than 20 years of service

1 for whom the annuity has been fixed under this Article shall,
2 instead of the annuity so fixed, receive an annuity as follows:

3 Such amount as he could have received had the accumulated
4 amounts for annuity been improved with interest at the
5 effective rate to the date of his withdrawal, or to attainment
6 of age 70, whichever is earlier, and had the city contributed
7 to such earlier date for age and service annuity the amount
8 that it would have contributed had he been under age 65, after
9 the date his annuity was fixed in accordance with this Article,
10 and assuming his annuity were computed from such accumulations
11 as of his age on such earlier date. The annuity so computed
12 shall not exceed the annuity which would be payable under the
13 other provisions of this Section if the employee was credited
14 with 20 years of service and would qualify for annuity
15 thereunder.

16 (g) Instead of the annuity provided in this Article, an
17 employee having attained age 65 with at least 15 years of
18 service who withdraws from service on or after July 1, 1971 and
19 whose annuity computed under other provisions of this Article
20 is less than the amount provided under this paragraph, is
21 entitled to a minimum annuity for life equal to 1% of the
22 highest average annual salary, as salary is defined and limited
23 in this Section for any 4 consecutive years within the last 10
24 years of service for each year of service, plus the sum of \$25
25 for each year of service. The annuity shall not exceed 60% of
26 such highest average annual salary.

1 (g-1) Instead of any other retirement annuity provided in
2 this Article, an employee who has at least 10 years of service
3 and withdraws from service on or after January 1, 1999 may
4 elect to receive a retirement annuity for life, beginning no
5 earlier than upon attainment of age 60, equal to 2.2% if
6 withdrawal is before January 1, 2002, or 2.4% if withdrawal is
7 on or after January 1, 2002, of final average salary for each
8 year of service, subject to a maximum of 75% of final average
9 salary if withdrawal is before January 1, 2002, or 80% if
10 withdrawal is on or after January 1, 2002. For the purpose of
11 calculating this annuity, "final average salary" means the
12 highest average annual salary for any 4 consecutive years in
13 the last 10 years of service. Nowithstanding any provision of
14 this subsection to the contrary, the "final average salary" for
15 a participant that received credit under subsection (c) of
16 Section 8-226 means the highest average salary for any 4
17 consecutive years (or any 8 consecutive years if the employee
18 first became a participant on or after January 1, 2011) in the
19 10 years immediately prior to the leave of absence, and adding
20 to that highest average salary, the product of (i) that highest
21 average salary, (ii) the average percentage increase in the
22 Consumer Price Index during each 12-month calendar year for the
23 calendar years during the participant's leave of absence, and
24 (iii) the length of the leave of absence in years, provided
25 that this shall not exceed the participant's salary at the
26 local labor organization. For purposes of this Section, the

1 Consumer Price Index is the Consumer Price Index for All Urban
2 Consumers for all items published by the United States
3 Department of Labor.

4 (h) The minimum annuities provided under this Section shall
5 be paid in equal monthly installments.

6 (i) The amendatory provisions of part (b) and (g) of this
7 Section shall be effective July 1, 1971 and apply in the case
8 of every qualifying employee withdrawing on or after July 1,
9 1971.

10 (j) The amendatory provisions of this amendatory Act of
11 1985 (P.A. 84-23) relating to the discount of annuity because
12 of retirement prior to attainment of age 60, and to the
13 retirement formula, for those born before January 1, 1936,
14 shall apply only to qualifying employees withdrawing on or
15 after July 18, 1985.

16 (j-1) The changes made to this Section by Public Act 92-609
17 (increasing the retirement formula to 2.4% per year of service
18 and increasing the maximum to 80%) apply to persons who
19 withdraw from service on or after January 1, 2002, regardless
20 of whether that withdrawal takes place before the effective
21 date of that Act. In the case of a person who withdraws from
22 service on or after January 1, 2002 but begins to receive a
23 retirement annuity before July 1, 2002, the annuity shall be
24 recalculated, with the increase resulting from Public Act
25 92-609 accruing from the date the retirement annuity began. The
26 changes made by Public Act 92-609 control over the changes made

1 by Public Act 92-599, as provided in Section 95 of P.A. 92-609.

2 (k) Beginning on January 1, 1999, the minimum amount of
3 employee's annuity shall be \$850 per month for life for the
4 following classes of employees, without regard to the fact that
5 withdrawal occurred prior to the effective date of this
6 amendatory Act of 1998:

7 (1) any employee annuitant alive and receiving a life
8 annuity on the effective date of this amendatory Act of
9 1998, except a reciprocal annuity;

10 (2) any employee annuitant alive and receiving a term
11 annuity on the effective date of this amendatory Act of
12 1998, except a reciprocal annuity;

13 (3) any employee annuitant alive and receiving a
14 reciprocal annuity on the effective date of this amendatory
15 Act of 1998, whose service in this fund is at least 5
16 years;

17 (4) any employee annuitant withdrawing after age 60 on
18 or after the effective date of this amendatory Act of 1998,
19 with at least 10 years of service in this fund.

20 The increases granted under items (1), (2) and (3) of this
21 subsection (k) shall not be limited by any other Section of
22 this Act.

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

24 (40 ILCS 5/8-226) (from Ch. 108 1/2, par. 8-226)

25 Sec. 8-226. Computation of service. In computing the term

1 of service of an employee prior to the effective date, the
2 entire period beginning on the date he was first appointed and
3 ending on the day before the effective date, except any
4 intervening period during which he was separated by withdrawal
5 from service, shall be counted for all purposes of this
6 Article, except that for any employee who was not in service on
7 the day before the effective date, service rendered prior to
8 such date shall not be considered for the purposes of Section
9 8-138.

10 For a person employed by an employer for whom this Article
11 was in effect prior to January 1, 1950, from whose salary
12 deductions are first made under this Article after December 31,
13 1949, any period of service rendered prior to the effective
14 date, unless he was in service on the day before the effective
15 date, shall not be counted as service.

16 The time a person was an employee of any territory annexed
17 to the city prior to the effective date shall be counted as a
18 period of service.

19 In computing the term of service of any employee subsequent
20 to the day before the effective date, the following periods
21 shall be counted as periods of service for age and service,
22 widow's and child's annuity purposes:

23 (a) The time during which he performed the duties of
24 his position;

25 (b) Vacations, leaves of absence with whole or part
26 pay, and leaves of absence without pay not longer than 90

1 days;

2 (c) Leaves of absence without pay that begin before the
3 effective date of this amendatory Act of the 97th General
4 Assembly and during which a participant is employed
5 full-time by a local labor organization that represents
6 municipal employees, provided that (1) the participant
7 continues to make employee contributions to the Fund as
8 though he were an active employee, based on the regular
9 salary rate received by the participant for his municipal
10 employment immediately prior to such leave of absence (and
11 in the case of such employment prior to December 9, 1987,
12 pays to the Fund an amount equal to the employee
13 contributions for such employment plus regular interest
14 thereon as calculated by the board), and based on his
15 current salary with such labor organization after the
16 effective date of this amendatory Act of 1991, (2) after
17 January 1, 1989 the participant, or the labor organization
18 on the participant's behalf, makes contributions to the
19 Fund as though it were the employer, in the same amount and
20 same manner as specified under this Article, based on the
21 regular salary rate received by the participant for his
22 municipal employment immediately prior to such leave of
23 absence, and based on his current salary with such labor
24 organization after the effective date of this amendatory
25 Act of 1991, and (3) the participant does not receive
26 credit in any pension plan established by the local labor

1 organization based on his employment by the organization;

2 (d) Any period of disability for which he received (i)
3 a disability benefit under this Article, or (ii) a
4 temporary total disability benefit under the Workers'
5 Compensation Act if the disability results from a condition
6 commonly termed heart attack or stroke or any other
7 condition falling within the broad field of coronary
8 involvement or heart disease, or (iii) whole or part pay;

9 (e) Any period for which contributions and service
10 credit have been transferred to this Fund under subsection
11 (d) of Section 9-121.1 or subsection (d) of Section
12 12-127.1 of this Code.

13 For a person employed by an employer in which the 1921 Act
14 was in effect prior to January 1, 1950, from whose salary
15 deductions are first made under the 1921 Act or this Article
16 after December 31, 1949, any period of service rendered
17 subsequent to the effective date and prior to the date he
18 became an employee and contributor, shall not be counted as a
19 period of service under this Article, except such period for
20 which he made payment as provided in Section 8-230 of this
21 Article, in which case such period shall be counted as a period
22 of service for all annuity purposes hereunder.

23 In computing the term of service of an employee subsequent
24 to the day before the effective date for ordinary disability
25 benefit purposes, all periods described in the preceding
26 paragraph, except any such period for which he receives

1 ordinary disability benefit, shall be counted as periods of
2 service; provided, that for any person employed by an employer
3 in which this Article was in effect prior to January 1, 1950,
4 from whose salary deductions are first made under this Article
5 after December 31, 1949, any period of service rendered
6 subsequent to the effective date and prior to the date he
7 became an employee and contributor, shall not be counted as a
8 period of service for ordinary disability benefit purposes,
9 unless the person made payment for the period as provided in
10 Section 8-230 of this Article, in which case the period shall
11 be counted as a period of service for ordinary disability
12 purposes for periods of disability on or after the effective
13 date of this amendatory Act of 1997.

14 Overtime or extra service shall not be included in
15 computing any term of service. Not more than 1 year of service
16 shall be allowed for service rendered during any calendar year.

17 For the purposes of this Section, the phrase "any pension
18 plan established by the local labor organization" means any
19 pension plan in which a participant may receive credit as a
20 result of his or her membership in the local labor
21 organization, including, but not limited to, the local labor
22 organization itself and its affiliates at the local,
23 intrastate, State, multi-state, national, or international
24 level. The definition of this phrase is a declaration of
25 existing law and shall not be construed as a new enactment.

26 (Source: P.A. 90-511, eff. 8-22-97.)

1 (40 ILCS 5/8-233) (from Ch. 108 1/2, par. 8-233)

2 Sec. 8-233. Basis of annual salary. For the purpose of this
3 Article, the annual salary of an employee whose salary or wage
4 is appropriated, fixed, or arranged in the annual appropriation
5 ordinance upon other than an annual basis shall be determined
6 as follows:

7 (a) If the employee is paid on a monthly basis, the annual
8 salary is 12 times the monthly salary. If the employee is paid
9 on a weekly basis, the annual salary is 52 times the weekly
10 salary.

11 "Monthly salary" means the amount of compensation or salary
12 appropriated and payable for a normal and regular month's work
13 in the employee's position in the service. "Weekly salary"
14 means the amount of compensation or salary appropriated and
15 payable for a normal and regular week's work in the employee's
16 position in the service. If the work is on a regularly
17 scheduled part time basis, then "monthly salary" and "weekly
18 salary" refer, respectively, to the part time monthly or weekly
19 salary.

20 If the appropriation for the position is for a shorter
21 period than 12 months a year, or 52 weeks a year if on a weekly
22 basis, or the employee is in a class, grade, or category in
23 which the employee normally works for fewer than 12 months or
24 52 weeks a year, then the basis shall be adjusted downward to
25 the extent that the appropriated or customary work period is

1 less than the normal 12 months or 52 weeks of service in a
2 year.

3 Compensation for overtime, at regular or overtime rates,
4 that is paid in addition to the appropriated regular and normal
5 monthly or weekly salary shall not be considered.

6 (b) If the employee is paid on a daily basis, the annual
7 salary is 260 times the daily wage. If the employee is paid on
8 an hourly basis, the annual salary is 2080 times the hourly
9 wage.

10 The norm is based on a 12-month per year, 5-day work week
11 of 8 hours per day and 40 hours per week, with consideration
12 given only to time compensated for at the straight time rate of
13 compensation or wage. The norm shall be increased (subject to a
14 maximum of 300 days or 2400 hours per year) or decreased for an
15 employee to the extent that the normal and established work
16 period, at the straight time compensation or wage for the
17 position held in the class, grade, or category in which the
18 employee is assigned, is for a greater or lesser number of
19 months, weeks, days, or hours than the period on which the
20 established norm is based.

21 "Daily wage" and "hourly wage" mean, respectively, the
22 normal, regular, or basic straight time rate of compensation or
23 wage appropriated and payable for a normal and regular day's
24 work, or hour's work, in the employee's position in the
25 service.

26 Any time worked in excess of the norm (or the increased or

1 decreased norm, whichever is applicable) that is compensated
2 for at overtime, premium, or other than regular or basic
3 straight time rates shall not be considered as time worked, and
4 the compensation for that work shall not be considered as
5 salary or wage. Such time and compensation shall in every case
6 and for all purposes be considered overtime and shall be
7 excluded for all purposes under this Article. However, the
8 straight time portion of compensation or wage, for time worked
9 on holidays that fall within an employee's established norm,
10 shall be included for all purposes under this Article.

11 (c) For minimum annuity purposes under Section 8-138, where
12 a salary rate change occurs during the year, it shall be
13 considered that the annual salary for that year is (1) the
14 annual equivalent of the monthly, weekly, daily, or hourly
15 salary or wage rate that was applicable for the greater number
16 of months, weeks, days, or hours (whichever is applicable) in
17 the year under consideration, or (2) the annual equivalent of
18 the average salary or wage rate in effect for the employee
19 during the year, whichever is greater. The average salary or
20 wage rate shall be calculated by multiplying each salary or
21 wage rate in effect for the employee during the year by the
22 number of months, weeks, days, or hours (whichever is
23 applicable) during which that rate was in effect, and dividing
24 the sum of the resulting products by the total number of
25 months, weeks, days, or hours (whichever is applicable) worked
26 by the employee during the year.

1 (d) The changes to subsection (c) made by this amendatory
2 Act of 1997 apply to persons withdrawing from service on or
3 after July 1, 1990 and for each such person are intended to be
4 retroactive to the date upon which the affected annuity began.
5 The Fund shall recompute the affected annuity and shall pay the
6 additional amount due for the period before the increase
7 resulting from this amendatory Act in a lump sum, without
8 interest.

9 (e) This Article shall not be construed to authorize a
10 salary paid by an entity other than an employer, as defined in
11 Section 8-110, to be used to calculate the highest average
12 annual salary of a participant. This subsection (e) is a
13 declaration of existing law and shall not be construed as a new
14 enactment.

15 (Source: P.A. 90-31, eff. 6-27-97.)

16 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

17 Sec. 9-219. Computation of service.

18 (1) In computing the term of service of an employee prior
19 to the effective date, the entire period beginning on the date
20 he was first appointed and ending on the day before the
21 effective date, except any intervening period during which he
22 was separated by withdrawal from service, shall be counted for
23 all purposes of this Article.

24 (2) In computing the term of service of any employee on or
25 after the effective date, the following periods of time shall

1 be counted as periods of service for age and service, widow's
2 and child's annuity purposes:

3 (a) The time during which he performed the duties of
4 his position.

5 (b) Vacations, leaves of absence with whole or part
6 pay, and leaves of absence without pay not longer than 90
7 days.

8 (c) For an employee who is a member of a county police
9 department or a correctional officer with the county
10 department of corrections, approved leaves of absence
11 without pay during which the employee serves as a full-time
12 officer or employee of an employee association, the
13 membership of which consists of other participants in the
14 Fund, provided that the employee contributes to the Fund
15 (1) the amount that he would have contributed had he
16 remained an active employee in the position he occupied at
17 the time the leave of absence was granted, (2) an amount
18 calculated by the Board representing employer
19 contributions, and (3) regular interest thereon from the
20 date of service to the date of payment. However, if the
21 employee's application to establish credit under this
22 subsection is received by the Fund on or after July 1, 2002
23 and before July 1, 2003, the amount representing employer
24 contributions specified in item (2) shall be waived.

25 For a former member of a county police department who
26 has received a refund under Section 9-164, periods during

1 which the employee serves as head of an employee
2 association, the membership of which consists of other
3 police officers, provided that the employee contributes to
4 the Fund (1) the amount that he would have contributed had
5 he remained an active member of the county police
6 department in the position he occupied at the time he left
7 service, (2) an amount calculated by the Board representing
8 employer contributions, and (3) regular interest thereon
9 from the date of service to the date of payment. However,
10 if the former member of the county police department
11 retires on or after January 1, 1993 but no later than March
12 1, 1993, the amount representing employer contributions
13 specified in item (2) shall be waived.

14 For leaves of absence to which this item (c) applies
15 and for other periods to which this item (c) applies,
16 including those leaves of absence and other periods of
17 service beginning before the effective date of this
18 amendatory Act of the 97th General Assembly, the employee
19 or former member must continue to remain in sworn status,
20 subject to the professional standards of the public
21 employer or those terms established in statute.

22 (d) Any period of disability for which he received
23 disability benefit or whole or part pay.

24 (e) Accumulated vacation or other time for which an
25 employee who retires on or after November 1, 1990 receives
26 a lump sum payment at the time of retirement, provided that

1 contributions were made to the fund at the time such lump
2 sum payment was received. The service granted for the lump
3 sum payment shall not change the employee's date of
4 withdrawal for computing the effective date of the annuity.

5 (f) An employee may receive service credit for annuity
6 purposes for accumulated sick leave as of the date of the
7 employee's withdrawal from service, not to exceed a total
8 of 180 days, provided that the amount of such accumulated
9 sick leave is certified by the County Comptroller to the
10 Board and the employee pays an amount equal to 8.5% (9% for
11 members of the County Police Department who are eligible to
12 receive an annuity under Section 9-128.1) of the amount
13 that would have been paid had such accumulated sick leave
14 been paid at the employee's final rate of salary. Such
15 payment shall be made within 30 days after the date of
16 withdrawal and prior to receipt of the first annuity check.
17 The service credit granted for such accumulated sick leave
18 shall not change the employee's date of withdrawal for the
19 purpose of computing the effective date of the annuity.

20 (3) In computing the term of service of an employee on or
21 after the effective date for ordinary disability benefit
22 purposes, the following periods of time shall be counted as
23 periods of service:

24 (a) Unless otherwise specified in Section 9-157, the
25 time during which he performed the duties of his position.

26 (b) Paid vacations and leaves of absence with whole or

1 part pay.

2 (c) Any period for which he received duty disability
3 benefit.

4 (d) Any period of disability for which he received
5 whole or part pay.

6 (4) For an employee who on January 1, 1958, was transferred
7 by Act of the 70th General Assembly from his position in a
8 department of welfare of any city located in the county in
9 which this Article is in force and effect to a similar position
10 in a department of such county, service shall also be credited
11 for ordinary disability benefit and child's annuity for such
12 period of department of welfare service during which period he
13 was a contributor to a statutory annuity and benefit fund in
14 such city and for which purposes service credit would otherwise
15 not be credited by virtue of such involuntary transfer.

16 (5) An employee described in subsection (e) of Section
17 9-108 shall receive credit for child's annuity and ordinary
18 disability benefit for the period of time for which he was
19 credited with service in the fund from which he was
20 involuntarily separated through class or group transfer;
21 provided, that no such credit shall be allowed to the extent
22 that it results in a duplication of credits or benefits, and
23 neither shall such credit be allowed to the extent that it was
24 or may be forfeited by the application for and acceptance of a
25 refund from the fund from which the employee was transferred.

26 (6) Overtime or extra service shall not be included in

1 computing service. Not more than 1 year of service shall be
2 allowed for service rendered during any calendar year.

3 (Source: P.A. 92-599, eff. 6-28-02.)

4 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)

5 Sec. 11-134. Minimum annuities.

6 (a) An employee whose withdrawal occurs after July 1, 1957
7 at age 60 or over, with 20 or more years of service, (as
8 service is defined or computed in Section 11-216), for whom the
9 age and service and prior service annuity combined is less than
10 the amount stated in this Section, shall, from and after the
11 date of withdrawal, in lieu of all annuities otherwise provided
12 in this Article, be entitled to receive an annuity for life of
13 an amount equal to 1 2/3% for each year of service, of the
14 highest average annual salary for any 5 consecutive years
15 within the last 10 years of service immediately preceding the
16 date of withdrawal; provided, that in the case of any employee
17 who withdraws on or after July 1, 1971, such employee age 60 or
18 over with 20 or more years of service, shall be entitled to
19 instead receive an annuity for life equal to 1.67% for each of
20 the first 10 years of service; 1.90% for each of the next 10
21 years of service; 2.10% for each year of service in excess of
22 20 but not exceeding 30; and 2.30% for each year of service in
23 excess of 30, based on the highest average annual salary for
24 any 4 consecutive years within the last 10 years of service
25 immediately preceding the date of withdrawal.

1 An employee who withdraws after July 1, 1957 and before
2 January 1, 1988, with 20 or more years of service, before age
3 60, shall be entitled to an annuity, to begin not earlier than
4 age 55, if under such age at withdrawal, as computed in the
5 last preceding paragraph, reduced 0.25% if the employee was
6 born before January 1, 1936, or 0.5% if the employee was born
7 on or after January 1, 1936, for each full month or fractional
8 part thereof that his attained age when such annuity is to
9 begin is less than 60.

10 Any employee born before January 1, 1936 who withdraws with
11 20 or more years of service, and any employee with 20 or more
12 years of service who withdraws on or after January 1, 1988, may
13 elect to receive, in lieu of any other employee annuity
14 provided in this Section, an annuity for life equal to 1.80%
15 for each of the first 10 years of service, 2.00% for each of
16 the next 10 years of service, 2.20% for each year of service in
17 excess of 20, but not exceeding 30, and 2.40% for each year of
18 service in excess of 30, of the highest average annual salary
19 for any 4 consecutive years within the last 10 years of service
20 immediately preceding the date of withdrawal, to begin not
21 earlier than upon attained age of 55 years, if under such age
22 at withdrawal, reduced 0.25% for each full month or fractional
23 part thereof that his attained age when annuity is to begin is
24 less than 60; except that an employee retiring on or after
25 January 1, 1988, at age 55 or over but less than age 60, having
26 at least 35 years of service, or an employee retiring on or

1 after July 1, 1990, at age 55 or over but less than age 60,
2 having at least 30 years of service, or an employee retiring on
3 or after the effective date of this amendatory Act of 1997, at
4 age 55 or over but less than age 60, having at least 25 years of
5 service, shall not be subject to the reduction in retirement
6 annuity because of retirement below age 60.

7 However, in the case of an employee who retired on or after
8 January 1, 1985 but before January 1, 1988, at age 55 or older
9 and with at least 35 years of service, and who was subject
10 under this subsection (a) to the reduction in retirement
11 annuity because of retirement below age 60, that reduction
12 shall cease to be effective January 1, 1991, and the retirement
13 annuity shall be recalculated accordingly.

14 Any employee who withdraws on or after July 1, 1990, with
15 20 or more years of service, may elect to receive, in lieu of
16 any other employee annuity provided in this Section, an annuity
17 for life equal to 2.20% for each year of service if withdrawal
18 is before January 1, 2002, or 2.40% for each year of service if
19 withdrawal is on or after January 1, 2002, of the highest
20 average annual salary for any 4 consecutive years within the
21 last 10 years of service immediately preceding the date of
22 withdrawal, to begin not earlier than upon attained age of 55
23 years, if under such age at withdrawal, reduced 0.25% for each
24 full month or fractional part thereof that his attained age
25 when annuity is to begin is less than 60; except that an
26 employee retiring at age 55 or over but less than age 60,

1 having at least 30 years of service, shall not be subject to
2 the reduction in retirement annuity because of retirement below
3 age 60.

4 Any employee who withdraws on or after the effective date
5 of this amendatory Act of 1997 with 20 or more years of service
6 may elect to receive, in lieu of any other employee annuity
7 provided in this Section, an annuity for life equal to 2.20%
8 for each year of service if withdrawal is before January 1,
9 2002, or 2.40% for each year of service if withdrawal is on or
10 after January 1, 2002, of the highest average annual salary for
11 any 4 consecutive years within the last 10 years of service
12 immediately preceding the date of withdrawal, to begin not
13 earlier than upon attainment of age 55 (age 50 if the employee
14 has at least 30 years of service), reduced 0.25% for each full
15 month or remaining fractional part thereof that the employee's
16 attained age when annuity is to begin is less than 60; except
17 that an employee retiring at age 50 or over with at least 30
18 years of service or at age 55 or over with at least 25 years of
19 service shall not be subject to the reduction in retirement
20 annuity because of retirement below age 60.

21 The maximum annuity payable under this paragraph (a) of
22 this Section shall not exceed 70% of highest average annual
23 salary in the case of an employee who withdraws prior to July
24 1, 1971, 75% if withdrawal takes place on or after July 1, 1971
25 and prior to January 1, 2002, or 80% if withdrawal is on or
26 after January 1, 2002. For the purpose of the minimum annuity

1 provided in said paragraphs \$1,500 shall be considered the
2 minimum annual salary for any year; and the maximum annual
3 salary to be considered for the computation of such annuity
4 shall be \$4,800 for any year prior to 1953, \$6,000 for the
5 years 1953 to 1956, inclusive, and the actual annual salary, as
6 salary is defined in this Article, for any year thereafter.

7 (b) For an employee receiving disability benefit, his
8 salary for annuity purposes under this Section shall, for all
9 periods of disability benefit subsequent to the year 1956, be
10 the amount on which his disability benefit was based.

11 (c) An employee with 20 or more years of service, whose
12 entire disability benefit credit period expires prior to
13 attainment of age 55 while still disabled for service, shall be
14 entitled upon withdrawal to the larger of (1) the minimum
15 annuity provided above assuming that he is then age 55, and
16 reducing such annuity to its actuarial equivalent at his
17 attained age on such date, or (2) the annuity provided from his
18 age and service and prior service annuity credits.

19 (d) The minimum annuity provisions as aforesaid shall not
20 apply to any former employee receiving an annuity from the
21 fund, and who re-enters service as an employee, unless he
22 renders at least 3 years of additional service after the date
23 of re-entry.

24 (e) An employee in service on July 1, 1947, or who became a
25 contributor after July 1, 1947 and prior to July 1, 1950, or
26 who shall become a contributor to the fund after July 1, 1950

1 prior to attainment of age 70, who withdraws after age 65 with
2 less than 20 years of service, for whom the annuity has been
3 fixed under the foregoing Sections of this Article shall, in
4 lieu of the annuity so fixed, receive an annuity as follows:

5 Such amount as he could have received had the accumulated
6 amounts for annuity been improved with interest at the
7 effective rate to the date of his withdrawal, or to attainment
8 of age 70, whichever is earlier, and had the city contributed
9 to such earlier date for age and service annuity the amount
10 that would have been contributed had he been under age 65,
11 after the date his annuity was fixed in accordance with this
12 Article, and assuming his annuity were computed from such
13 accumulations as of his age on such earlier date. The annuity
14 so computed shall not exceed the annuity which would be payable
15 under the other provisions of this Section if the employee was
16 credited with 20 years of service and would qualify for annuity
17 thereunder.

18 (f) In lieu of the annuity provided in this or in any other
19 Section of this Article, an employee having attained age 65
20 with at least 15 years of service who withdraws from service on
21 or after July 1, 1971 and whose annuity computed under other
22 provisions of this Article is less than the amount provided
23 under this paragraph shall be entitled to receive a minimum
24 annual annuity for life equal to 1% of the highest average
25 annual salary for any 4 consecutive years within the last 10
26 years of service immediately preceding retirement for each year

1 of his service plus the sum of \$25 for each year of service.
2 Such annual annuity shall not exceed the maximum percentages
3 stated under paragraph (a) of this Section of such highest
4 average annual salary.

5 (f-1) Instead of any other retirement annuity provided in
6 this Article, an employee who has at least 10 years of service
7 and withdraws from service on or after January 1, 1999 may
8 elect to receive a retirement annuity for life, beginning no
9 earlier than upon attainment of age 60, equal to 2.2% if
10 withdrawal is before January 1, 2002, or 2.4% for each year of
11 service if withdrawal is on or after January 1, 2002, of final
12 average salary for each year of service, subject to a maximum
13 of 75% of final average salary if withdrawal is before January
14 1, 2002, or 80% if withdrawal is on or after January 1, 2002.
15 For the purpose of calculating this annuity, "final average
16 salary" means the highest average annual salary for any 4
17 consecutive years in the last 10 years of service.
18 Notwithstanding any provision of this subsection to the
19 contrary, the "final average salary" for a participant that
20 received credit under item (3) of subsection (c) of Section
21 11-215 means the highest average salary for any 4 consecutive
22 years (or any 8 consecutive years if the employee first became
23 a participant on or after January 1, 2011) in the 10 years
24 immediately prior to the leave of absence, and adding to that
25 highest average salary, the product of (i) that highest average
26 salary, (ii) the average percentage increase in the Consumer

1 Price Index during each 12-month calendar year for the calendar
2 years during the participant's leave of absence, and (iii) the
3 length of the leave of absence in years, provided that this
4 shall not exceed the participant's salary at the local labor
5 organization. For purposes of this Section, the Consumer Price
6 Index is the Consumer Price Index for All Urban Consumers for
7 all items published by the United States Department of Labor.

8 (g) Any annuity payable under the preceding subsections of
9 this Section 11-134 shall be paid in equal monthly
10 installments.

11 (h) The amendatory provisions of part (a) and (f) of this
12 Section shall be effective July 1, 1971 and apply in the case
13 of every qualifying employee withdrawing on or after July 1,
14 1971.

15 (h-1) The changes made to this Section by Public Act 92-609
16 (increasing the retirement formula to 2.4% per year of service
17 and increasing the maximum to 80%) apply to persons who
18 withdraw from service on or after January 1, 2002, regardless
19 of whether that withdrawal takes place before the effective
20 date of that Act. In the case of a person who withdraws from
21 service on or after January 1, 2002 but begins to receive a
22 retirement annuity before July 1, 2002, the annuity shall be
23 recalculated, with the increase resulting from Public Act
24 92-609 accruing from the date the retirement annuity began. The
25 changes made by Public Act 92-609 control over the changes made
26 by Public Act 92-599, as provided in Section 95 of P.A. 92-609.

1 (i) The amendatory provisions of this amendatory Act of
2 1985 relating to the discount of annuity because of retirement
3 prior to attainment of age 60 and increasing the retirement
4 formula for those born before January 1, 1936, shall apply only
5 to qualifying employees withdrawing on or after August 16,
6 1985.

7 (j) Beginning on January 1, 1999, the minimum amount of
8 employee's annuity shall be \$850 per month for life for the
9 following classes of employees, without regard to the fact that
10 withdrawal occurred prior to the effective date of this
11 amendatory Act of 1998:

12 (1) any employee annuitant alive and receiving a life
13 annuity on the effective date of this amendatory Act of
14 1998, except a reciprocal annuity;

15 (2) any employee annuitant alive and receiving a term
16 annuity on the effective date of this amendatory Act of
17 1998, except a reciprocal annuity;

18 (3) any employee annuitant alive and receiving a
19 reciprocal annuity on the effective date of this amendatory
20 Act of 1998, whose service in this fund is at least 5
21 years;

22 (4) any employee annuitant withdrawing after age 60 on
23 or after the effective date of this amendatory Act of 1998,
24 with at least 10 years of service in this fund.

25 The increases granted under items (1), (2) and (3) of this
26 subsection (j) shall not be limited by any other Section of

1 this Act.

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

3 (40 ILCS 5/11-215) (from Ch. 108 1/2, par. 11-215)

4 Sec. 11-215. Computation of service.

5 (a) In computing the term of service of an employee prior
6 to the effective date, the entire period beginning on the date
7 he was first appointed and ending on the day before the
8 effective date, except any intervening period during which he
9 was separated by withdrawal from service, shall be counted for
10 all purposes of this Article. Only the first year of each
11 period of lay-off or leave of absence without pay, continuing
12 or extending for a period in excess of one year, shall be
13 counted as such service.

14 (b) For a person employed by an employer for whom this
15 Article was in effect prior to August 1, 1949, from whose
16 salary deductions are first made under this Article after July
17 31, 1949, any period of service rendered prior to the effective
18 date, unless he was in service on the day before the effective
19 date, shall not be counted as service.

20 (c) In computing the term of service of an employee
21 subsequent to the day before the effective date, the following
22 periods of time shall be counted as periods of service for
23 annuity purposes:

24 (1) the time during which he performed the duties of
25 his position;

1 (2) leaves of absence with whole or part pay, and
2 leaves of absence without pay not longer than 90 days;

3 (3) leaves of absence without pay that begin before the
4 effective date of this amendatory Act of the 97th General
5 Assembly and during which a participant is employed
6 full-time by a local labor organization that represents
7 municipal employees, provided that (A) the participant
8 continues to make employee contributions to the Fund as
9 though he were an active employee, based on the regular
10 salary rate received by the participant for his municipal
11 employment immediately prior to such leave of absence (and
12 in the case of such employment prior to December 9, 1987,
13 pays to the Fund an amount equal to the employee
14 contributions for such employment plus regular interest
15 thereon as calculated by the board), and based on his
16 current salary with such labor organization after the
17 effective date of this amendatory Act of 1991, (B) after
18 January 1, 1989 the participant, or the labor organization
19 on the participant's behalf, makes contributions to the
20 Fund as though it were the employer, in the same amount and
21 same manner as specified under this Article, based on the
22 regular salary rate received by the participant for his
23 municipal employment immediately prior to such leave of
24 absence, and based on his current salary with such labor
25 organization after the effective date of this amendatory
26 Act of 1991, and (C) the participant does not receive

1 credit in any pension plan established by the local labor
2 organization based on his employment by the organization;

3 (4) any period of disability for which he received (i)
4 a disability benefit under this Article, or (ii) a
5 temporary total disability benefit under the Workers'
6 Compensation Act if the disability results from a condition
7 commonly termed heart attack or stroke or any other
8 condition falling within the broad field of coronary
9 involvement or heart disease, or (iii) whole or part pay.

10 (d) For a person employed by an employer, or the retirement
11 board, in which "The 1935 Act" was in effect prior to August 1,
12 1949, from whose salary deductions are first made under "The
13 1935 Act" or this Article after July 31, 1949, any period of
14 service rendered subsequent to the effective date and prior to
15 August 1, 1949, shall not be counted as a period of service
16 under this Article, except such period for which he made
17 payment, as provided in Section 11-221 of this Article, in
18 which case such period shall be counted as a period of service
19 for all annuity purposes hereunder.

20 (e) In computing the term of service of an employee
21 subsequent to the day before the effective date for ordinary
22 disability benefit purposes, the following periods of time
23 shall be counted as periods of service:

24 (1) any period during which he performed the duties of
25 his position;

26 (2) leaves of absence with whole or part pay;

1 (3) any period of disability for which he received (i)
2 a duty disability benefit under this Article, or (ii) a
3 temporary total disability benefit under the Workers'
4 Compensation Act if the disability results from a condition
5 commonly termed heart attack or stroke or any other
6 condition falling within the broad field of coronary
7 involvement or heart disease, or (iii) whole or part pay.

8 However, any period of service rendered by an employee
9 contributor prior to the date he became a contributor to the
10 fund shall not be counted as a period of service for ordinary
11 disability purposes, unless the person made payment for the
12 period as provided in Section 11-221 of this Article, in which
13 case the period shall be counted as a period of service for
14 ordinary disability purposes for periods of disability on or
15 after the effective date of this amendatory Act of 1997.

16 Overtime or extra service shall not be included in
17 computing any term of service. Not more than 1 year of service
18 shall be allowed for service rendered during any calendar year.

19 For the purposes of this Section, the phrase "any pension
20 plan established by the local labor organization" means any
21 pension plan in which a participant may receive credit as a
22 result of his or her membership in the local labor
23 organization, including, but not limited to, the local labor
24 organization itself and its affiliates at the local,
25 intrastate, State, multi-state, national, or international
26 level. The definition of this phrase is a declaration of

1 existing law and shall not be construed as a new enactment.

2 (Source: P.A. 90-511, eff. 8-22-97.)

3 (40 ILCS 5/11-217) (from Ch. 108 1/2, par. 11-217)

4 Sec. 11-217. Basis of annual salary. For the purpose of
5 this Article, the annual salary of an employee whose salary or
6 wage is appropriated, fixed, or arranged in the annual
7 appropriation ordinance upon other than an annual basis shall
8 be determined as follows:

9 (a) If the employee is paid on a monthly basis, the annual
10 salary is 12 times the monthly salary. If the employee is paid
11 on a weekly basis, the annual salary is 52 times the weekly
12 salary.

13 "Monthly salary" means the amount of compensation or salary
14 appropriated and payable for a normal and regular month's work
15 in the employee's position in the service. "Weekly salary"
16 means the amount of compensation or salary appropriated and
17 payable for a normal and regular week's work in the employee's
18 position in the service. If the work is on a regularly
19 scheduled part time basis, then "monthly salary" and "weekly
20 salary" refer, respectively, to the part time monthly or weekly
21 salary.

22 If the appropriation for the position is for a shorter
23 period than 12 months a year, or 52 weeks a year if on a weekly
24 basis, or the employee is in a class, grade, or category in
25 which the employee normally works for fewer than 12 months or

1 52 weeks a year, then the basis shall be adjusted downward to
2 the extent that the appropriated or customary work period is
3 less than the normal 12 months or 52 weeks of service in a
4 year.

5 Compensation for overtime, at regular or overtime rates,
6 that is paid in addition to the appropriated regular and normal
7 monthly or weekly salary shall not be considered.

8 (b) If the employee is paid on a daily basis, the annual
9 salary is 260 times the daily wage. If the employee is paid on
10 an hourly basis, the annual salary is 2080 times the hourly
11 wage.

12 The norm is based on a 12-month per year, 5-day work week
13 of 8 hours per day and 40 hours per week, with consideration
14 given only to time compensated for at the straight time rate of
15 compensation or wage. The norm shall be increased (subject to a
16 maximum of 300 days or 2400 hours per year) or decreased for an
17 employee to the extent that the normal and established work
18 period, at the straight time compensation or wage for the
19 position held in the class, grade, or category in which the
20 employee is assigned, is for a greater or lesser number of
21 months, weeks, days, or hours than the period on which the
22 established norm is based.

23 "Daily wage" and "hourly wage" mean, respectively, the
24 normal, regular, or basic straight time rate of compensation or
25 wage appropriated and payable for a normal and regular day's
26 work, or hour's work, in the employee's position in the

1 service.

2 Any time worked in excess of the norm (or the increased or
3 decreased norm, whichever is applicable) that is compensated
4 for at overtime, premium, or other than regular or basic
5 straight time rates shall not be considered as time worked, and
6 the compensation for that work shall not be considered as
7 salary or wage. Such time and compensation shall in every case
8 and for all purposes be considered overtime and shall be
9 excluded for all purposes under this Article. However, the
10 straight time portion of compensation or wage, for time worked
11 on holidays that fall within an employee's established norm,
12 shall be included for all purposes under this Article.

13 (c) For minimum annuity purposes under Section 11-134,
14 where a salary rate change occurs during the year, it shall be
15 considered that the annual salary for that year is (1) the
16 annual equivalent of the monthly, weekly, daily, or hourly
17 salary or wage rate that was applicable for the greater number
18 of months, weeks, days, or hours (whichever is applicable) in
19 the year under consideration, or (2) the annual equivalent of
20 the average salary or wage rate in effect for the employee
21 during the year, whichever is greater. The average salary or
22 wage rate shall be calculated by multiplying each salary or
23 wage rate in effect for the employee during the year by the
24 number of months, weeks, days, or hours (whichever is
25 applicable) during which that rate was in effect, and dividing
26 the sum of the resulting products by the total number of

1 months, weeks, days, or hours (whichever is applicable) worked
2 by the employee during the year.

3 (d) The changes to subsection (c) made by this amendatory
4 Act of 1997 apply to persons withdrawing from service on or
5 after July 1, 1990 and for each such person are intended to be
6 retroactive to the date upon which the affected annuity began.
7 The Fund shall recompute the affected annuity and shall pay the
8 additional amount due for the period before the increase
9 resulting from this amendatory Act in a lump sum, without
10 interest.

11 (e) This Article shall not be construed to authorize a
12 salary paid by an entity other than an employer, as defined in
13 Section 11-107, to be used to calculate the highest average
14 annual salary of a participant. This subsection (e) is a
15 declaration of existing law and shall not be construed as a new
16 enactment.

17 (Source: P.A. 90-31, eff. 6-27-97.)

18 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

19 Sec. 15-107. Employee.

20 (a) "Employee" means any member of the educational,
21 administrative, secretarial, clerical, mechanical, labor or
22 other staff of an employer whose employment is permanent and
23 continuous or who is employed in a position in which services
24 are expected to be rendered on a continuous basis for at least
25 4 months or one academic term, whichever is less, who (A)

1 receives payment for personal services on a warrant issued
2 pursuant to a payroll voucher certified by an employer and
3 drawn by the State Comptroller upon the State Treasurer or by
4 an employer upon trust, federal or other funds, or (B) is on a
5 leave of absence without pay. Employment which is irregular,
6 intermittent or temporary shall not be considered continuous
7 for purposes of this paragraph.

8 However, a person is not an "employee" if he or she:

9 (1) is a student enrolled in and regularly attending
10 classes in a college or university which is an employer,
11 and is employed on a temporary basis at less than full
12 time;

13 (2) is currently receiving a retirement annuity or a
14 disability retirement annuity under Section 15-153.2 from
15 this System;

16 (3) is on a military leave of absence;

17 (4) is eligible to participate in the Federal Civil
18 Service Retirement System and is currently making
19 contributions to that system based upon earnings paid by an
20 employer;

21 (5) is on leave of absence without pay for more than 60
22 days immediately following termination of disability
23 benefits under this Article;

24 (6) is hired after June 30, 1979 as a public service
25 employment program participant under the Federal
26 Comprehensive Employment and Training Act and receives

1 earnings in whole or in part from funds provided under that
2 Act; or

3 (7) is employed on or after July 1, 1991 to perform
4 services that are excluded by subdivision (a)(7)(f) or
5 (a)(19) of Section 210 of the federal Social Security Act
6 from the definition of employment given in that Section (42
7 U.S.C. 410).

8 (b) Any employer may, by filing a written notice with the
9 board, exclude from the definition of "employee" all persons
10 employed pursuant to a federally funded contract entered into
11 after July 1, 1982 with a federal military department in a
12 program providing training in military courses to federal
13 military personnel on a military site owned by the United
14 States Government, if this exclusion is not prohibited by the
15 federally funded contract or federal laws or rules governing
16 the administration of the contract.

17 (c) Any person appointed by the Governor under the Civil
18 Administrative Code of the State is an employee, if he or she
19 is a participant in this system on the effective date of the
20 appointment.

21 (d) A participant on lay-off status under civil service
22 rules is considered an employee for not more than 120 days from
23 the date of the lay-off.

24 (e) A participant is considered an employee during (1) the
25 first 60 days of disability leave, (2) the period, not to
26 exceed one year, in which his or her eligibility for disability

1 benefits is being considered by the board or reviewed by the
2 courts, and (3) the period he or she receives disability
3 benefits under the provisions of Section 15-152, workers'
4 compensation or occupational disease benefits, or disability
5 income under an insurance contract financed wholly or partially
6 by the employer.

7 (f) Absences without pay, other than formal leaves of
8 absence, of less than 30 calendar days, are not considered as
9 an interruption of a person's status as an employee. If such
10 absences during any period of 12 months exceed 30 work days,
11 the employee status of the person is considered as interrupted
12 as of the 31st work day.

13 (g) A staff member whose employment contract requires
14 services during an academic term is to be considered an
15 employee during the summer and other vacation periods, unless
16 he or she declines an employment contract for the succeeding
17 academic term or his or her employment status is otherwise
18 terminated, and he or she receives no earnings during these
19 periods.

20 (h) An individual who was a participating employee employed
21 in the fire department of the University of Illinois's
22 Champaign-Urbana campus immediately prior to the elimination
23 of that fire department and who immediately after the
24 elimination of that fire department became employed by the fire
25 department of the City of Urbana or the City of Champaign shall
26 continue to be considered as an employee for purposes of this

1 Article for so long as the individual remains employed as a
2 firefighter by the City of Urbana or the City of Champaign. The
3 individual shall cease to be considered an employee under this
4 subsection (h) upon the first termination of the individual's
5 employment as a firefighter by the City of Urbana or the City
6 of Champaign.

7 (i) An individual who is employed on a full-time basis as
8 an officer or employee of a statewide teacher organization that
9 serves System participants or an officer of a national teacher
10 organization that serves System participants may participate
11 in the System and shall be deemed an employee, provided that
12 (1) the individual has previously earned creditable service
13 under this Article, (2) the individual files with the System an
14 irrevocable election to become a participant before the
15 effective date of this amendatory Act of the 97th General
16 Assembly, and (3) the individual does not receive credit for
17 that employment under any other Article of this Code, and (4)
18 the individual first became a full-time employee of the teacher
19 organization and becomes a participant before the effective
20 date of this amendatory Act of the 97th General Assembly. An
21 employee under this subsection (i) is responsible for paying to
22 the System both (A) employee contributions based on the actual
23 compensation received for service with the teacher
24 organization and (B) employer contributions equal to the normal
25 costs (as defined in Section 15-155) resulting from that
26 service; all or any part of these contributions may be paid on

1 the employee's behalf or picked up for tax purposes (if
2 authorized under federal law) by the teacher organization.

3 A person who is an employee as defined in this subsection
4 (i) may establish service credit for similar employment prior
5 to becoming an employee under this subsection by paying to the
6 System for that employment the contributions specified in this
7 subsection, plus interest at the effective rate from the date
8 of service to the date of payment. However, credit shall not be
9 granted under this subsection for any such prior employment for
10 which the applicant received credit under any other provision
11 of this Code, or during which the applicant was on a leave of
12 absence under Section 15-113.2.

13 (j) A person employed by the State Board of Higher
14 Education in a position with the Illinois Century Network as of
15 June 30, 2004 shall be considered to be an employee for so long
16 as he or she remains continuously employed after that date by
17 the Department of Central Management Services in a position
18 with the Illinois Century Network, the Bureau of Communication
19 and Computer Services, or, if applicable, any successor bureau
20 and meets the requirements of subsection (a).

21 (Source: P.A. 95-369, eff. 8-23-07.)

22 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

23 Sec. 16-106. Teacher. "Teacher": The following
24 individuals, provided that, for employment prior to July 1,
25 1990, they are employed on a full-time basis, or if not

1 full-time, on a permanent and continuous basis in a position in
2 which services are expected to be rendered for at least one
3 school term:

4 (1) Any educational, administrative, professional or
5 other staff employed in the public common schools included
6 within this system in a position requiring certification
7 under the law governing the certification of teachers;

8 (2) Any educational, administrative, professional or
9 other staff employed in any facility of the Department of
10 Children and Family Services or the Department of Human
11 Services, in a position requiring certification under the
12 law governing the certification of teachers, and any person
13 who (i) works in such a position for the Department of
14 Corrections, (ii) was a member of this System on May 31,
15 1987, and (iii) did not elect to become a member of the
16 State Employees' Retirement System pursuant to Section
17 14-108.2 of this Code; except that "teacher" does not
18 include any person who (A) becomes a security employee of
19 the Department of Human Services, as defined in Section
20 14-110, after June 28, 2001 (the effective date of Public
21 Act 92-14), or (B) becomes a member of the State Employees'
22 Retirement System pursuant to Section 14-108.2c of this
23 Code;

24 (3) Any regional superintendent of schools, assistant
25 regional superintendent of schools, State Superintendent
26 of Education; any person employed by the State Board of

1 Education as an executive; any executive of the boards
2 engaged in the service of public common school education in
3 school districts covered under this system of which the
4 State Superintendent of Education is an ex-officio member;

5 (4) Any employee of a school board association
6 operating in compliance with Article 23 of the School Code
7 who is certificated under the law governing the
8 certification of teachers;

9 (5) Any person employed by the retirement system who:

10 (i) was an employee of and a participant in the
11 system on August 17, 2001 (the effective date of Public
12 Act 92-416), or

13 (ii) becomes an employee of the system on or after
14 August 17, 2001;

15 (6) Any educational, administrative, professional or
16 other staff employed by and under the supervision and
17 control of a regional superintendent of schools, provided
18 such employment position requires the person to be
19 certificated under the law governing the certification of
20 teachers and is in an educational program serving 2 or more
21 districts in accordance with a joint agreement authorized
22 by the School Code or by federal legislation;

23 (7) Any educational, administrative, professional or
24 other staff employed in an educational program serving 2 or
25 more school districts in accordance with a joint agreement
26 authorized by the School Code or by federal legislation and

1 in a position requiring certification under the laws
2 governing the certification of teachers;

3 (8) Any officer or employee of a statewide teacher
4 organization or officer of a national teacher organization
5 who is certified under the law governing certification of
6 teachers, provided: (i) the individual had previously
7 established creditable service under this Article, (ii)
8 the individual files with the system an irrevocable
9 election to become a member before the effective date of
10 this amendatory Act of the 97th General Assembly, and (iii)
11 the individual does not receive credit for such service
12 under any other Article of this Code, and (iv) the
13 individual first became an officer or employee of the
14 teacher organization and becomes a member before the
15 effective date of this amendatory Act of the 97th General
16 Assembly;

17 (9) Any educational, administrative, professional, or
18 other staff employed in a charter school operating in
19 compliance with the Charter Schools Law who is certificated
20 under the law governing the certification of teachers.

21 (10) Any person employed, on the effective date of this
22 amendatory Act of the 94th General Assembly, by the
23 Macon-Piatt Regional Office of Education in a
24 birth-through-age-three pilot program receiving funds
25 under Section 2-389 of the School Code who is required by
26 the Macon-Piatt Regional Office of Education to hold a

1 teaching certificate, provided that the Macon-Piatt
2 Regional Office of Education makes an election, within 6
3 months after the effective date of this amendatory Act of
4 the 94th General Assembly, to have the person participate
5 in the system. Any service established prior to the
6 effective date of this amendatory Act of the 94th General
7 Assembly for service as an employee of the Macon-Piatt
8 Regional Office of Education in a birth-through-age-three
9 pilot program receiving funds under Section 2-389 of the
10 School Code shall be considered service as a teacher if
11 employee and employer contributions have been received by
12 the system and the system has not refunded those
13 contributions.

14 An annuitant receiving a retirement annuity under this
15 Article or under Article 17 of this Code who is employed by a
16 board of education or other employer as permitted under Section
17 16-118 or 16-150.1 is not a "teacher" for purposes of this
18 Article. A person who has received a single-sum retirement
19 benefit under Section 16-136.4 of this Article is not a
20 "teacher" for purposes of this Article.

21 ~~A person who is a teacher as described in item (8) of this~~
22 ~~Section may establish service credit for similar employment~~
23 ~~prior to becoming certified as a teacher if he or she (i) is~~
24 ~~certified as a teacher on or before the effective date of this~~
25 ~~amendatory Act of the 94th General Assembly, (ii) applies in~~
26 ~~writing to the system within 6 months after the effective date~~

1 ~~of this amendatory Act of the 94th General Assembly, and (iii)~~
2 ~~pays to the system contributions equal to the normal costs~~
3 ~~calculated from the date of first full-time employment as~~
4 ~~described in item (8) to the date of payment, compounded~~
5 ~~annually at the rate of 8.5% per year for periods before the~~
6 ~~effective date of this amendatory Act of the 94th General~~
7 ~~Assembly and for subsequent periods at a rate equal to the~~
8 ~~System's actuarially assumed rate of return on investments.~~
9 ~~However, credit shall not be granted under this paragraph for~~
10 ~~any such prior employment for which the applicant received~~
11 ~~credit under any other provision of this Code.~~

12 (Source: P.A. 93-320, eff. 7-23-03; 94-1111, eff. 2-27-07.)

13 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

14 Sec. 17-134. Contributions for leaves of absence; military
15 service; computing service. In computing service for pension
16 purposes the following periods of service shall stand in lieu
17 of a like number of years of teaching service upon payment
18 therefor in the manner hereinafter provided: (a) time spent on
19 a leave of absence granted by the employer; (b) service with
20 teacher or labor organizations based upon special leaves of
21 absence therefor granted by an Employer; (c) a maximum of 5
22 years spent in the military service of the United States, of
23 which up to 2 years may have been served outside the pension
24 period; (d) unused sick days at termination of service to a
25 maximum of 244 days; (e) time lost due to layoff and

1 curtailment of the school term from June 6 through June 21,
2 1976; and (f) time spent after June 30, 1982 as a member of the
3 Board of Education, if required to resign from an
4 administrative or teaching position in order to qualify as a
5 member of the Board of Education.

6 (1) For time spent on or after September 6, 1948 on
7 sabbatical leaves of absence or sick leaves, for which
8 salaries are paid, an Employer shall make payroll
9 deductions at the applicable rates in effect during such
10 periods.

11 (2) For time spent on a leave of absence granted by the
12 employer for which no salaries are paid, teachers desiring
13 credit therefor shall pay the required contributions at the
14 rates in effect during such periods as though they were in
15 teaching service. If an Employer pays salary for vacations
16 which occur during a teacher's sick leave or maternity or
17 paternity leave without salary, vacation pay for which the
18 teacher would have qualified while in active service shall
19 be considered part of the teacher's total salary for
20 pension purposes. No more than 36 months of leave credit
21 may be allowed any person during the entire term of
22 service. Sabbatical leave credit shall be limited to the
23 time the person on leave without salary under an Employer's
24 rules is allowed to engage in an activity for which he
25 receives salary or compensation.

26 (3) For time spent prior to September 6, 1948, on

1 sabbatical leaves of absence or sick leaves for which
2 salaries were paid, teachers desiring service credit
3 therefor shall pay the required contributions at the
4 maximum applicable rates in effect during such periods.

5 (4) For service with teacher or labor organizations
6 authorized by special leaves of absence, for which no
7 payroll deductions are made by an Employer, teachers
8 desiring service credit therefor shall contribute to the
9 Fund upon the basis of the actual salary received from such
10 organizations at the percentage rates in effect during such
11 periods for certified positions with such Employer. To the
12 extent the actual salary exceeds the regular salary, which
13 shall be defined as the salary rate, as calculated by the
14 Board, in effect for the teacher's regular position in
15 teaching service on September 1, 1983 or on the effective
16 date of the leave with the organization, whichever is
17 later, the organization shall pay to the Fund the
18 employer's normal cost as set by the Board on the
19 increment. Notwithstanding any other provision of this
20 subdivision (4), teachers are only eligible for credit for
21 service under this subdivision (4) if the special leave of
22 absence begins before the effective date of this amendatory
23 Act of the 97th General Assembly.

24 (5) For time spent in the military service, teachers
25 entitled to and desiring credit therefor shall contribute
26 the amount required for each year of service or fraction

1 thereof at the rates in force (a) at the date of
2 appointment, or (b) on return to teaching service as a
3 regularly certified teacher, as the case may be; provided
4 such rates shall not be less than \$450 per year of service.
5 These conditions shall apply unless an Employer elects to
6 and does pay into the Fund the amount which would have been
7 due from such person had he been employed as a teacher
8 during such time. In the case of credit for military
9 service not during the pension period, the teacher must
10 also pay to the Fund an amount determined by the Board to
11 be equal to the employer's normal cost of the benefits
12 accrued from such service, plus interest thereon at 5% per
13 year, compounded annually, from the date of appointment to
14 the date of payment.

15 The changes to this Section made by Public Act 87-795
16 shall apply not only to persons who on or after its
17 effective date are in service under the Fund, but also to
18 persons whose status as a teacher terminated prior to that
19 date, whether or not the person is an annuitant on that
20 date. In the case of an annuitant who applies for credit
21 allowable under this Section for a period of military
22 service that did not immediately follow employment, and who
23 has made the required contributions for such credit, the
24 annuity shall be recalculated to include the additional
25 service credit, with the increase taking effect on the date
26 the Fund received written notification of the annuitant's

1 intent to purchase the credit, if payment of all the
2 required contributions is made within 60 days of such
3 notice, or else on the first annuity payment date following
4 the date of payment of the required contributions. In
5 calculating the automatic annual increase for an annuity
6 that has been recalculated under this Section, the increase
7 attributable to the additional service allowable under
8 this amendatory Act of 1991 shall be included in the
9 calculation of automatic annual increases accruing after
10 the effective date of the recalculation.

11 The total credit for military service shall not exceed
12 5 years, except that any teacher who on July 1, 1963, had
13 validated credit for more than 5 years of military service
14 shall be entitled to the total amount of such credit.

15 (6) A maximum of 244 unused sick days credited to his
16 account by an Employer on the date of termination of
17 employment. Members, upon verification of unused sick
18 days, may add this service time to total creditable
19 service.

20 (7) In all cases where time spent on leave is
21 creditable and no payroll deductions therefor are made by
22 an Employer, persons desiring service credit shall make the
23 required contributions directly to the Fund.

24 (8) For time lost without pay due to layoff and
25 curtailment of the school term from June 6 through June 21,
26 1976, as provided in item (e) of the first paragraph of

1 this Section, persons who were contributors on the days
2 immediately preceding such layoff shall receive credit
3 upon paying to the Fund a contribution based on the rates
4 of compensation and employee contributions in effect at the
5 time of such layoff, together with an additional amount
6 equal to 12.2% of the compensation computed for such period
7 of layoff, plus interest on the entire amount at 5% per
8 annum from January 1, 1978 to the date of payment. If such
9 contribution is paid, salary for pension purposes for any
10 year in which such a layoff occurred shall include the
11 compensation recognized for purposes of computing that
12 contribution.

13 (9) For time spent after June 30, 1982, as a
14 nonsalaried member of the Board of Education, if required
15 to resign from an administrative or teaching position in
16 order to qualify as a member of the Board of Education, an
17 administrator or teacher desiring credit therefor shall
18 pay the required contributions at the rates and salaries in
19 effect during such periods as though the member were in
20 service.

21 Effective September 1, 1974, the interest charged for
22 validation of service described in paragraphs (2) through (5)
23 of this Section shall be compounded annually at a rate of 5%
24 commencing one year after the termination of the leave or
25 return to service.

26 (Source: P.A. 92-599, eff. 6-28-02.)

1 Section 97. Retroactive repeal. This amendatory Act of the
2 97th General Assembly hereby repeals and declares void ab
3 initio the last paragraph of Section 16-106 of the Illinois
4 Pension Code as contained in Public Act 94-1111 as that
5 paragraph furnishes no vested rights because it violates
6 multiple provisions of the 1970 Illinois Constitution,
7 including, but not limited to, Article VIII, Section 1. Upon
8 receipt of an application within 6 months after the effective
9 date of this amendatory Act of the 97th General Assembly, the
10 System shall immediately refund any contributions made by or on
11 behalf of a person to receive service credit pursuant to the
12 text set forth in Public Act 94-1111, as well as any amount
13 determined by the Board to be equal to the investment earned by
14 the System on those contributions since their receipt.

15 Section 98. Severability. The provisions of this Act are
16 severable under Section 1.31 of the Statute on Statutes.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.