

**SB0521**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**SB0521**

Introduced 2/8/2011, by Sen. John J. Cullerton

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/14-119

from Ch. 108 1/2, par. 14-119

Amends the State Employees Article of the Illinois Pension Code. Makes a technical change in a Section concerning widow's annuities.

LRB097 04283 JDS 44322 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

**A BILL FOR**

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 Section 14-119 as follows:

6 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

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

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

15 (b) If an eligible widow, regardless of age, has in her  
16 care any unmarried child or children of the member under age 18  
17 (under age 22 if a full-time student), the widow's annuity  
18 shall be increased in the amount of 5% of the retirement  
19 annuity for each such child, but the combined payments for a  
20 widow and children shall not exceed 66 2/3% of the member's  
21 earned retirement annuity.

22 The amount of retirement annuity from which the widow's  
23 annuity is derived shall be that earned by the member without

1 regard to whether he attained age 60 prior to his withdrawal  
2 under the conditions stated or prior to his death.

3 (c) Marriage of a child shall render the child ineligible  
4 for further consideration in the increase in the amount of the  
5 widow's annuity.

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

11 (d) Except as otherwise provided in this subsection (d), a  
12 widow's annuity payable on account of any covered employee who  
13 has been a covered employee for at least 18 months shall be  
14 reduced by 1/2 of the amount of survivors benefits to which his  
15 beneficiaries are eligible under the provisions of the Federal  
16 Social Security Act, except that (1) the amount of any widow's  
17 annuity payable under this Article shall not be reduced by  
18 reason of any increase under that Act which occurs after the  
19 offset required by this subsection is first applied to that  
20 annuity, and (2) for benefits granted on or after January 1,  
21 1992, the offset under this subsection (d) shall not exceed 50%  
22 of the amount of widow's annuity otherwise payable.

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

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

6           Any person who began receiving retirement benefits after  
7           January 1, 1998 and before the effective date of this  
8           amendatory Act of the 95th General Assembly may, during a  
9           one-time election period established by the System, elect to  
10          reduce his or her retirement annuity by 3.825% in exchange for  
11          not having the offset under this subsection (d) applied to his  
12          or her widow's annuity.

13          Any employee in service on the effective date of this  
14          amendatory Act of the 95th General Assembly may, at the time of  
15          retirement, elect to reduce his or her retirement annuity by  
16          3.825% in exchange for not having the offset under this  
17          subsection (d) applied to his or her widow's annuity.

18          If a widow's annuity is payable to the widow of an employee  
19          based on the employee's death in service, then the offset under  
20          this subsection (d) shall no longer be applied to the widow's  
21          annuity.

22          A retiree who elects to reduce his or her retirement  
23          annuity under this subsection (d) in exchange for not having  
24          the offset applied may make an irrevocable election to  
25          eliminate the reduction of his or her retirement annuity if  
26          there is a change in marital status due to death or divorce,

1 but the retiree is not entitled to reimbursement of any benefit  
2 reduction prior to the election.

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

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

24 (g) Beginning January 1, 1990, every widow's annuity shall  
25 be increased (1) on each January 1 occurring on or after the  
26 commencement of the annuity if the deceased member died while

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

9 (Source: P.A. 95-279, eff. 1-1-08; 95-1043, eff. 3-26-09.)