



Rep. Tom Cross

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LRB097 13613 JDS 59131 a

1 AMENDMENT TO HOUSE BILL 3813

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3813, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Pension Code is amended by  
6 changing Sections 1-114, 1-135, 7-132, 8-226, 11-215, 17-134,  
7 and 17-134.1 and by adding 3-110.12, 3-110.13, 3-110.14,  
8 4-108.7, 4-108.8, 4-108.9, 5-212.1, 5-212.2, 5-212.3, 6-209.2,  
9 6-209.3, 6-209.4, 8-117.1, 8-226.8, 11-116.1, 11-215.2,  
10 15-113.12, 15-113.13, 15-113.14, 16-110.1, 16-110.2, 16-110.3,  
11 17-109.3, and 17-134.2 as follows:

12 (40 ILCS 5/1-114) (from Ch. 108 1/2, par. 1-114)

13 Sec. 1-114. Liability for Breach of Fiduciary Duty. (a) Any  
14 person who is a fiduciary with respect to a retirement system  
15 or pension fund established under this Code who breaches any  
16 duty imposed upon fiduciaries by this Code, including, but not

1 limited to, a failure to report a reasonable suspicion of a  
2 false statement specified in Section 1-135 of this Code, shall  
3 be personally liable to make good to such retirement system or  
4 pension fund any losses to it resulting from each such breach,  
5 and to restore to such retirement system or pension fund any  
6 profits of such fiduciary which have been made through use of  
7 assets of the retirement system or pension fund by the  
8 fiduciary, and shall be subject to such equitable or remedial  
9 relief as the court may deem appropriate, including the removal  
10 of such fiduciary.

11 (b) No person shall be liable with respect to a breach of  
12 fiduciary duty under this Code if such breach occurred before  
13 such person became a fiduciary or after such person ceased to  
14 be a fiduciary.

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

16 (40 ILCS 5/1-135)

17 Sec. 1-135. Fraud. Any person who knowingly makes any false  
18 statement or falsifies or permits to be falsified any record of  
19 a retirement system or pension fund created under this Code or  
20 the Illinois State Board of Investment in an attempt to defraud  
21 the retirement system or pension fund created under this Code  
22 or the Illinois State Board of Investment is guilty of a Class  
23 3 felony. Any reasonable suspicion by any appointed or elected  
24 commissioner, trustee, director, board member, or employee of a  
25 retirement system or pension fund created under this Code or

1 the State Board of Investment of a false statement or falsified  
2 record being submitted or permitted by a person under this Code  
3 shall be immediately referred to the board of trustees of a  
4 retirement system or pension fund created under this Code or  
5 the State Board of Investment or the State's Attorney of the  
6 jurisdiction where the alleged fraudulent activity occurred.  
7 The board of trustees of a retirement system or pension fund  
8 created under this Code or the State Board of Investment shall  
9 immediately notify the State's Attorney of the jurisdiction  
10 where any alleged fraudulent activity occurred for  
11 investigation.

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

13 (40 ILCS 5/3-110.12 new)

14 Sec. 3-110.12. Leaves of absence. For any leave of absence  
15 that is covered under subsection (c) of Section 3-110 and that  
16 is granted after the effective date of this amendatory Act of  
17 the 97th General Assembly, any pension credit earned in this  
18 Article shall be based on the participant's salary immediately  
19 before the leave of absence. The participant must contribute an  
20 amount equal to the actuarially determined normal cost of the  
21 benefit as calculated by the fund. The employer of the  
22 participant may elect to contribute all or a portion of the  
23 participant's required contribution.

24 (40 ILCS 5/3-110.13 new)

1       Sec. 3-110.13. Leave of absence benefit recalculation.  
2       Every 3 years, beginning on or as soon as practical after the  
3       effective date of this amendatory Act of the 97th General  
4       Assembly, each fund shall determine if any benefit earned by a  
5       participant who first earns credit on or after the effective  
6       date of this Section as a result of subsection (c) of Section  
7       3-110 has created any additional unfunded liability to the  
8       fund. If it is determined by the fund that additional unfunded  
9       liability has been created, then the participant must remit the  
10       total cost to the fund, as determined by the fund, within one  
11       year.

12           (40 ILCS 5/3-110.14 new)

13       Sec. 3-110.14. Leaves of absence; computation of salary.  
14       For any participant who, on or after the effective date of this  
15       amendatory Act of the 97th General Assembly, takes a leave of  
16       absence covered by subsection (c) of Section 3-110, his or her  
17       average salary shall be based upon the regular salary rate  
18       received by the participant for his or her municipal employment  
19       immediately prior to that leave of absence.

20           (40 ILCS 5/4-108.7 new)

21       Sec. 4-108.7. Leaves of absence. For any leave of absence  
22       that is covered under subdivision (c)(3) of Section 4-108 and  
23       that is granted after the effective date of this amendatory Act  
24       of the 97th General Assembly, any pension credit earned in this

1 Article shall be based on the participant's salary immediately  
2 before the leave of absence. The participant must contribute an  
3 amount equal to the actuarially determined normal cost of the  
4 benefit as calculated by the fund. The employer of the  
5 participant may elect to contribute all or a portion of the  
6 participant's required contribution.

7 (40 ILCS 5/4-108.8 new)

8 Sec. 4-108.8. Leave of absence benefit recalculation.  
9 Every 3 years, beginning on or as soon as practical after the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly, each fund shall determine if any benefit earned by a  
12 participant who first earns credit on or after the effective  
13 date of this Section as a result of subdivision (c)(3) of  
14 Section 4-108 has created any additional unfunded liability to  
15 the fund. If it is determined by the fund that additional  
16 unfunded liability has been created, then the participant must  
17 remit the total cost to the fund, as determined by the fund,  
18 within one year.

19 (40 ILCS 5/4-108.9 new)

20 Sec. 4-108.9. Leaves of absence; computation of salary. For  
21 any participant who, on or after the effective date of this  
22 amendatory Act of the 97th General Assembly, takes a leave of  
23 absence covered by subdivision (c)(3) of Section 4-108, his or  
24 her average salary shall be based upon the regular salary rate

1 received by the participant for his or her municipal employment  
2 immediately prior to that leave of absence.

3 (40 ILCS 5/5-212.1 new)

4 Sec. 5-212.1. Pension credit earned for other service. Any  
5 credit for other service that is covered under subdivision (b)  
6 of Section 5-214 and that is granted after the effective date  
7 of this amendatory Act of the 97th General Assembly shall be  
8 based on the participant's salary immediately before engaging  
9 in the type of employment specified in that provision. The  
10 participant must contribute an amount equal to the actuarially  
11 determined normal cost of the benefit as calculated by the  
12 fund. The employer of the participant may elect to contribute  
13 all or a portion of the participant's required contribution.

14 (40 ILCS 5/5-212.2 new)

15 Sec. 5-212.2. Credit for other service; recalculation.  
16 Every 3 years, beginning on or as soon as practical after the  
17 effective date of this amendatory Act of the 97th General  
18 Assembly, the fund shall determine if any benefit earned by a  
19 participant who first earns credit on or after the effective  
20 date of this Section as a result of subdivision (b) of Section  
21 5-214 has created any additional unfunded liability to the  
22 fund. If it is determined by the fund that additional unfunded  
23 liability has been created, then the participant must remit the  
24 total cost to the fund, as determined by the fund, within one

1 year.

2 (40 ILCS 5/5-212.3 new)

3 Sec. 5-212.3. Salary for credit earned for other service.

4 For any participant who, on or after the effective date of this  
5 amendatory Act of the 97th General Assembly, earns credit under  
6 subdivision (b) of Section 5-214, his or her average salary  
7 shall be based upon the regular salary rate received by the  
8 participant for his or her municipal employment immediately  
9 prior to that engaging in the type of employment specified in  
10 that provision.

11 (40 ILCS 5/6-209.2 new)

12 Sec. 6-209.2. Pension credit earned for other service. Any  
13 credit earned under item (f) of the second paragraph of Section  
14 6-209 and that is granted after the effective date of this  
15 amendatory Act of the 97th General Assembly shall be based on  
16 the participant's salary immediately before engaging in the  
17 type of employment specified in that provision. The participant  
18 must contribute an amount equal to the actuarially determined  
19 normal cost of the benefit as calculated by the fund. The  
20 employer of the participant may elect to contribute all or a  
21 portion of the participant's required contribution.

22 (40 ILCS 5/6-209.3 new)

23 Sec. 6-209.3. Credit for other service; recalculation.

1 Every 3 years, beginning on or as soon as practical after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly, the fund shall determine if any benefit earned by a  
4 participant who first earns credit on or after the effective  
5 date of this Section as a result of item (f) of the second  
6 paragraph of Section 6-209 has created any additional unfunded  
7 liability to the fund. If it is determined by the fund that  
8 additional unfunded liability has been created, then the  
9 participant must remit the total cost to the fund, as  
10 determined by the fund, within one year.

11 (40 ILCS 5/6-209.4 new)

12 Sec. 6-209.4. Salary for credit earned for other service.  
13 For any participant who, on or after the effective date of this  
14 amendatory Act of the 97th General Assembly, has earned credit  
15 under item (f) of the second paragraph of Section 6-209, his or  
16 her average salary shall be based upon the regular salary rate  
17 received by the participant for his or her municipal employment  
18 immediately prior to that leave of absence.

19 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

20 Sec. 7-132. Municipalities, instrumentalities and  
21 participating instrumentalities included and effective dates.

22 (A) Municipalities and their instrumentalities.

23 (a) The following described municipalities, but not



1 including any with more than 1,000,000 inhabitants, and the  
2 instrumentalities thereof, shall be included within and be  
3 subject to this Article beginning upon the effective dates  
4 specified by the Board:

5 (1) Except as to the municipalities and  
6 instrumentalities thereof specifically excluded under this  
7 Article, every county shall be subject to this Article, and  
8 all cities, villages and incorporated towns having a  
9 population in excess of 5,000 inhabitants as determined by  
10 the last preceding decennial or subsequent federal census,  
11 shall be subject to this Article following publication of  
12 the census by the Bureau of the Census. Within 90 days  
13 after publication of the census, the Board shall notify any  
14 municipality that has become subject to this Article as a  
15 result of that census, and shall provide information to the  
16 corporate authorities of the municipality explaining the  
17 duties and consequences of participation. The notification  
18 shall also include a proposed date upon which participation  
19 by the municipality will commence.

20 However, for any city, village or incorporated town  
21 that attains a population over 5,000 inhabitants after  
22 having provided social security coverage for its employees  
23 under the Social Security Enabling Act, participation  
24 under this Article shall not be mandatory but may be  
25 elected in accordance with subparagraph (3) or (4) of this  
26 paragraph (a), whichever is applicable.

1           (2) School districts, other than those specifically  
2 excluded under this Article, shall be subject to this  
3 Article, without election, with respect to all employees  
4 thereof.

5           (3) Towns and all other bodies politic and corporate  
6 which are formed by vote of, or are subject to control by,  
7 the electors in towns and are located in towns which are  
8 not participating municipalities on the effective date of  
9 this Act, may become subject to this Article by election  
10 pursuant to Section 7-132.1.

11           (4) Any other municipality (together with its  
12 instrumentalities), other than those specifically excluded  
13 from participation and those described in paragraph (3)  
14 above, may elect to be included either by referendum under  
15 Section 7-134 or by the adoption of a resolution or  
16 ordinance by its governing body. A copy of such resolution  
17 or ordinance duly authenticated and certified by the clerk  
18 of the municipality or other appropriate official of its  
19 governing body shall constitute the required notice to the  
20 board of such action.

21           (b) A municipality that is about to begin participation  
22 shall submit to the Board an application to participate, in a  
23 form acceptable to the Board, not later than 90 days prior to  
24 the proposed effective date of participation. The Board shall  
25 act upon the application within 90 days, and if it finds that  
26 the application is in conformity with its requirements and the

1 requirements of this Article, participation by the applicant  
2 shall commence on a date acceptable to the municipality and  
3 specified by the Board, but in no event more than one year from  
4 the date of application.

5 (c) A participating municipality which succeeds to the  
6 functions of a participating municipality which is dissolved or  
7 terminates its existence shall assume and be transferred the  
8 net accumulation balance in the municipality reserve and the  
9 municipality account receivable balance of the terminated  
10 municipality.

11 (d) In the case of a Veterans Assistance Commission whose  
12 employees were being treated by the Fund on January 1, 1990 as  
13 employees of the county served by the Commission, the Fund may  
14 continue to treat the employees of the Veterans Assistance  
15 Commission as county employees for the purposes of this  
16 Article, unless the Commission becomes a participating  
17 instrumentality in accordance with subsection (B) of this  
18 Section.

19 (B) Participating instrumentalities.

20 (a) The participating instrumentalities designated in  
21 paragraph (b) of this subsection shall be included within and  
22 be subject to this Article if:

23 (1) an application to participate, in a form acceptable  
24 to the Board and adopted by a two-thirds vote of the  
25 governing body, is presented to the Board not later than 90

1 days prior to the proposed effective date; and

2 (2) the Board finds that the application is in  
3 conformity with its requirements, that the applicant has  
4 reasonable expectation to continue as a political entity  
5 for a period of at least 10 years and has the prospective  
6 financial capacity to meet its current and future  
7 obligations to the Fund, and that the actuarial soundness  
8 of the Fund may be reasonably expected to be unimpaired by  
9 approval of participation by the applicant.

10 The Board shall notify the applicant of its findings within  
11 90 days after receiving the application, and if the Board  
12 approves the application, participation by the applicant shall  
13 commence on the effective date specified by the Board.

14 (b) The following participating instrumentalities, so long  
15 as they meet the requirements of Section 7-108 and the area  
16 served by them or within their jurisdiction is not located  
17 entirely within a municipality having more than one million  
18 inhabitants, may be included hereunder:

19 i. Township School District Trustees.

20 ii. Multiple County and Consolidated Health  
21 Departments created under Division 5-25 of the Counties  
22 Code or its predecessor law.

23 iii. Public Building Commissions created under the  
24 Public Building Commission Act, and located in counties of  
25 less than 1,000,000 inhabitants.

26 iv. A multitype, consolidated or cooperative library

1 system created under the Illinois Library System Act. Any  
2 library system created under the Illinois Library System  
3 Act that has one or more predecessors that participated in  
4 the Fund may participate in the Fund upon application. The  
5 Board shall establish procedures for implementing the  
6 transfer of rights and obligations from the predecessor  
7 system to the successor system.

8 v. Regional Planning Commissions created under  
9 Division 5-14 of the Counties Code or its predecessor law.

10 vi. Local Public Housing Authorities created under the  
11 Housing Authorities Act, located in counties of less than  
12 1,000,000 inhabitants.

13 vii. Illinois Municipal League, for participants who  
14 first become participants before the effective date of this  
15 amendatory Act of the 97th General Assembly.

16 viii. Northeastern Illinois Metropolitan Area Planning  
17 Commission.

18 ix. Southwestern Illinois Metropolitan Area Planning  
19 Commission.

20 x. Illinois Association of Park Districts.

21 xi. Illinois Supervisors, County Commissioners and  
22 Superintendents of Highways Association.

23 xii. Tri-City Regional Port District.

24 xiii. An association, or not-for-profit corporation,  
25 membership in which is authorized under Section 85-15 of  
26 the Township Code.

1           xiv. Drainage Districts operating under the Illinois  
2 Drainage Code.

3           xv. Local mass transit districts created under the  
4 Local Mass Transit District Act.

5           xvi. Soil and water conservation districts created  
6 under the Soil and Water Conservation Districts Law.

7           xvii. Commissions created to provide water supply or  
8 sewer services or both under Division 135 or Division 136  
9 of Article 11 of the Illinois Municipal Code.

10          xviii. Public water districts created under the Public  
11 Water District Act.

12          xix. Veterans Assistance Commissions established under  
13 Section 9 of the Military Veterans Assistance Act that  
14 serve counties with a population of less than 1,000,000.

15          xx. The governing body of an entity, other than a  
16 vocational education cooperative, created under an  
17 intergovernmental cooperative agreement established  
18 between participating municipalities under the  
19 Intergovernmental Cooperation Act, which by the terms of  
20 the agreement is the employer of the persons performing  
21 services under the agreement under the usual common law  
22 rules determining the employer-employee relationship. The  
23 governing body of such an intergovernmental cooperative  
24 entity established prior to July 1, 1988 may make  
25 participation retroactive to the effective date of the  
26 agreement and, if so, the effective date of participation

1 shall be the date the required application is filed with  
2 the fund. If any such entity is unable to pay the required  
3 employer contributions to the fund, then the participating  
4 municipalities shall make payment of the required  
5 contributions and the payments shall be allocated as  
6 provided in the agreement or, if not so provided, equally  
7 among them.

8       xxi. The Illinois Municipal Electric Agency.

9       xxii. The Waukegan Port District.

10       xxiii. The Fox Waterway Agency created under the Fox  
11 Waterway Agency Act.

12       xxiv. The Illinois Municipal Gas Agency.

13       xxv. The Kaskaskia Regional Port District.

14       xxvi. The Southwestern Illinois Development Authority.

15       xxvii. The Cairo Public Utility Company.

16       xxviii. Except with respect to employees who elect to  
17 participate in the State Employees' Retirement System of  
18 Illinois under Section 14-104.13 of this Code, the Chicago  
19 Metropolitan Agency for Planning created under the  
20 Regional Planning Act, provided that, with respect to the  
21 benefits payable pursuant to Sections 7-146, 7-150, and  
22 7-164 and the requirement that eligibility for such  
23 benefits is conditional upon satisfying a minimum period of  
24 service or a minimum contribution, any employee of the  
25 Chicago Metropolitan Agency for Planning that was  
26 immediately prior to such employment an employee of the

1 Chicago Area Transportation Study or the Northeastern  
2 Illinois Planning Commission, such employee's service at  
3 the Chicago Area Transportation Study or the Northeastern  
4 Illinois Planning Commission and contributions to the  
5 State Employees' Retirement System of Illinois established  
6 under Article 14 and the Illinois Municipal Retirement Fund  
7 shall count towards the satisfaction of such requirements.

8 xxix. United Counties Council (formerly the Urban  
9 Counties Council), but only if the Council has a ruling  
10 from the United States Internal Revenue Service that it is  
11 a governmental entity.

12 xxx. The Will County Governmental League, but only if  
13 the League has a ruling from the United States Internal  
14 Revenue Service that it is a governmental entity and only  
15 for participants who first become participants before the  
16 effective date of this amendatory Act of the 97th General  
17 Assembly.

18 (c) The governing boards of special education joint  
19 agreements created under Section 10-22.31 of the School Code  
20 without designation of an administrative district shall be  
21 included within and be subject to this Article as participating  
22 instrumentalities when the joint agreement becomes effective.  
23 However, the governing board of any such special education  
24 joint agreement in effect before September 5, 1975 shall not be  
25 subject to this Article unless the joint agreement is modified  
26 by the school districts to provide that the governing board is



1 subject to this Article, except as otherwise provided by this  
2 Section.

3 The governing board of the Special Education District of  
4 Lake County shall become subject to this Article as a  
5 participating instrumentality on July 1, 1997. Notwithstanding  
6 subdivision (a)1 of Section 7-139, on the effective date of  
7 participation, employees of the governing board of the Special  
8 Education District of Lake County shall receive creditable  
9 service for their prior service with that employer, up to a  
10 maximum of 5 years, without any employee contribution.  
11 Employees may establish creditable service for the remainder of  
12 their prior service with that employer, if any, by applying in  
13 writing and paying an employee contribution in an amount  
14 determined by the Fund, based on the employee contribution  
15 rates in effect at the time of application for the creditable  
16 service and the employee's salary rate on the effective date of  
17 participation for that employer, plus interest at the effective  
18 rate from the date of the prior service to the date of payment.  
19 Application for this creditable service must be made before  
20 July 1, 1998; the payment may be made at any time while the  
21 employee is still in service. The employer may elect to make  
22 the required contribution on behalf of the employee.

23 The governing board of a special education joint agreement  
24 created under Section 10-22.31 of the School Code for which an  
25 administrative district has been designated, if there are  
26 employees of the cooperative educational entity who are not

1 employees of the administrative district, may elect to  
2 participate in the Fund and be included within this Article as  
3 a participating instrumentality, subject to such application  
4 procedures and rules as the Board may prescribe.

5 The Boards of Control of cooperative or joint educational  
6 programs or projects created and administered under Section  
7 3-15.14 of the School Code, whether or not the Boards act as  
8 their own administrative district, shall be included within and  
9 be subject to this Article as participating instrumentalities  
10 when the agreement establishing the cooperative or joint  
11 educational program or project becomes effective.

12 The governing board of a special education joint agreement  
13 entered into after June 30, 1984 and prior to September 17,  
14 1985 which provides for representation on the governing board  
15 by less than all the participating districts shall be included  
16 within and subject to this Article as a participating  
17 instrumentality. Such participation shall be effective as of  
18 the date the joint agreement becomes effective.

19 The governing boards of educational service centers  
20 established under Section 2-3.62 of the School Code shall be  
21 included within and subject to this Article as participating  
22 instrumentalities. The governing boards of vocational  
23 education cooperative agreements created under the  
24 Intergovernmental Cooperation Act and approved by the State  
25 Board of Education shall be included within and be subject to  
26 this Article as participating instrumentalities. If any such

1 governing boards or boards of control are unable to pay the  
2 required employer contributions to the fund, then the school  
3 districts served by such boards shall make payment of required  
4 contributions as provided in Section 7-172. The payments shall  
5 be allocated among the several school districts in proportion  
6 to the number of students in average daily attendance for the  
7 last full school year for each district in relation to the  
8 total number of students in average attendance for such period  
9 for all districts served. If such educational service centers,  
10 vocational education cooperatives or cooperative or joint  
11 educational programs or projects created and administered  
12 under Section 3-15.14 of the School Code are dissolved, the  
13 assets and obligations shall be distributed among the districts  
14 in the same proportions unless otherwise provided.

15 The governing board of Paris Cooperative High School shall  
16 be included within and be subject to this Article as a  
17 participating instrumentality on the effective date of this  
18 amendatory Act of the 96th General Assembly. If the governing  
19 board of Paris Cooperative High School is unable to pay the  
20 required employer contributions to the fund, then the school  
21 districts served shall make payment of required contributions  
22 as provided in Section 7-172. The payments shall be allocated  
23 among the several school districts in proportion to the number  
24 of students in average daily attendance for the last full  
25 school year for each district in relation to the total number  
26 of students in average attendance for such period for all

1 districts served. If Paris Cooperative High School is  
2 dissolved, then the assets and obligations shall be distributed  
3 among the districts in the same proportions unless otherwise  
4 provided.

5 Financial Oversight Panels established under Article 1H of  
6 the School Code shall be included within and be subject to this  
7 Article as a participating instrumentality on the effective  
8 date of this amendatory Act of the 97th General Assembly. If  
9 the Financial Oversight Panel is unable to pay the required  
10 employer contributions to the fund, then the school districts  
11 served shall make payment of required contributions as provided  
12 in Section 7-172. If the Financial Oversight Panel is  
13 dissolved, then the assets and obligations shall be distributed  
14 to the district served.

15 (d) The governing boards of special recreation joint  
16 agreements created under Section 8-10b of the Park District  
17 Code, operating without designation of an administrative  
18 district or an administrative municipality appointed to  
19 administer the program operating under the authority of such  
20 joint agreement shall be included within and be subject to this  
21 Article as participating instrumentalities when the joint  
22 agreement becomes effective. However, the governing board of  
23 any such special recreation joint agreement in effect before  
24 January 1, 1980 shall not be subject to this Article unless the  
25 joint agreement is modified, by the districts and  
26 municipalities which are parties to the agreement, to provide

1 that the governing board is subject to this Article.

2 If the Board returns any employer and employee  
3 contributions to any employer which erroneously submitted such  
4 contributions on behalf of a special recreation joint  
5 agreement, the Board shall include interest computed from the  
6 end of each year to the date of payment, not compounded, at the  
7 rate of 7% per annum.

8 (e) Each multi-township assessment district, the board of  
9 trustees of which has adopted this Article by ordinance prior  
10 to April 1, 1982, shall be a participating instrumentality  
11 included within and subject to this Article effective December  
12 1, 1981. The contributions required under Section 7-172 shall  
13 be included in the budget prepared under and allocated in  
14 accordance with Section 2-30 of the Property Tax Code.

15 (f) The Illinois Medical District Commission created under  
16 the Illinois Medical District Act may be included within and  
17 subject to this Article as a participating instrumentality,  
18 notwithstanding that the location of the District is entirely  
19 within the City of Chicago. To become a participating  
20 instrumentality, the Commission must apply to the Board in the  
21 manner set forth in paragraph (a) of this subsection (B). If  
22 the Board approves the application, under the criteria and  
23 procedures set forth in paragraph (a) and any other applicable  
24 rules, criteria, and procedures of the Board, participation by  
25 the Commission shall commence on the effective date specified  
26 by the Board.

1 (C) Prospective participants.

2 Beginning January 1, 1992, each prospective participating  
3 municipality or participating instrumentality shall pay to the  
4 Fund the cost, as determined by the Board, of a study prepared  
5 by the Fund or its actuary, detailing the prospective costs of  
6 participation in the Fund to be expected by the municipality or  
7 instrumentality.

8 (Source: P.A. 96-211, eff. 8-10-09; 96-551, eff. 8-17-09;  
9 96-1000, eff. 7-2-10; 96-1046, eff. 7-14-10; 97-429, eff.  
10 8-16-11.)

11 (40 ILCS 5/8-117.1 new)

12 Sec. 8-117.1. Leaves of absence; computation of salary. For  
13 any participant who, on or after the effective date of this  
14 amendatory Act of the 97th General Assembly, takes a leave of  
15 absence under subdivision (c) of Section 8-226, his or her  
16 highest average annual salary shall be based upon the regular  
17 salary rate received by the participant for his or her  
18 municipal employment immediately prior to that leave of  
19 absence.

20 (40 ILCS 5/8-226) (from Ch. 108 1/2, par. 8-226)

21 Sec. 8-226. Computation of service. In computing the term  
22 of service of an employee prior to the effective date, the  
23 entire period beginning on the date he was first appointed and

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

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

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

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

21 (a) The time during which he performed the duties of  
22 his position;

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

26 (c) Leaves of absence without pay during which a

1 participant is employed full-time by a local labor  
2 organization that represents municipal employees, provided  
3 that (1) the participant continues to make employee  
4 contributions to the Fund as though he were an active  
5 employee, based on the regular salary rate received by the  
6 participant for his municipal employment immediately prior  
7 to such leave of absence (and in the case of such  
8 employment prior to December 9, 1987, pays to the Fund an  
9 amount equal to the employee contributions for such  
10 employment plus regular interest thereon as calculated by  
11 the board), and based on his current salary with such labor  
12 organization after the effective date of this amendatory  
13 Act of 1991 for leaves of absence before the effective date  
14 of this amendatory Act of the 97th General Assembly, and,  
15 for leaves of absence after the effective date of this  
16 amendatory Act of the 97th General Assembly, based on the  
17 regular salary rate received by the participant for his  
18 municipal employment immediately prior to such leave of  
19 absence, (2) after January 1, 1989 the participant, or the  
20 labor organization on the participant's behalf, makes  
21 contributions to the Fund as though it were the employer,  
22 in the same amount and same manner as specified under this  
23 Article, based on the regular salary rate received by the  
24 participant for his municipal employment immediately prior  
25 to such leave of absence, and based on his current salary  
26 with such labor organization after the effective date of



1       this amendatory Act of 1991 for leaves of absence before  
2       the effective date of this amendatory Act of the 97th  
3       General Assembly, and, for leaves of absence after the  
4       effective date of this amendatory Act of the 97th General  
5       Assembly, based on the regular salary rate received by the  
6       participant for his municipal employment immediately prior  
7       to such leave of absence, and (3) the participant does not  
8       receive credit in any pension plan established by the ~~local~~  
9       labor organization based on his employment by the  
10      organization, including, but not limited to, pension plans  
11      established by the local labor organization, the national  
12      labor organization, or the international labor  
13      organization;

14           (d) Any period of disability for which he received (i)  
15      a disability benefit under this Article, or (ii) a  
16      temporary total disability benefit under the Workers'  
17      Compensation Act if the disability results from a condition  
18      commonly termed heart attack or stroke or any other  
19      condition falling within the broad field of coronary  
20      involvement or heart disease, or (iii) whole or part pay;

21           (e) Any period for which contributions and service  
22      credit have been transferred to this Fund under subsection  
23      (d) of Section 9-121.1 or subsection (d) of Section  
24      12-127.1 of this Code.

25           For a person employed by an employer in which the 1921 Act  
26      was in effect prior to January 1, 1950, from whose salary

1 deductions are first made under the 1921 Act or this Article  
2 after December 31, 1949, any period of service rendered  
3 subsequent to the effective date and prior to the date he  
4 became an employee and contributor, shall not be counted as a  
5 period of service under this Article, except such period for  
6 which he made payment as provided in Section 8-230 of this  
7 Article, in which case such period shall be counted as a period  
8 of service for all annuity purposes hereunder.

9 In computing the term of service of an employee subsequent  
10 to the day before the effective date for ordinary disability  
11 benefit purposes, all periods described in the preceding  
12 paragraph, except any such period for which he receives  
13 ordinary disability benefit, shall be counted as periods of  
14 service; provided, that for any person employed by an employer  
15 in which this Article was in effect prior to January 1, 1950,  
16 from whose salary deductions are first made under this Article  
17 after December 31, 1949, any period of service rendered  
18 subsequent to the effective date and prior to the date he  
19 became an employee and contributor, shall not be counted as a  
20 period of service for ordinary disability benefit purposes,  
21 unless the person made payment for the period as provided in  
22 Section 8-230 of this Article, in which case the period shall  
23 be counted as a period of service for ordinary disability  
24 purposes for periods of disability on or after the effective  
25 date of this amendatory Act of 1997.

26 Overtime or extra service shall not be included in

1 computing any term of service. Not more than 1 year of service  
2 shall be allowed for service rendered during any calendar year.  
3 (Source: P.A. 90-511, eff. 8-22-97.)

4 (40 ILCS 5/8-226.8 new)

5 Sec. 8-226.8. Leave of absence benefit recalculation.  
6 Every 3 years, beginning on or as soon as practical after the  
7 effective date of this amendatory Act of the 97th General  
8 Assembly, the fund shall determine if any benefit earned by a  
9 participant who first earns credit on or after the effective  
10 date of this Section as a result of subdivision (c) of Section  
11 8-226 has created any additional unfunded liability to the  
12 fund. If it is determined by the fund that additional unfunded  
13 liability has been created, then the participant must remit the  
14 total cost to the fund, as determined by the fund, within one  
15 year.

16 (40 ILCS 5/11-116.1 new)

17 Sec. 11-116.1. Leaves of absence; computation of salary.  
18 For any participant who, on or after the effective date of this  
19 amendatory Act of the 97th General Assembly, takes a leave of  
20 absence under paragraph (3) of subsection (c) of Section  
21 11-215, his or her highest average annual salary shall be based  
22 upon the regular salary rate received by the participant for  
23 his or her municipal employment immediately prior to that leave  
24 of absence.

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

2 Sec. 11-215. Computation of service.

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

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

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

22 (1) the time during which he performed the duties of  
23 his position;

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

1           (3) leaves of absence without pay during which a  
2 participant is employed full-time by a local labor  
3 organization that represents municipal employees, provided  
4 that (A) the participant continues to make employee  
5 contributions to the Fund as though he were an active  
6 employee, based on the regular salary rate received by the  
7 participant for his municipal employment immediately prior  
8 to such leave of absence (and in the case of such  
9 employment prior to December 9, 1987, pays to the Fund an  
10 amount equal to the employee contributions for such  
11 employment plus regular interest thereon as calculated by  
12 the board), and based on his current salary with such labor  
13 organization after the effective date of this amendatory  
14 Act of 1991 for leaves of absence before the effective date  
15 of this amendatory Act of the 97th General Assembly, and,  
16 for leaves of absence after the effective date of this  
17 amendatory Act of the 97th General Assembly, based on the  
18 regular salary rate received by the participant for his  
19 municipal employment immediately prior to such leave of  
20 absence, (B) after January 1, 1989 the participant, or the  
21 labor organization on the participant's behalf, makes  
22 contributions to the Fund as though it were the employer,  
23 in the same amount and same manner as specified under this  
24 Article, based on the regular salary rate received by the  
25 participant for his municipal employment immediately prior  
26 to such leave of absence, and based on his current salary

1 with such labor organization after the effective date of  
2 this amendatory Act of 1991 and for leaves of absence  
3 before the effective date of this amendatory Act of the  
4 97th General Assembly, and, for leaves of absence after the  
5 effective date of this amendatory Act of the 97th General  
6 Assembly, based on the regular salary rate received by the  
7 participant for his municipal employment immediately prior  
8 to such leave of absence, and (C) the participant does not  
9 receive credit in any pension plan established by the ~~local~~  
10 labor organization based on his employment by the  
11 organization, including, but not limited to, pension plans  
12 established by the local labor organization, the national  
13 labor organization, or the international labor  
14 organization;

15 (4) any period of disability for which he received (i)  
16 a disability benefit under this Article, or (ii) a  
17 temporary total disability benefit under the Workers'  
18 Compensation Act if the disability results from a condition  
19 commonly termed heart attack or stroke or any other  
20 condition falling within the broad field of coronary  
21 involvement or heart disease, or (iii) whole or part pay.

22 (d) For a person employed by an employer, or the retirement  
23 board, in which "The 1935 Act" was in effect prior to August 1,  
24 1949, from whose salary deductions are first made under "The  
25 1935 Act" or this Article after July 31, 1949, any period of  
26 service rendered subsequent to the effective date and prior to

1 August 1, 1949, shall not be counted as a period of service  
2 under this Article, except such period for which he made  
3 payment, as provided in Section 11-221 of this Article, in  
4 which case such period shall be counted as a period of service  
5 for all annuity purposes hereunder.

6 (e) In computing the term of service of an employee  
7 subsequent to the day before the effective date for ordinary  
8 disability benefit purposes, the following periods of time  
9 shall be counted as periods of service:

10 (1) any period during which he performed the duties of  
11 his position;

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

13 (3) any period of disability for which he received (i)  
14 a duty disability benefit under this Article, or (ii) a  
15 temporary total disability benefit under the Workers'  
16 Compensation Act if the disability results from a condition  
17 commonly termed heart attack or stroke or any other  
18 condition falling within the broad field of coronary  
19 involvement or heart disease, or (iii) whole or part pay.

20 However, any period of service rendered by an employee  
21 contributor prior to the date he became a contributor to the  
22 fund shall not be counted as a period of service for ordinary  
23 disability purposes, unless the person made payment for the  
24 period as provided in Section 11-221 of this Article, in which  
25 case the period shall be counted as a period of service for  
26 ordinary disability purposes for periods of disability on or

1 after the effective date of this amendatory Act of 1997.

2 Overtime or extra service shall not be included in  
3 computing any term of service. Not more than 1 year of service  
4 shall be allowed for service rendered during any calendar year.  
5 (Source: P.A. 90-511, eff. 8-22-97.)

6 (40 ILCS 5/11-215.2 new)

7 Sec. 11-215.2. Leave of absence benefit recalculation.  
8 Every 3 years, beginning on or as soon as practical after the  
9 effective date of this amendatory Act of the 97th General  
10 Assembly, the fund shall determine if any benefit earned by a  
11 participant who first earns credit on or after the effective  
12 date of this Section as a result of subdivision (c)(3) of  
13 Section 11-215 has created any additional unfunded liability to  
14 the fund. If it is determined by the fund that additional  
15 unfunded liability has been created, then the participant must  
16 remit the total cost to the fund, as determined by the fund,  
17 within one year.

18 (40 ILCS 5/15-113.12 new)

19 Sec. 15-113.12. Pension credit earned for employment with a  
20 teacher organization. Any credit earned under subsection (i) of  
21 Section 15-107 and that is granted after the effective date of  
22 this amendatory Act of the 97th General Assembly shall be based  
23 on the participant's salary immediately before engaging in the  
24 type of employment specified in that provision. The participant



1 must contribute an amount equal to the actuarially determined  
2 normal cost of the benefit as calculated by the System. The  
3 employer of the participant may elect to contribute all or a  
4 portion of the participant's required contribution.

5 (40 ILCS 5/15-113.13 new)

6 Sec. 15-113.13. Credit recalculation. Every 3 years,  
7 beginning on or as soon as practical after the effective date  
8 of this amendatory Act of the 97th General Assembly, the System  
9 shall determine if any benefit earned by a participant who  
10 first becomes a participant on or after the effective date of  
11 this Section as a result of subsection (i) of Section 15-107  
12 has created any additional unfunded liability to the System. If  
13 it is determined by the System that additional unfunded  
14 liability has been created, then the participant must remit the  
15 total cost to the System, as determined by the System, within  
16 one year.

17 (40 ILCS 5/15-113.14 new)

18 Sec. 15-113.14. Salary for credit earned for service to a  
19 teacher organization. For any participant who, on or after the  
20 effective date of this amendatory Act of the 97th General  
21 Assembly, earned credit under subsection (i) of Section 15-107,  
22 his or her average salary shall be based upon the regular  
23 salary rate received by the participant for his or her  
24 employment immediately prior to engaging in the type of

1 employment specified in that provision.

2 (40 ILCS 5/16-110.1 new)

3 Sec. 16-110.1. Pension credit earned for employment with a  
4 teacher organization or a school board association. Any credit  
5 earned under item (4) or (8) of Section 16-106 and that is  
6 granted after the effective date of this amendatory Act of the  
7 97th General Assembly shall be based on the participant's  
8 salary immediately before engaging in the type of employment  
9 specified in that provision. The participant must contribute an  
10 amount equal to the actuarially determined normal cost of the  
11 benefit as calculated by the System. The employer of the  
12 participant may elect to contribute all or a portion of the  
13 participant's required contribution.

14 (40 ILCS 5/16-110.2 new)

15 Sec. 16-110.2. Credit recalculation. Every 3 years,  
16 beginning on or as soon as practical after the effective date  
17 of this amendatory Act of the 97th General Assembly, the System  
18 shall determine if any benefit earned by a participant who  
19 first earns credit on or after the effective date of this  
20 Section as a result of item (4) or (8) of Section 16-106 has  
21 created any additional unfunded liability to the System. If it  
22 is determined by the System that additional unfunded liability  
23 has been created, then the participant must remit the total  
24 cost to the System, as determined by the System, within one

1 year.

2 (40 ILCS 5/16-110.3 new)

3 Sec. 16-110.3. Leaves of absence; computation of salary.

4 For any participant who, on or after the effective date of this  
5 amendatory Act of the 97th General Assembly, has earned credit  
6 under item (4) or (8) of Section 16-106, his or her average  
7 salary shall be based upon the regular salary rate received by  
8 the participant for his or her employment immediately prior to  
9 that leave of absence.

10 (40 ILCS 5/17-109.3 new)

11 Sec. 17-109.3. Salary for credit earned for employment with  
12 a teacher organization or school board association. Any credit  
13 earned, on or after the effective date of this amendatory Act  
14 of the 97th General Assembly, under subdivision (4) of Section  
15 17-134 or subsection (b) of Section 17-134.1, shall be based  
16 upon the regular salary rate received by the participant for  
17 his or her employment immediately before engaging in the type  
18 of employment specified in that provision.

19 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

20 Sec. 17-134. Contributions for leaves of absence; military  
21 service; computing service. In computing service for pension  
22 purposes the following periods of service shall stand in lieu  
23 of a like number of years of teaching service upon payment

1 therefor in the manner hereinafter provided: (a) time spent on  
2 a leave of absence granted by the employer; (b) service with  
3 teacher or labor organizations based upon special leaves of  
4 absence therefor granted by an Employer; (c) a maximum of 5  
5 years spent in the military service of the United States, of  
6 which up to 2 years may have been served outside the pension  
7 period; (d) unused sick days at termination of service to a  
8 maximum of 244 days; (e) time lost due to layoff and  
9 curtailment of the school term from June 6 through June 21,  
10 1976; and (f) time spent after June 30, 1982 as a member of the  
11 Board of Education, if required to resign from an  
12 administrative or teaching position in order to qualify as a  
13 member of the Board of Education.

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

19 (2) For time spent on a leave of absence granted by the  
20 employer for which no salaries are paid, teachers desiring  
21 credit therefor shall pay the required contributions at the  
22 rates in effect during such periods as though they were in  
23 teaching service. If an Employer pays salary for vacations  
24 which occur during a teacher's sick leave or maternity or  
25 paternity leave without salary, vacation pay for which the  
26 teacher would have qualified while in active service shall

1 be considered part of the teacher's total salary for  
2 pension purposes. No more than 36 months of leave credit  
3 may be allowed any person during the entire term of  
4 service. Sabbatical leave credit shall be limited to the  
5 time the person on leave without salary under an Employer's  
6 rules is allowed to engage in an activity for which he  
7 receives salary or compensation.

8 (3) For time spent prior to September 6, 1948, on  
9 sabbatical leaves of absence or sick leaves for which  
10 salaries were paid, teachers desiring service credit  
11 therefor shall pay the required contributions at the  
12 maximum applicable rates in effect during such periods.

13 (4) For service with teacher or labor organizations  
14 authorized by special leaves of absence, for which no  
15 payroll deductions are made by an Employer, teachers  
16 desiring service credit therefor shall contribute to the  
17 Fund upon the basis of the actual salary received from such  
18 organizations at the percentage rates in effect during such  
19 periods for certified positions with such Employer. To the  
20 extent the actual salary exceeds the regular salary, which  
21 shall be defined as the salary rate, as calculated by the  
22 Board, in effect for the teacher's regular position in  
23 teaching service on September 1, 1983 or on the effective  
24 date of the leave with the organization, whichever is  
25 later, the organization shall pay to the Fund the  
26 employer's normal cost as set by the Board on the

1       increment. For leaves of absence after the effective date  
2       of this amendatory Act of the 97th General Assembly,  
3       contributions to the Fund under this subdivision (4) shall  
4       be based upon the teacher's regular salary as defined in  
5       this subdivision (4).

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

23              The changes to this Section made by Public Act 87-795  
24      shall apply not only to persons who on or after its  
25      effective date are in service under the Fund, but also to  
26      persons whose status as a teacher terminated prior to that

1 date, whether or not the person is an annuitant on that  
2 date. In the case of an annuitant who applies for credit  
3 allowable under this Section for a period of military  
4 service that did not immediately follow employment, and who  
5 has made the required contributions for such credit, the  
6 annuity shall be recalculated to include the additional  
7 service credit, with the increase taking effect on the date  
8 the Fund received written notification of the annuitant's  
9 intent to purchase the credit, if payment of all the  
10 required contributions is made within 60 days of such  
11 notice, or else on the first annuity payment date following  
12 the date of payment of the required contributions. In  
13 calculating the automatic annual increase for an annuity  
14 that has been recalculated under this Section, the increase  
15 attributable to the additional service allowable under  
16 this amendatory Act of 1991 shall be included in the  
17 calculation of automatic annual increases accruing after  
18 the effective date of the recalculation.

19 The total credit for military service shall not exceed  
20 5 years, except that any teacher who on July 1, 1963, had  
21 validated credit for more than 5 years of military service  
22 shall be entitled to the total amount of such credit.

23 (6) A maximum of 244 unused sick days credited to his  
24 account by an Employer on the date of termination of  
25 employment. Members, upon verification of unused sick  
26 days, may add this service time to total creditable

1 service.

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

6 (8) For time lost without pay due to layoff and  
7 curtailment of the school term from June 6 through June 21,  
8 1976, as provided in item (e) of the first paragraph of  
9 this Section, persons who were contributors on the days  
10 immediately preceding such layoff shall receive credit  
11 upon paying to the Fund a contribution based on the rates  
12 of compensation and employee contributions in effect at the  
13 time of such layoff, together with an additional amount  
14 equal to 12.2% of the compensation computed for such period  
15 of layoff, plus interest on the entire amount at 5% per  
16 annum from January 1, 1978 to the date of payment. If such  
17 contribution is paid, salary for pension purposes for any  
18 year in which such a layoff occurred shall include the  
19 compensation recognized for purposes of computing that  
20 contribution.

21 (9) For time spent after June 30, 1982, as a  
22 nonsalaried member of the Board of Education, if required  
23 to resign from an administrative or teaching position in  
24 order to qualify as a member of the Board of Education, an  
25 administrator or teacher desiring credit therefor shall  
26 pay the required contributions at the rates and salaries in



1 effect during such periods as though the member were in  
2 service.

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

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

9 (40 ILCS 5/17-134.1)

10 Sec. 17-134.1. Labor organization employees.

11 (a) A former teacher who is employed by a teacher or labor  
12 organization and is not eligible to participate under  
13 subdivision (4) of Section 17-134 because he or she is not on a  
14 special leave of absence may elect to participate in the Fund  
15 for the duration of that employment by so notifying the Fund in  
16 writing. Participation shall be subject to the same conditions  
17 as are applicable to persons participating under that  
18 subdivision (4), and service credit shall be contingent upon  
19 the required contributions being received by the Fund.

20 (b) A person who participates in the Fund under subsection  
21 (a) may establish service credit for periods of such employment  
22 that took place before beginning participation under this  
23 Section by submitting a written application to the Fund. Credit  
24 shall be granted upon payment to the Fund of an amount to be  
25 determined by the Fund, equal to (i) the employee contributions

1 that would have been paid if the person had participated under  
2 subdivision (4) of Section 17-134 during the period for which  
3 service credit is to be established, based on the actual salary  
4 received, plus (ii) the employer's normal cost associated with  
5 that service credit, plus (iii) interest on items (i) and (ii)  
6 at the rate of 6% per year, compounded annually, from the date  
7 of the service established to the date of payment. Service  
8 credit under this subsection shall not be granted until the  
9 required contribution has been paid in full; the contribution  
10 may be paid at any time before retirement. For leaves of  
11 absence after the effective date of this amendatory Act of the  
12 97th General Assembly, contributions to the Fund under item (i)  
13 of this subsection (b) shall be based upon the teacher's  
14 regular salary as defined in subdivision (4) of Section 17-134.

15 (c) A person who participates in the Fund under subsection  
16 (a) may reestablish any service credits previously forfeited by  
17 acceptance of a refund by paying to the Fund the amount of the  
18 refund plus interest thereon at the rate of 5% per annum,  
19 compounded annually, from the date of the refund to the date of  
20 payment.

21 (d) Rollover contributions from other retirement plans  
22 qualified under the Internal Revenue Code of 1986 may be used  
23 to make the payments required under subsections (b) and (c).

24 (e) No service credit may be established under this Section  
25 for any period of employment for which the person receives  
26 service credit under any other provision of this Code.

1 (Source: P.A. 90-448, eff. 8-16-97.)

2 (40 ILCS 5/17-134.2 new)

3 Sec. 17-134.2. Credit recalculation. Every 3 years,  
4 beginning on or as soon as practical after the effective date  
5 of this amendatory Act of the 97th General Assembly, the Fund  
6 shall determine if any benefit earned by a participant who  
7 first earns credit on or after the effective date of this  
8 Section as a result of item (4) of Section 17-134 and Section  
9 17-134.1 has created any additional unfunded liability to the  
10 Fund. If it is determined by the Fund that additional unfunded  
11 liability has been created, then the participant must remit the  
12 total cost to the Fund, as determined by the Fund, within one  
13 year.

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law."