



Rep. Karen May

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1 AMENDMENT TO SENATE BILL 1831

2 AMENDMENT NO. _____. Amend Senate Bill 1831 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Open Meetings Act is amended by adding
5 Section 7.3 as follows:

6 (5 ILCS 120/7.3 new)

7 Sec. 7.3. Duty to post information pertaining to benefits
8 offered through the Illinois Municipal Retirement Fund.

9 (a) Within 6 business days after an employer participating
10 in the Illinois Municipal Retirement Fund approves a budget,
11 that employer must post on its website the total compensation
12 package for each employee having a total compensation package
13 that exceeds \$75,000 per year. If the employer does not
14 maintain a website, the employer must post a physical copy of
15 this information at the principal office of the employer. If an
16 employer maintains a website, it may choose to post a physical

1 copy of this information at the principal office of the
2 employer in lieu of posting the information directly on the
3 website; however, the employer must post directions on the
4 website on how to access that information.

5 (b) At least 6 days before an employer participating in the
6 Illinois Municipal Retirement Fund approves an employee's
7 total compensation package that is equal to or in excess of
8 \$150,000 per year, the employer must post on its website the
9 total compensation package for that employee. If the employer
10 does not maintain a website, the employer shall post a physical
11 copy of this information at the principal office of the
12 employer. If an employer maintains a website, it may choose to
13 post a physical copy of this information at the principal
14 office of the employer in lieu of posting the information
15 directly on the website; however, the employer must post
16 directions on the website on how to access that information.

17 (c) For the purposes of this Section, "total compensation
18 package" means payment by the employer to the employee for
19 salary, health insurance, a housing allowance, a vehicle
20 allowance, a clothing allowance, bonuses, loans, vacation days
21 granted, and sick days granted.

22 Section 10. The Illinois Pension Code is amended by
23 changing Sections 1-160, 7-109, 7-116, 7-135, 7-137, 7-141,
24 7-141.1, 7-142.1, 7-144, 7-145.1, 7-172, 7-205, 14-103.05,
25 22-101, and 22-103 and by adding Sections 3-140.2, 4-129.2,

1 7-199.4, and 7-225 as follows:

2 (40 ILCS 5/1-160)

3 Sec. 1-160. Provisions applicable to new hires.

4 (a) The provisions of this Section apply to a person who,
5 on or after January 1, 2011, first becomes a member or a
6 participant under any reciprocal retirement system or pension
7 fund established under this Code, other than a retirement
8 system or pension fund established under Article 2, 3, 4, 5, 6,
9 or 18 of this Code, notwithstanding any other provision of this
10 Code to the contrary, but do not apply to any self-managed plan
11 established under this Code, to any person with respect to
12 service as a sheriff's law enforcement employee under Article
13 7, or to any participant of the retirement plan established
14 under Section 22-101.

15 (b) "Final average salary" means the average monthly (or
16 annual) salary obtained by dividing the total salary or
17 earnings calculated under the Article applicable to the member
18 or participant during the 96 consecutive months (or 8
19 consecutive years) of service within the last 120 months (or 10
20 years) of service in which the total salary or earnings
21 calculated under the applicable Article was the highest by the
22 number of months (or years) of service in that period. For the
23 purposes of a person who first becomes a member or participant
24 of any retirement system or pension fund to which this Section
25 applies on or after January 1, 2011, in this Code, "final

1 average salary" shall be substituted for the following:

2 (1) In Articles 7 (except for service as sheriff's law
3 enforcement employees) and 15, "final rate of earnings".

4 (2) In Articles 8, 9, 10, 11, and 12, "highest average
5 annual salary for any 4 consecutive years within the last
6 10 years of service immediately preceding the date of
7 withdrawal".

8 (3) In Article 13, "average final salary".

9 (4) In Article 14, "final average compensation".

10 (5) In Article 17, "average salary".

11 (6) In Section 22-207, "wages or salary received by him
12 at the date of retirement or discharge".

13 (b-5) Beginning on January 1, 2011, for all purposes under
14 this Code (including without limitation the calculation of
15 benefits and employee contributions), the annual earnings,
16 salary, or wages (based on the plan year) of a member or
17 participant to whom this Section applies shall not exceed
18 \$106,800; however, that amount shall annually thereafter be
19 increased by the lesser of (i) 3% of that amount, including all
20 previous adjustments, or (ii) one-half the annual unadjusted
21 percentage increase (but not less than zero) in the consumer
22 price index-u for the 12 months ending with the September
23 preceding each November 1, including all previous adjustments.

24 For the purposes of this Section, "consumer price index-u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the average

1 change in prices of goods and services purchased by all urban
2 consumers, United States city average, all items, 1982-84 =
3 100. The new amount resulting from each annual adjustment shall
4 be determined by the Public Pension Division of the Department
5 of Insurance and made available to the boards of the retirement
6 systems and pension funds by November 1 of each year.

7 (c) A member or participant is entitled to a retirement
8 annuity upon written application if he or she has attained age
9 67 and has at least 10 years of service credit and is otherwise
10 eligible under the requirements of the applicable Article.

11 A member or participant who has attained age 62 and has at
12 least 10 years of service credit and is otherwise eligible
13 under the requirements of the applicable Article may elect to
14 receive the lower retirement annuity provided in subsection (d)
15 of this Section.

16 (d) The retirement annuity of a member or participant who
17 is retiring after attaining age 62 with at least 10 years of
18 service credit shall be reduced by one-half of 1% for each full
19 month that the member's age is under age 67.

20 (e) Any retirement annuity or supplemental annuity shall be
21 subject to annual increases on the January 1 occurring either
22 on or after the attainment of age 67 or the first anniversary
23 of the annuity start date, whichever is later. Each annual
24 increase shall be calculated at 3% or one-half the annual
25 unadjusted percentage increase (but not less than zero) in the
26 consumer price index-u for the 12 months ending with the

1 September preceding each November 1, whichever is less, of the
2 originally granted retirement annuity. If the annual
3 unadjusted percentage change in the consumer price index-u for
4 the 12 months ending with the September preceding each November
5 1 is zero or there is a decrease, then the annuity shall not be
6 increased.

7 (f) The initial survivor's or widow's annuity of an
8 otherwise eligible survivor or widow of a retired member or
9 participant who first became a member or participant on or
10 after January 1, 2011 shall be in the amount of 66 2/3% of the
11 retired member's or participant's retirement annuity at the
12 date of death. In the case of the death of a member or
13 participant who has not retired and who first became a member
14 or participant on or after January 1, 2011, eligibility for a
15 survivor's or widow's annuity shall be determined by the
16 applicable Article of this Code. The initial benefit shall be
17 66 2/3% of the earned annuity without a reduction due to age. A
18 child's annuity of an otherwise eligible child shall be in the
19 amount prescribed under each Article if applicable. Any
20 survivor's or widow's annuity shall be increased (1) on each
21 January 1 occurring on or after the commencement of the annuity
22 if the deceased member died while receiving a retirement
23 annuity or (2) in other cases, on each January 1 occurring
24 after the first anniversary of the commencement of the annuity.
25 Each annual increase shall be calculated at 3% or one-half the
26 annual unadjusted percentage increase (but not less than zero)

1 in the consumer price index-u for the 12 months ending with the
2 September preceding each November 1, whichever is less, of the
3 originally granted survivor's annuity. If the annual
4 unadjusted percentage change in the consumer price index-u for
5 the 12 months ending with the September preceding each November
6 1 is zero or there is a decrease, then the annuity shall not be
7 increased.

8 (g) The benefits in Section 14-110 apply only if the person
9 is a State policeman, a fire fighter in the fire protection
10 service of a department, or a security employee of the
11 Department of Corrections or the Department of Juvenile
12 Justice, as those terms are defined in subsection (b) of
13 Section 14-110. A person who meets the requirements of this
14 Section is entitled to an annuity calculated under the
15 provisions of Section 14-110, in lieu of the regular or minimum
16 retirement annuity, only if the person has withdrawn from
17 service with not less than 20 years of eligible creditable
18 service and has attained age 60, regardless of whether the
19 attainment of age 60 occurs while the person is still in
20 service.

21 (h) If a person who first becomes a member or a participant
22 of a retirement system or pension fund subject to this Section
23 on or after January 1, 2011 is receiving a retirement annuity
24 or retirement pension under that system or fund and becomes a
25 member or participant under any other system or fund created by
26 this Code and is employed on a full-time basis, except for

1 those members or participants exempted from the provisions of
2 this Section under subsection (a) of this Section, then the
3 person's retirement annuity or retirement pension under that
4 system or fund shall be suspended during that employment. Upon
5 termination of that employment, the person's retirement
6 annuity or retirement pension payments shall resume and be
7 recalculated if recalculation is provided for under the
8 applicable Article of this Code.

9 If a person who first becomes a member of a retirement
10 system or pension fund subject to this Section on or after
11 January 1, 2012 and is receiving a retirement annuity or
12 retirement pension under that system or fund and accepts on a
13 contractual basis a position to provide services to a
14 governmental entity from which he or she has retired, then that
15 person's annuity or retirement pension earned as an active
16 employee of the employer shall be suspended during that
17 contractual service. A person receiving an annuity or
18 retirement pension under this Code shall notify the pension
19 fund or retirement system from which he or she is receiving an
20 annuity or retirement pension, as well as his or her
21 contractual employer, of his or her retirement status before
22 accepting contractual employment. A person who fails to submit
23 such notification shall be guilty of a Class A misdemeanor and
24 required to pay a fine of \$1,000. Upon termination of that
25 contractual employment, the person's retirement annuity or
26 retirement pension payments shall resume and, if appropriate,

1 be recalculated under the applicable provisions of this Code.

2 (i) Notwithstanding any other provision of this Section, a
3 person who first becomes a participant of the retirement system
4 established under Article 15 on or after January 1, 2011 shall
5 have the option to enroll in the self-managed plan created
6 under Section 15-158.2 of this Code.

7 (j) In the case of a conflict between the provisions of
8 this Section and any other provision of this Code, the
9 provisions of this Section shall control.

10 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

11 (40 ILCS 5/3-140.2 new)

12 Sec. 3-140.2. Investment of funds by the board of trustees
13 of the Illinois Municipal Retirement Fund. The board of each
14 fund may, by irrevocable resolution duly adopted, transfer to
15 the board of trustees of the Illinois Municipal Retirement
16 Fund, for management and administration, all investments owned
17 by the fund of every kind and character. Upon completion of the
18 transfer, the authority of the board of a fund to make
19 investments shall terminate. Thereafter, all investments of
20 the reserves of each fund shall be made by the board of
21 trustees of the Illinois Municipal Retirement Fund.

22 The transfers shall be made as soon as practicable
23 following the effective date of such resolution, but after an
24 audit of the investments shall be completed by a certified
25 public accountant who is (i) selected by the board created

1 under this Article and (ii) approved by the Auditor General of
2 the State of Illinois. The expense of each audit shall be
3 assumed by the board created under this Article.

4 (40 ILCS 5/4-129.2 new)

5 Sec. 4-129.2. Investment of funds by the board of trustees
6 of the Illinois Municipal Retirement Fund. The board of each
7 fund may, by irrevocable resolution duly adopted, transfer to
8 the board of trustees of the Illinois Municipal Retirement
9 Fund, for management and administration, all investments owned
10 by the fund of every kind and character. Upon completion of the
11 transfer, the authority of the board of a fund to make
12 investments shall terminate. Thereafter, all investments of
13 the reserves of each fund shall be made by the board of
14 trustees of the Illinois Municipal Retirement Fund.

15 The transfers shall be made as soon as practicable
16 following the effective date of such resolution, but after an
17 audit of the investments shall be completed by a certified
18 public accountant who is (i) selected by the board created
19 under this Article and (ii) approved by the Auditor General of
20 the State of Illinois. The expense of each audit shall be
21 assumed by the board created under this Article.

22 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

23 Sec. 7-109. Employee.

24 (1) "Employee" means any person who:

1 (a) 1. Receives earnings as payment for the performance
2 of personal services or official duties out of the
3 general fund of a municipality, or out of any special
4 fund or funds controlled by a municipality, or by an
5 instrumentality thereof, or a participating
6 instrumentality, including, in counties, the fees or
7 earnings of any county fee office; and

8 2. Under the usual common law rules applicable in
9 determining the employer-employee relationship, has
10 the status of an employee with a municipality, or any
11 instrumentality thereof, or a participating
12 instrumentality, including aldermen, county
13 supervisors and other persons (excepting those
14 employed as independent contractors) who are paid
15 compensation, fees, allowances or other emolument for
16 official duties, and, in counties, the several county
17 fee offices.

18 (b) Serves as a township treasurer appointed under the
19 School Code, as heretofore or hereafter amended, and who
20 receives for such services regular compensation as
21 distinguished from per diem compensation, and any regular
22 employee in the office of any township treasurer whether or
23 not his earnings are paid from the income of the permanent
24 township fund or from funds subject to distribution to the
25 several school districts and parts of school districts as
26 provided in the School Code, or from both such sources.

1 (c) Holds an elective office in a municipality,
2 instrumentality thereof or participating instrumentality.

3 (2) "Employee" does not include persons who:

4 (a) Are eligible for inclusion under any of the
5 following laws:

6 1. "An Act in relation to an Illinois State
7 Teachers' Pension and Retirement Fund", approved May
8 27, 1915, as amended;

9 2. Articles 15 and 16 of this Code.

10 However, such persons shall be included as employees to
11 the extent of earnings that are not eligible for inclusion
12 under the foregoing laws for services not of an
13 instructional nature of any kind.

14 However, any member of the armed forces who is employed
15 as a teacher of subjects in the Reserve Officers Training
16 Corps of any school and who is not certified under the law
17 governing the certification of teachers shall be included
18 as an employee.

19 (b) Are designated by the governing body of a
20 municipality in which a pension fund is required by law to
21 be established for policemen or firemen, respectively, as
22 performing police or fire protection duties, except that
23 when such persons are the heads of the police or fire
24 department and are not eligible to be included within any
25 such pension fund, they shall be included within this
26 Article; provided, that such persons shall not be excluded

1 to the extent of concurrent service and earnings not
2 designated as being for police or fire protection duties.
3 However, (i) any head of a police department who was a
4 participant under this Article immediately before October
5 1, 1977 and did not elect, under Section 3-109 of this Act,
6 to participate in a police pension fund shall be an
7 "employee", and (ii) any chief of police who elects to
8 participate in this Fund under Section 3-109.1 of this
9 Code, regardless of whether such person continues to be
10 employed as chief of police or is employed in some other
11 rank or capacity within the police department, shall be an
12 employee under this Article for so long as such person is
13 employed to perform police duties by a participating
14 municipality and has not lawfully rescinded that election.

15 (c) After the effective date of this amendatory Act of
16 the 97th General Assembly, are contributors to or eligible
17 to contribute to a Taft-Hartley pension plan established on
18 or before June 1, 2011 and are employees of a theatre,
19 arena, or convention center that is located in a
20 municipality located in a county with a population greater
21 than 5,000,000, and to which the participating
22 municipality is required to contribute as the person's
23 employer based on earnings from the municipality. Nothing
24 in this paragraph shall affect service credit or creditable
25 service for any period of service prior to the effective
26 date of this amendatory Act of the 97th General Assembly,

1 and this paragraph shall not apply to individuals who are
2 participating in the Fund prior to the effective date of
3 this amendatory Act of the 97th General Assembly.

4 (3) All persons, including, without limitation, public
5 defenders and probation officers, who receive earnings from
6 general or special funds of a county for performance of
7 personal services or official duties within the territorial
8 limits of the county, are employees of the county (unless
9 excluded by subsection (2) of this Section) notwithstanding
10 that they may be appointed by and are subject to the direction
11 of a person or persons other than a county board or a county
12 officer. It is hereby established that an employer-employee
13 relationship under the usual common law rules exists between
14 such employees and the county paying their salaries by reason
15 of the fact that the county boards fix their rates of
16 compensation, appropriate funds for payment of their earnings
17 and otherwise exercise control over them. This finding and this
18 amendatory Act shall apply to all such employees from the date
19 of appointment whether such date is prior to or after the
20 effective date of this amendatory Act and is intended to
21 clarify existing law pertaining to their status as
22 participating employees in the Fund.

23 (Source: P.A. 90-460, eff. 8-17-97.)

24 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

25 Sec. 7-116. "Final rate of earnings":

1 (a) For retirement and survivor annuities, the monthly
2 earnings obtained by dividing the total earnings received by
3 the employee during the period of either (1) the 48 consecutive
4 months of service within the last 120 months of service in
5 which his total earnings were the highest or (2) the employee's
6 total period of service, by the number of months of service in
7 such period.

8 (b) For death benefits, the higher of the rate determined
9 under paragraph (a) of this Section or total earnings received
10 in the last 12 months of service divided by twelve. If the
11 deceased employee has less than 12 months of service, the
12 monthly final rate shall be the monthly rate of pay the
13 employee was receiving when he began service.

14 (c) For disability benefits, the total earnings of a
15 participating employee in the last 12 calendar months of
16 service prior to the date he becomes disabled divided by 12.

17 (d) In computing the final rate of earnings: (1) the
18 earnings rate for all periods of prior service shall be
19 considered equal to the average earnings rate for the last 3
20 calendar years of prior service for which creditable service is
21 received under Section 7-139 or, if there is less than 3 years
22 of creditable prior service, the average for the total prior
23 service period for which creditable service is received under
24 Section 7-139; (2) for out of state service and authorized
25 leave, the earnings rate shall be the rate upon which service
26 credits are granted; (3) periods of military leave shall not be

1 considered; (4) the earnings rate for all periods of disability
2 shall be considered equal to the rate of earnings upon which
3 the employee's disability benefits are computed for such
4 periods; (5) the earnings to be considered for each of the
5 final three months of the final earnings period for persons who
6 first became participants before January 1, 2012 and the
7 earnings to be considered for each of the final 24 months for
8 participants who first become participants on or after January
9 1, 2012 shall not exceed 125% of the highest earnings of any
10 other month in the final earnings period; and (6) the annual
11 amount of final rate of earnings shall be the monthly amount
12 multiplied by the number of months of service normally required
13 by the position in a year.

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

15 (40 ILCS 5/7-135) (from Ch. 108 1/2, par. 7-135)

16 Sec. 7-135. Authorized agents.

17 (a) Each participating municipality and participating
18 instrumentality shall appoint an authorized agent who shall
19 have the powers and duties set forth in this section. In
20 absence of such appointment, the duties of the authorized agent
21 shall devolve upon the clerk or secretary of the municipality
22 or instrumentality and in the case of township school trustees
23 upon the township school treasurer. In townships the Authorized
24 Agent shall be the township supervisor.

25 (b) The authorized agent shall have the following powers

1 and duties:

2 1. To certify to the fund whether or not a given person
3 is authorized to participate in the fund;

4 2. To certify to the fund when a participating employee
5 is on a leave of absence authorized by the municipality;

6 3. To request the proper officer to cause employee
7 contributions to be withheld from earnings and transmitted
8 to the fund;

9 4. To request the proper officer to cause municipality
10 contributions to be forwarded to the fund promptly;

11 5. To forward promptly to all participating employees
12 any communications from the fund for such employees;

13 6. To forward promptly to the fund all applications,
14 claims, reports and other communications delivered to him
15 by participating employees;

16 7. To perform all duties related to the administration
17 of this retirement system as requested by the fund and the
18 governing body of his municipality.

19 (c) The governing body of each participating municipality
20 and participating instrumentality may delegate any or all of
21 the following powers and duties to its authorized agent, ~~but~~
22 ~~only if the agent is a member of the fund:~~

23 1. To file a petition for nomination of an executive
24 trustee of the fund.

25 2. To cast the ballot for election of an executive
26 trustee of the fund.

1 If a governing body does not authorize its agent to perform
2 the powers and duties set forth in this paragraph (c), they
3 shall be performed by the governing body itself, unless the
4 governing body by resolution duly certified to the fund
5 delegates them to some other officer or employee.

6 (d) The delivery of any communication or document by an
7 employee or a participating municipality or participating
8 instrumentality to its authorized agent shall not constitute
9 delivery to the fund.

10 (Source: P.A. 87-740.)

11 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

12 Sec. 7-137. Participating and covered employees.

13 (a) The persons described in this paragraph (a) shall be
14 included within and be subject to this Article and eligible to
15 benefits from this fund, beginning upon the dates hereinafter
16 specified:

17 1. Except as to the employees specifically excluded
18 under the provisions of this Article, all persons who are
19 employees of any municipality (or instrumentality thereof)
20 or participating instrumentality on the effective date of
21 participation of the municipality or participating
22 instrumentality beginning upon such effective date.

23 2. Except as to the employees specifically excluded
24 under the provisions of this Article, all persons, who
25 became employees of any participating municipality (or

1 instrumentality thereof) or participating instrumentality
2 after the effective date of participation of such
3 municipality or participating instrumentality, beginning
4 upon the date such person becomes an employee.

5 3. All persons who file notice with the board as
6 provided in paragraph (b) 2 and 3 of this Section,
7 beginning upon the date of filing such notice.

8 (b) The following described persons shall not be considered
9 participating employees eligible for benefits from this fund,
10 but shall be included within and be subject to this Article
11 (each of the descriptions is not exclusive but is cumulative):

12 1. Any person who occupies an office or is employed in
13 a position normally requiring performance of duty during
14 less than 600 hours a year for a municipality (including
15 all instrumentalities thereof) or a participating
16 instrumentality. If a school treasurer performs services
17 for more than one school district, the total number of
18 hours of service normally required for the several school
19 districts shall be considered to determine whether he
20 qualifies under this paragraph;

21 2. Any person who holds elective office unless he has
22 elected while in that office in a written notice on file
23 with the board to become a participating employee;

24 3. Any person working for a city hospital unless any
25 such person, while in active employment, has elected in a
26 written notice on file with the board to become a

1 participating employee and notification thereof is
2 received by the board;

3 4. Any person who becomes an employee after June 30,
4 1979 as a public service employment program participant
5 under the federal Comprehensive Employment and Training
6 Act and whose wages or fringe benefits are paid in whole or
7 in part by funds provided under such Act;

8 5. Any person who is actively employed by a
9 municipality on its effective date of participation in the
10 Fund if that municipality (i) has at least 35 employees on
11 its effective date of participation; (ii) is located in a
12 county with at least 2,000,000 inhabitants; and (iii)
13 maintains an independent defined benefit pension plan for
14 the benefit of its eligible employees, unless the person
15 files with the board within 90 days after the
16 municipality's effective date of participation an
17 irrevocable election to participate.

18 (c) Any person electing to be a participating employee,
19 pursuant to paragraph (b) of this Section may not change such
20 election, except as provided in Section 7-137.1.

21 (d) Any employee who occupied the position of school nurse
22 in any participating municipality on August 8, 1961 and
23 continuously thereafter until the effective date of the
24 exercise of the option authorized by this subparagraph, who on
25 August 7, 1961 was a member of the Teachers' Retirement System
26 of Illinois, by virtue of certification by the Department of

1 Registration and Education as a public health nurse, may elect
2 to terminate participation in this Fund in order to
3 re-establish membership in such System. The election may be
4 exercised by filing written notice thereof with the Board or
5 with the Board of Trustees of said Teachers' Retirement System,
6 not later than September 30, 1963, and shall be effective on
7 the first day of the calendar month next following the month in
8 which the notice was filed. If the written notice is filed with
9 such Teachers' Retirement System, that System shall
10 immediately notify this Fund, but neither failure nor delay in
11 notification shall affect the validity of the employee's
12 election. If the option is exercised, the Fund shall notify
13 such Teachers' Retirement System of such fact and transfer to
14 that system the amounts contributed by the employee to this
15 Fund, including interest at 3% per annum, but excluding
16 contributions applicable to social security coverage during
17 the period beginning August 8, 1961 to the effective date of
18 the employee's election. Participation in this Fund as to any
19 credits on or after August 8, 1961 and up to the effective date
20 of the employee's election shall terminate on such effective
21 date.

22 (e) Any participating municipality or participating
23 instrumentality, other than a school district or special
24 education joint agreement created under Section 10-22.31 of the
25 School Code, may, by a resolution or ordinance duly adopted by
26 its governing body, elect to exclude from participation and

1 eligibility for benefits all persons who are employed after the
2 effective date of such resolution or ordinance and who occupy
3 an office or are employed in a position normally requiring
4 performance of duty for less than 1000 hours per year for the
5 participating municipality (including all instrumentalities
6 thereof) or participating instrumentality except for persons
7 employed in a position normally requiring performance of duty
8 for 600 hours or more per year (i) by such participating
9 municipality or participating instrumentality prior to the
10 effective date of the resolution or ordinance and (ii) by a
11 participating municipality or participating instrumentality,
12 which had not adopted such a resolution when the person was
13 employed, and the function served by the employee's position is
14 assumed by another participating municipality or participating
15 instrumentality. ~~A participating municipality or participating~~
16 ~~instrumentality included in and subject to this Article after~~
17 ~~January 1, 1982 may adopt such resolution or ordinance only~~
18 ~~prior to the date it becomes included in and subject to this~~
19 ~~Article.~~ Notwithstanding the foregoing, a participating
20 municipality or participating instrumentality which is formed
21 solely to succeed to the functions of a participating
22 municipality or participating instrumentality shall be
23 considered to have adopted any such resolution or ordinance
24 which may have been applicable to the employees performing such
25 functions. The election made by the resolution or ordinance
26 shall take effect at the time specified in the resolution or

1 ordinance, and once effective shall be irrevocable.

2 (Source: P.A. 96-1140, eff. 7-21-10.)

3 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

4 Sec. 7-141. Retirement annuities - Conditions. Retirement
5 annuities shall be payable as hereinafter set forth:

6 (a) A participating employee who, regardless of cause, is
7 separated from the service of all participating municipalities
8 and instrumentalities thereof and participating
9 instrumentalities shall be entitled to a retirement annuity
10 provided:

11 1. He is at least age 55, or in the case of a person who
12 is eligible to have his annuity calculated under Section
13 7-142.1, he is at least age 50;

14 2. He is ~~(i) an employee who was employed by any~~
15 ~~participating municipality or participating~~
16 ~~instrumentality which had not elected to exclude persons~~
17 ~~employed in positions normally requiring performance of~~
18 ~~duty for less than 1000 hours per year or was employed in a~~
19 ~~position normally requiring performance of duty for 600~~
20 ~~hours or more per year prior to such election by any~~
21 ~~participating municipality or participating~~
22 ~~instrumentality included in and subject to this Article on~~
23 ~~or before the effective date of this amendatory Act of 1981~~
24 ~~which made such election and is not entitled to receive~~
25 ~~earnings for employment in a position normally requiring~~

1 ~~performance of duty for 600 hours or more per year for any~~
2 ~~participating municipality and instrumentalities thereof~~
3 ~~and participating instrumentality; or (ii) an employee who~~
4 ~~was employed only by a participating municipality or~~
5 ~~participating instrumentality, or participating~~
6 ~~municipalities or participating instrumentalities, which~~
7 ~~have elected to exclude persons in positions normally~~
8 ~~requiring performance of duty for less than 1000 hours per~~
9 ~~year after the effective date of such exclusion or which~~
10 ~~are included under and subject to the Article after the~~
11 ~~effective date of this amendatory Act of 1981 and elects to~~
12 ~~exclude persons in such positions, and is not entitled to~~
13 receive earnings for employment in a position requiring
14 him, or entitling him to elect, to be a participating
15 employee normally requiring performance of duty for 1000
16 hours or more per year by such a participating municipality
17 or participating instrumentality;

18 3. The amount of his annuity, before the application of
19 paragraph (b) of Section 7-142 is at least \$10 per month;

20 4. If he first became a participating employee after
21 December 31, 1961, he has at least 8 years of service. This
22 service requirement shall not apply to any participating
23 employee, regardless of participation date, if the General
24 Assembly terminates the Fund.

25 (b) Retirement annuities shall be payable:

26 1. As provided in Section 7-119;

1 2. Except as provided in item 3, upon receipt by the
2 fund of a written application. The effective date may be
3 not more than one year prior to the date of the receipt by
4 the fund of the application;

5 3. Upon attainment of age 70 1/2 if the member (i) is
6 no longer in service, and (ii) is otherwise entitled to an
7 annuity under this Article;

8 4. To the beneficiary of the deceased annuitant for the
9 unpaid amount accrued to date of death, if any.

10 (Source: P.A. 91-887, eff. 7-6-00.)

11 (40 ILCS 5/7-141.1)

12 Sec. 7-141.1. Early retirement incentive.

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

14 (1) Units of local government across the State have
15 been functioning under a financial crisis.

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

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

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

23 (5) The early retirement incentive should be made
24 available only to those units of local government that
25 determine that an early retirement incentive is in their

1 best interest.

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

8 (7) A unit of local government adopting a program of
9 early retirement incentives under this Section is also
10 encouraged to replace as few of the participating employees
11 as possible and to hire replacement employees for salaries
12 totaling no more than 80% of the total salaries formerly
13 paid to the employees who participate in the early
14 retirement program.

15 It is the primary purpose of this Section to encourage
16 units of local government that can realize true cost savings,
17 or have determined that an early retirement program is in their
18 best interest, to implement an early retirement program.

19 (b) Until the effective date of this amendatory Act of
20 1997, this Section does not apply to any employer that is a
21 city, village, or incorporated town, nor to the employees of
22 any such employer. Beginning on the effective date of this
23 amendatory Act of 1997, any employer under this Article,
24 including an employer that is a city, village, or incorporated
25 town, may establish an early retirement incentive program for
26 its employees under this Section. The decision of a city,

1 village, or incorporated town to consider or establish an early
2 retirement program is at the sole discretion of that city,
3 village, or incorporated town, and nothing in this amendatory
4 Act of 1997 limits or otherwise diminishes this discretion.
5 Nothing contained in this Section shall be construed to require
6 a city, village, or incorporated town to establish an early
7 retirement program and no city, village, or incorporated town
8 may be compelled to implement such a program.

9 The benefits provided in this Section are available only to
10 members employed by a participating employer that has filed
11 with the Board of the Fund a resolution or ordinance expressly
12 providing for the creation of an early retirement incentive
13 program under this Section for its employees and specifying the
14 effective date of the early retirement incentive program.
15 Subject to the limitation in subsection (h), an employer may
16 adopt a resolution or ordinance providing a program of early
17 retirement incentives under this Section at any time.

18 The resolution or ordinance shall be in substantially the
19 following form:

20 RESOLUTION (ORDINANCE) NO.

21 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY
22 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES
23 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

24 WHEREAS, Section 7-141.1 of the Illinois Pension Code
25 provides that a participating employer may elect to adopt an

1 early retirement incentive program offered by the Illinois
2 Municipal Retirement Fund by adopting a resolution or
3 ordinance; and

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

8 WHEREAS, Implementation of the early retirement program
9 will provide a budgeting tool to aid in controlling payroll
10 costs; and

11 WHEREAS, The (name of governing body) has determined that
12 the adoption of an early retirement incentive program is in the
13 best interests of the (name of participating employer);
14 therefore be it

15 RESOLVED (ORDAINED) by the (name of governing body) of
16 (name of participating employer) that:

17 (1) The (name of participating employer) does hereby adopt
18 the Illinois Municipal Retirement Fund early retirement
19 incentive program as provided in Section 7-141.1 of the
20 Illinois Pension Code. The early retirement incentive program
21 shall take effect on (date).

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

1 (3) In order to utilize an early retirement incentive as a
2 budgeting tool, the (name of participating employer) will use
3 its best efforts either to limit the number of employees who
4 replace the employees who retire under the early retirement
5 program or to limit the salaries paid to the employees who
6 replace the employees who retire under the early retirement
7 program.

8 (4) The effective date of each employee's retirement under
9 this early retirement program shall be set by (name of
10 employer) and shall be no earlier than the effective date of
11 the program and no later than one year after that effective
12 date; except that the employee may require that the retirement
13 date set by the employer be no later than the June 30 next
14 occurring after the effective date of the program and no
15 earlier than the date upon which the employee qualifies for
16 retirement.

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

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

24 CERTIFICATION

25 I, (name), the (clerk or secretary) of the (name of
26 participating employer) of the County of (name), State of

1 Illinois, do hereby certify that I am the keeper of the books
2 and records of the (name of employer) and that the foregoing is
3 a true and correct copy of a resolution (ordinance) duly
4 adopted by the (governing body) at a meeting duly convened and
5 held on (date).

6 SEAL

7 (Signature of clerk or secretary)

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

11 (1) be a participating employee of this Fund who, on
12 the effective date of the program, (i) is in active payroll
13 status as an employee of a participating employer that has
14 filed the required ordinance or resolution with the Board,
15 (ii) is on layoff status from such a position with a right
16 of re-employment or recall to service, (iii) is on a leave
17 of absence from such a position, or (iv) is on disability
18 but has not been receiving benefits under Section 7-146 or
19 7-150 for a period of more than 2 years from the date of
20 application;

21 (2) have never previously received a retirement
22 annuity under this Article or under the Retirement Systems
23 Reciprocal Act using service credit established under this
24 Article;

25 (3) (blank);

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

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

7 (6) be eligible to receive a retirement annuity under
8 this Article by the date of retirement, for which purpose
9 the age enhancement and creditable service established
10 under this Section may be considered.

11 (d) The employer shall determine the retirement date for
12 each employee participating in the early retirement program
13 adopted under this Section. The retirement date shall be no
14 earlier than the effective date of the program and no later
15 than one year after that effective date, except that the
16 employee may require that the retirement date set by the
17 employer be no later than the June 30 next occurring after the
18 effective date of the program and no earlier than the date upon
19 which the employee qualifies for retirement. The employer shall
20 give each employee participating in the early retirement
21 program at least 30 days written notice of the employee's
22 designated retirement date, unless the employee waives this
23 notice requirement.

24 (e) An eligible person may establish up to 5 years of
25 creditable service under this Section. In addition, for each
26 period of creditable service established under this Section, a

1 person shall have his or her age at retirement deemed enhanced
2 by an equivalent period.

3 The creditable service established under this Section may
4 be used for all purposes under this Article and the Retirement
5 Systems Reciprocal Act, except for the computation of final
6 rate of earnings and the determination of earnings, salary, or
7 compensation under this or any other Article of the Code.

8 The age enhancement established under this Section may be
9 used for all purposes under this Article (including calculation
10 of the reduction imposed under subdivision (a)1b(iv) of Section
11 7-142), except for purposes of a reversionary annuity under
12 Section 7-145 and any distributions required because of age.
13 The age enhancement established under this Section may be used
14 in calculating a proportionate annuity payable by this Fund
15 under the Retirement Systems Reciprocal Act, but shall not be
16 used in determining benefits payable under other Articles of
17 this Code under the Retirement Systems Reciprocal Act.

18 (f) For all creditable service established under this
19 Section, the member must pay to the Fund an employee
20 contribution consisting of 4.5% of the member's highest annual
21 salary rate used in the determination of the final rate of
22 earnings for retirement annuity purposes for each year of
23 creditable service granted under this Section. For creditable
24 service established under this Section by a person who is a
25 sheriff's law enforcement employee to be deemed service as a
26 sheriff's law enforcement employee, the employee contribution

1 shall be at the rate of 6.5% of highest annual salary per year
2 of creditable service granted. Contributions for fractions of a
3 year of service shall be prorated. Any amounts that are
4 disregarded in determining the final rate of earnings under
5 subdivision (d) (5) of Section 7-116 (the 125% rule) shall also
6 be disregarded in determining the required contribution under
7 this subsection (f).

8 The employee contribution shall be paid to the Fund as
9 follows: If the member is entitled to a lump sum payment for
10 accumulated vacation, sick leave, or personal leave upon
11 withdrawal from service, the employer shall deduct the employee
12 contribution from that lump sum and pay the deducted amount
13 directly to the Fund. If there is no such lump sum payment or
14 the required employee contribution exceeds the net amount of
15 the lump sum payment, then the remaining amount due, at the
16 option of the employee, may either be paid to the Fund before
17 the annuity commences or deducted from the retirement annuity
18 in 24 equal monthly installments.

19 (g) An annuitant who has received any age enhancement or
20 creditable service under this Section and thereafter accepts
21 employment with or enters into a personal services contract
22 with an employer under this Article thereby forfeits that age
23 enhancement and creditable service; except that this
24 restriction does not apply to (1) service in an elective
25 office, so long as the annuitant does not participate in this
26 Fund with respect to that office, ~~and~~ (2) a person appointed as

1 an officer under subsection (f) of Section 3-109 of this Code,
2 and (3) a person appointed as an auxiliary police officer
3 pursuant to Section 3.1-30-5 of the Illinois Municipal Code. A
4 person forfeiting early retirement incentives under this
5 subsection (i) must repay to the Fund that portion of the
6 retirement annuity already received which is attributable to
7 the early retirement incentives that are being forfeited, (ii)
8 shall not be eligible to participate in any future early
9 retirement program adopted under this Section, and (iii) is
10 entitled to a refund of the employee contribution paid under
11 subsection (f). The Board shall deduct the required repayment
12 from the refund and may impose a reasonable payment schedule
13 for repaying the amount, if any, by which the required
14 repayment exceeds the refund amount.

15 (h) The additional unfunded liability accruing as a result
16 of the adoption of a program of early retirement incentives
17 under this Section by an employer shall be amortized over a
18 period of 10 years beginning on January 1 of the second
19 calendar year following the calendar year in which the latest
20 date for beginning to receive a retirement annuity under the
21 program (as determined by the employer under subsection (d) of
22 this Section) occurs; except that the employer may provide for
23 a shorter amortization period (of no less than 5 years) by
24 adopting an ordinance or resolution specifying the length of
25 the amortization period and submitting a certified copy of the
26 ordinance or resolution to the Fund no later than 6 months

1 after the effective date of the program. An employer, at its
2 discretion, may accelerate payments to the Fund.

3 An employer may provide more than one early retirement
4 incentive program for its employees under this Section.
5 However, an employer that has provided an early retirement
6 incentive program for its employees under this Section may not
7 provide another early retirement incentive program under this
8 Section until the liability arising from the earlier program
9 has been fully paid to the Fund.

10 (Source: P.A. 96-775, eff. 8-28-09.)

11 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

12 Sec. 7-142.1. Sheriff's law enforcement employees.

13 (a) In lieu of the retirement annuity provided by
14 subparagraph 1 of paragraph (a) of Section 7-142:

15 Any sheriff's law enforcement employee who has 20 or more
16 years of service in that capacity and who terminates service
17 prior to January 1, 1988 shall be entitled at his option to
18 receive a monthly retirement annuity for his service as a
19 sheriff's law enforcement employee computed by multiplying 2%
20 for each year of such service up to 10 years, 2 1/4% for each
21 year of such service above 10 years and up to 20 years, and 2
22 1/2% for each year of such service above 20 years, by his
23 annual final rate of earnings and dividing by 12.

24 Any sheriff's law enforcement employee who has 20 or more
25 years of service in that capacity and who terminates service on

1 or after January 1, 1988 and before July 1, 2004 shall be
2 entitled at his option to receive a monthly retirement annuity
3 for his service as a sheriff's law enforcement employee
4 computed by multiplying 2.5% for each year of such service up
5 to 20 years, 2% for each year of such service above 20 years
6 and up to 30 years, and 1% for each year of such service above
7 30 years, by his annual final rate of earnings and dividing by
8 12.

9 Any sheriff's law enforcement employee who has 20 or more
10 years of service in that capacity and who terminates service on
11 or after July 1, 2004 shall be entitled at his or her option to
12 receive a monthly retirement annuity for service as a sheriff's
13 law enforcement employee computed by multiplying 2.5% for each
14 year of such service by his annual final rate of earnings and
15 dividing by 12.

16 If a sheriff's law enforcement employee has service in any
17 other capacity, his retirement annuity for service as a
18 sheriff's law enforcement employee may be computed under this
19 Section and the retirement annuity for his other service under
20 Section 7-142.

21 In no case shall the total monthly retirement annuity for
22 persons who retire before July 1, 2004 exceed 75% of the
23 monthly final rate of earnings. In no case shall the total
24 monthly retirement annuity for persons who retire on or after
25 July 1, 2004 exceed 80% of the monthly final rate of earnings.

26 (b) Whenever continued group insurance coverage is elected

1 in accordance with the provisions of Section 367h of the
2 Illinois Insurance Code, as now or hereafter amended, the total
3 monthly premium for such continued group insurance coverage or
4 such portion thereof as is not paid by the municipality shall,
5 upon request of the person electing such continued group
6 insurance coverage, be deducted from any monthly pension
7 benefit otherwise payable to such person pursuant to this
8 Section, to be remitted by the Fund to the insurance company or
9 other entity providing the group insurance coverage.

10 (c) A sheriff's law enforcement employee who began service
11 in that capacity prior to the effective date of this amendatory
12 Act of the 97th General Assembly and who has service in any
13 other capacity may convert up to 10 years of that service into
14 service as a sheriff's law enforcement employee by paying to
15 the Fund an amount equal to (1) the additional employee
16 contribution required under Section 7-173.1, plus (2) the
17 additional employer contribution required under Section 7-172,
18 plus (3) interest on items (1) and (2) at the prescribed rate
19 from the date of the service to the date of payment.

20 (d) The changes to subsections (a) and (b) of this Section
21 made by this amendatory Act of the 94th General Assembly apply
22 only to persons in service on or after July 1, 2004. In the
23 case of such a person who begins to receive a retirement
24 annuity before the effective date of this amendatory Act of the
25 94th General Assembly, the annuity shall be recalculated
26 prospectively to reflect those changes, with the resulting

1 increase beginning to accrue on the first annuity payment date
2 following the effective date of this amendatory Act.

3 (e) Any elected county officer who was entitled to receive
4 a stipend from the State on or after July 1, 2009 and on or
5 before June 30, 2010 may establish earnings credit for the
6 amount of stipend not received, if the elected county official
7 applies in writing to the fund within 6 months after the
8 effective date of this amendatory Act of the 96th General
9 Assembly and pays to the fund an amount equal to (i) employee
10 contributions on the amount of stipend not received, (ii)
11 employer contributions determined by the Board equal to the
12 employer's normal cost of the benefit on the amount of stipend
13 not received, plus (iii) interest on items (i) and (ii) at the
14 actuarially assumed rate.

15 (f) Notwithstanding any other provision of this Article,
16 the provisions of this subsection (f) apply to a person who
17 first becomes a sheriff's law enforcement employee under this
18 Article on or after January 1, 2011.

19 A sheriff's law enforcement employee age 55 or more who has
20 10 or more years of service in that capacity shall be entitled
21 at his option to receive a monthly retirement annuity for his
22 or her service as a sheriff's law enforcement employee computed
23 by multiplying 2.5% for each year of such service by his or her
24 final rate of earnings.

25 The retirement annuity of a sheriff's law enforcement
26 employee who is retiring after attaining age 50 with 10 or more

1 years of creditable service shall be reduced by one-half of 1%
2 for each month that the sheriff's law enforcement employee's
3 age is under age 55.

4 The maximum retirement annuity under this subsection (f)
5 shall be 75% of final rate of earnings.

6 For the purposes of this subsection (f), "final rate of
7 earnings" means the average monthly earnings obtained by
8 dividing the total salary of the sheriff's law enforcement
9 employee during the 96 consecutive months of service within the
10 last 120 months of service in which the total earnings was the
11 highest by the number of months of service in that period.

12 Notwithstanding any other provision of this Article,
13 beginning on January 1, 2011, for all purposes under this Code
14 (including without limitation the calculation of benefits and
15 employee contributions), the annual earnings of a sheriff's law
16 enforcement employee to whom this Section applies shall not
17 include overtime and shall not exceed \$106,800; however, that
18 amount shall annually thereafter be increased by the lesser of
19 (i) 3% of that amount, including all previous adjustments, or
20 (ii) one-half the annual unadjusted percentage increase (but
21 not less than zero) in the consumer price index-u for the 12
22 months ending with the September preceding each November 1,
23 including all previous adjustments.

24 (g) Notwithstanding any other provision of this Article,
25 the monthly annuity of a person who first becomes a sheriff's
26 law enforcement employee under this Article on or after January

1 1, 2011 shall be increased on the January 1 occurring either on
2 or after the attainment of age 60 or the first anniversary of
3 the annuity start date, whichever is later. Each annual
4 increase shall be calculated at 3% or one-half the annual
5 unadjusted percentage increase (but not less than zero) in the
6 consumer price index-u for the 12 months ending with the
7 September preceding each November 1, whichever is less, of the
8 originally granted retirement annuity. If the annual
9 unadjusted percentage change in the consumer price index-u for
10 a 12-month period ending in September is zero or, when compared
11 with the preceding period, decreases, then the annuity shall
12 not be increased.

13 (h) Notwithstanding any other provision of this Article,
14 for a person who first becomes a sheriff's law enforcement
15 employee under this Article on or after January 1, 2011, the
16 annuity to which the surviving spouse, children, or parents are
17 entitled under this subsection (h) shall be in the amount of $66\frac{2}{3}\%$
18 of the sheriff's law enforcement employee's earned annuity
19 at the date of death.

20 (i) Notwithstanding any other provision of this Article,
21 the monthly annuity of a survivor of a person who first becomes
22 a sheriff's law enforcement employee under this Article on or
23 after January 1, 2011 shall be increased on the January 1 after
24 attainment of age 60 by the recipient of the survivor's annuity
25 and each January 1 thereafter by 3% or one-half the annual
26 unadjusted percentage increase in the consumer price index-u

1 for the 12 months ending with the September preceding each
2 November 1, whichever is less, of the originally granted
3 pension. If the annual unadjusted percentage change in the
4 consumer price index-u for a 12-month period ending in
5 September is zero or, when compared with the preceding period,
6 decreases, then the annuity shall not be increased.

7 (j) For the purposes of this Section, "consumer price
8 index-u" means the index published by the Bureau of Labor
9 Statistics of the United States Department of Labor that
10 measures the average change in prices of goods and services
11 purchased by all urban consumers, United States city average,
12 all items, 1982-84 = 100. The new amount resulting from each
13 annual adjustment shall be determined by the Public Pension
14 Division of the Department of Insurance and made available to
15 the boards of the pension funds.

16 (Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11.)

17 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

18 Sec. 7-144. Retirement annuities-Suspended during
19 employment.

20 (a) ~~(1) If any person described in clause (i) of subsection~~
21 ~~(a) 2 of Section 7-141 receiving any annuity again becomes an~~
22 ~~employee and receives earnings from employment in a position~~
23 ~~normally requiring performance of duty during 600 hours or more~~
24 ~~per year for any participating municipality and~~
25 ~~instrumentalities thereof or participating instrumentality; or~~

1 ~~(2) if any person described in clause (ii) of subsection (a) 2~~
2 ~~of Section 7-141 receiving any annuity returns to employment in~~
3 ~~a position~~ requiring him, or entitling him to elect, to become
4 a participating employee, ~~+~~ then the annuity payable to such
5 employee shall be suspended as of the 1st day of the month
6 coincidental with or next following the date upon which such
7 person becomes such an employee. Upon proper qualification of
8 the participating employee payment of such annuity may be
9 resumed on the 1st day of the month following such
10 qualification and upon proper application therefor. The
11 participating employee in such case shall be entitled to a
12 supplemental annuity arising from service and credits earned
13 subsequent to such re-entry as a participating employee.

14 (b) Supplemental annuities to persons who return to service
15 for less than 48 months shall be computed under the provisions
16 of Sections 7-141, 7-142 and 7-143. In determining whether an
17 employee is eligible for an annuity which requires a minimum
18 period of service, his entire period of service shall be taken
19 into consideration but the supplemental annuity shall be based
20 on earnings and service in the supplemental period only. The
21 effective date of the suspended and supplemental annuity for
22 the purpose of increases after retirement shall be considered
23 to be the effective date of the suspended annuity.

24 (c) Supplemental annuities to persons who return to service
25 for 48 months or more shall be a monthly amount determined as
26 follows:

1 (1) An amount shall be computed under subparagraph b of
2 paragraph (1) of subsection (a) of Section 7-142,
3 considering all of the service credits of the employee;

4 (2) The actuarial value in monthly payments for life of
5 the annuity payments made before suspension shall be
6 determined and subtracted from the amount determined in (1)
7 above;

8 (3) The monthly amount of the suspended annuity, with
9 any applicable increases after retirement computed from
10 the effective date to the date of reinstatement, shall be
11 subtracted from the amount determined in (2) above and the
12 remainder shall be the amount of the supplemental annuity
13 provided that this amount shall not be less than the amount
14 computed under subsection (b) of this Section.

15 (4) The suspended annuity shall be reinstated at an
16 amount including any increases after retirement from the
17 effective date to date of reinstatement.

18 (5) The effective date of the combined suspended and
19 supplemental annuities for the purposes of increases after
20 retirement shall be considered to be the effective date of
21 the supplemental annuity.

22 (Source: P.A. 82-459.)

23 (40 ILCS 5/7-145.1)

24 Sec. 7-145.1. Alternative annuity for county officers.

25 (a) The benefits provided in this Section and Section

1 7-145.2 are available only if, prior to the effective date of
2 this amendatory Act of the 97th General Assembly, the county
3 board has filed with the Board of the Fund a resolution or
4 ordinance expressly consenting to the availability of these
5 benefits for its elected county officers. The county board's
6 consent is irrevocable with respect to persons participating in
7 the program, but may be revoked at any time with respect to
8 persons who have not paid an additional optional contribution
9 under this Section before the date of revocation.

10 An elected county officer may elect to establish
11 alternative credits for an alternative annuity by electing in
12 writing before the effective date of this amendatory Act of the
13 97th General Assembly to make additional optional
14 contributions in accordance with this Section and procedures
15 established by the board. These alternative credits are
16 available only for periods of service as an elected county
17 officer. The elected county officer may discontinue making the
18 additional optional contributions by notifying the Fund in
19 writing in accordance with this Section and procedures
20 established by the board.

21 Additional optional contributions for the alternative
22 annuity shall be as follows:

- 23 (1) For service as an elected county officer after the
24 option is elected, an additional contribution of 3% of
25 salary shall be contributed to the Fund on the same basis
26 and under the same conditions as contributions required

1 under Section 7-173.

2 (2) For service as an elected county officer before the
3 option is elected, an additional contribution of 3% of the
4 salary for the applicable period of service, plus interest
5 at the effective rate from the date of service to the date
6 of payment, plus any additional amount required by the
7 county board under paragraph (3). All payments for past
8 service must be paid in full before credit is given.

9 (3) With respect to service as an elected county
10 officer before the option is elected, if payment is made
11 after the county board has filed with the Board of the Fund
12 a resolution or ordinance requiring an additional
13 contribution under this paragraph, then the contribution
14 required under paragraph (2) shall include an amount to be
15 determined by the Fund, equal to the actuarial present
16 value of the additional employer cost that would otherwise
17 result from the alternative credits being established for
18 that service. A county board's resolution or ordinance
19 requiring additional contributions under this paragraph
20 (3) is irrevocable.

21 No additional optional contributions may be made for any
22 period of service for which credit has been previously
23 forfeited by acceptance of a refund, unless the refund is
24 repaid in full with interest at the effective rate from the
25 date of refund to the date of repayment.

26 (b) In lieu of the retirement annuity otherwise payable

1 under this Article, an elected county officer who (1) has
2 elected to participate in the Fund and make additional optional
3 contributions in accordance with this Section, (2) has held and
4 made additional optional contributions with respect to the same
5 elected county office for at least 8 years, and (3) has
6 attained age 55 with at least 8 years of service credit (or has
7 attained age 50 with at least 20 years of service as a
8 sheriff's law enforcement employee) may elect to have his
9 retirement annuity computed as follows: 3% of the participant's
10 salary for each of the first 8 years of service credit, plus 4%
11 of that salary for each of the next 4 years of service credit,
12 plus 5% of that salary for each year of service credit in
13 excess of 12 years, subject to a maximum of 80% of that salary.

14 This formula applies only to service in an elected county
15 office that the officer held for at least 8 years, and only to
16 service for which additional optional contributions have been
17 paid under this Section. If an elected county officer qualifies
18 to have this formula applied to service in more than one
19 elected county office, the qualifying service shall be
20 accumulated for purposes of determining the applicable accrual
21 percentages, but the salary used for each office shall be the
22 separate salary calculated for that office, as defined in
23 subsection (g).

24 To the extent that the elected county officer has service
25 credit that does not qualify for this formula, his retirement
26 annuity will first be determined in accordance with this

1 formula with respect to the service to which this formula
2 applies, and then in accordance with the remaining Sections of
3 this Article with respect to the service to which this formula
4 does not apply.

5 (c) In lieu of the disability benefits otherwise payable
6 under this Article, an elected county officer who (1) has
7 elected to participate in the Fund, and (2) has become
8 permanently disabled and as a consequence is unable to perform
9 the duties of his office, and (3) was making optional
10 contributions in accordance with this Section at the time the
11 disability was incurred, may elect to receive a disability
12 annuity calculated in accordance with the formula in subsection
13 (b). For the purposes of this subsection, an elected county
14 officer shall be considered permanently disabled only if: (i)
15 disability occurs while in service as an elected county officer
16 and is of such a nature as to prevent him from reasonably
17 performing the duties of his office at the time; and (ii) the
18 board has received a written certification by at least 2
19 licensed physicians appointed by it stating that the officer is
20 disabled and that the disability is likely to be permanent.

21 (d) Refunds of additional optional contributions shall be
22 made on the same basis and under the same conditions as
23 provided under Section 7-166, 7-167 and 7-168. Interest shall
24 be credited at the effective rate on the same basis and under
25 the same conditions as for other contributions.

26 If an elected county officer fails to hold that same

1 elected county office for at least 8 years, he or she shall be
2 entitled after leaving office to receive a refund of the
3 additional optional contributions made with respect to that
4 office, plus interest at the effective rate.

5 (e) The plan of optional alternative benefits and
6 contributions shall be available to persons who are elected
7 county officers and active contributors to the Fund on or after
8 November 15, 1994 and elected to establish alternative credit
9 before the effective date of this amendatory Act of the 97th
10 General Assembly. A person who was an elected county officer
11 and an active contributor to the Fund on November 15, 1994 but
12 is no longer an active contributor may apply to make additional
13 optional contributions under this Section at any time within 90
14 days after the effective date of this amendatory Act of 1997;
15 if the person is an annuitant, the resulting increase in
16 annuity shall begin to accrue on the first day of the month
17 following the month in which the required payment is received
18 by the Fund.

19 (f) For the purposes of this Section and Section 7-145.2,
20 the terms "elected county officer" and "elected county office"
21 include, but are not limited to: (1) the county clerk,
22 recorder, treasurer, coroner, assessor (if elected), auditor,
23 sheriff, and State's Attorney; members of the county board; and
24 the clerk of the circuit court; and (2) a person who has been
25 appointed to fill a vacancy in an office that is normally
26 filled by election on a countywide basis, for the duration of

1 his or her service in that office. The terms "elected county
2 officer" and "elected county office" do not include any officer
3 or office of a county that has not consented to the
4 availability of benefits under this Section and Section
5 7-145.2.

6 (g) For the purposes of this Section and Section 7-145.2,
7 the term "salary" means the final rate of earnings for the
8 elected county office held, calculated in a manner consistent
9 with Section 7-116, but for that office only. If an elected
10 county officer qualifies to have the formula in subsection (b)
11 applied to service in more than one elected county office, a
12 separate salary shall be calculated and applied with respect to
13 each such office.

14 (h) The changes to this Section made by this amendatory Act
15 of the 91st General Assembly apply to persons who first make an
16 additional optional contribution under this Section on or after
17 the effective date of this amendatory Act.

18 (i) Any elected county officer who was entitled to receive
19 a stipend from the State on or after July 1, 2009 and on or
20 before June 30, 2010 may establish earnings credit for the
21 amount of stipend not received, if the elected county official
22 applies in writing to the fund within 6 months after the
23 effective date of this amendatory Act of the 96th General
24 Assembly and pays to the fund an amount equal to (i) employee
25 contributions on the amount of stipend not received, (ii)
26 employer contributions determined by the Board equal to the

1 employer's normal cost of the benefit on the amount of stipend
2 not received, plus (iii) interest on items (i) and (ii) at the
3 actuarially assumed rate.

4 (Source: P.A. 96-961, eff. 7-2-10.)

5 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

6 Sec. 7-172. Contributions by participating municipalities
7 and participating instrumentalities.

8 (a) Each participating municipality and each participating
9 instrumentality shall make payment to the fund as follows:

10 1. municipality contributions in an amount determined
11 by applying the municipality contribution rate to each
12 payment of earnings paid to each of its participating
13 employees;

14 2. an amount equal to the employee contributions
15 provided by paragraphs (a) and (b) of Section 7-173,
16 whether or not the employee contributions are withheld as
17 permitted by that Section;

18 3. all accounts receivable, together with interest
19 charged thereon, as provided in Section 7-209;

20 4. if it has no participating employees with current
21 earnings, an amount payable which, over a closed period of
22 20 years for participating municipalities and 10 years for
23 participating instrumentalities, will amortize, at the
24 effective rate for that year, any unfunded obligation. The
25 unfunded obligation shall be computed as provided in

1 paragraph 2 of subsection (b);

2 5. if it has fewer than 7 participating employees or a
3 negative balance in its municipality reserve, the greater
4 of (A) an amount payable that, over a period of 20 years,
5 will amortize at the effective rate for that year any
6 unfunded obligation, computed as provided in paragraph 2 of
7 subsection (b) or (B) the amount required by paragraph 1 of
8 this subsection (a).

9 (b) A separate municipality contribution rate shall be
10 determined for each calendar year for all participating
11 municipalities together with all instrumentalities thereof.
12 The municipality contribution rate shall be determined for
13 participating instrumentalities as if they were participating
14 municipalities. The municipality contribution rate shall be
15 the sum of the following percentages:

16 1. The percentage of earnings of all the participating
17 employees of all participating municipalities and
18 participating instrumentalities which, if paid over the
19 entire period of their service, will be sufficient when
20 combined with all employee contributions available for the
21 payment of benefits, to provide all annuities for
22 participating employees, and the \$3,000 death benefit
23 payable under Sections 7-158 and 7-164, such percentage to
24 be known as the normal cost rate.

25 2. The percentage of earnings of the participating
26 employees of each participating municipality and

1 participating instrumentalities necessary to adjust for
2 the difference between the present value of all benefits,
3 excluding temporary and total and permanent disability and
4 death benefits, to be provided for its participating
5 employees and the sum of its accumulated municipality
6 contributions and the accumulated employee contributions
7 and the present value of expected future employee and
8 municipality contributions pursuant to subparagraph 1 of
9 this paragraph (b). This adjustment shall be spread over
10 the remainder of the period that is allowable under
11 generally accepted accounting principles.

12 3. The percentage of earnings of the participating
13 employees of all municipalities and participating
14 instrumentalities necessary to provide the present value
15 of all temporary and total and permanent disability
16 benefits granted during the most recent year for which
17 information is available.

18 4. The percentage of earnings of the participating
19 employees of all participating municipalities and
20 participating instrumentalities necessary to provide the
21 present value of the net single sum death benefits expected
22 to become payable from the reserve established under
23 Section 7-206 during the year for which this rate is fixed.

24 5. The percentage of earnings necessary to meet any
25 deficiency arising in the Terminated Municipality Reserve.

26 (c) A separate municipality contribution rate shall be

1 computed for each participating municipality or participating
2 instrumentality for its sheriff's law enforcement employees.

3 A separate municipality contribution rate shall be
4 computed for the sheriff's law enforcement employees of each
5 forest preserve district that elects to have such employees.
6 For the period from January 1, 1986 to December 31, 1986, such
7 rate shall be the forest preserve district's regular rate plus
8 2%.

9 In the event that the Board determines that there is an
10 actuarial deficiency in the account of any municipality with
11 respect to a person who has elected to participate in the Fund
12 under Section 3-109.1 of this Code, the Board may adjust the
13 municipality's contribution rate so as to make up that
14 deficiency over such reasonable period of time as the Board may
15 determine.

16 (d) The Board may establish a separate municipality
17 contribution rate for all employees who are program
18 participants employed under the federal Comprehensive
19 Employment Training Act by all of the participating
20 municipalities and instrumentalities. The Board may also
21 provide that, in lieu of a separate municipality rate for these
22 employees, a portion of the municipality contributions for such
23 program participants shall be refunded or an extra charge
24 assessed so that the amount of municipality contributions
25 retained or received by the fund for all CETA program
26 participants shall be an amount equal to that which would be

1 provided by the separate municipality contribution rate for all
2 such program participants. Refunds shall be made to prime
3 sponsors of programs upon submission of a claim therefor and
4 extra charges shall be assessed to participating
5 municipalities and instrumentalities. In establishing the
6 municipality contribution rate as provided in paragraph (b) of
7 this Section, the use of a separate municipality contribution
8 rate for program participants or the refund of a portion of the
9 municipality contributions, as the case may be, may be
10 considered.

11 (e) Computations of municipality contribution rates for
12 the following calendar year shall be made prior to the
13 beginning of each year, from the information available at the
14 time the computations are made, and on the assumption that the
15 employees in each participating municipality or participating
16 instrumentality at such time will continue in service until the
17 end of such calendar year at their respective rates of earnings
18 at such time.

19 (f) Any municipality which is the recipient of State
20 allocations representing that municipality's contributions for
21 retirement annuity purposes on behalf of its employees as
22 provided in Section 12-21.16 of the Illinois Public Aid Code
23 shall pay the allocations so received to the Board for such
24 purpose. Estimates of State allocations to be received during
25 any taxable year shall be considered in the determination of
26 the municipality's tax rate for that year under Section 7-171.

1 If a special tax is levied under Section 7-171, none of the
2 proceeds may be used to reimburse the municipality for the
3 amount of State allocations received and paid to the Board. Any
4 multiple-county or consolidated health department which
5 receives contributions from a county under Section 11.2 of "An
6 Act in relation to establishment and maintenance of county and
7 multiple-county health departments", approved July 9, 1943, as
8 amended, or distributions under Section 3 of the Department of
9 Public Health Act, shall use these only for municipality
10 contributions by the health department.

11 (g) Municipality contributions for the several purposes
12 specified shall, for township treasurers and employees in the
13 offices of the township treasurers who meet the qualifying
14 conditions for coverage hereunder, be allocated among the
15 several school districts and parts of school districts serviced
16 by such treasurers and employees in the proportion which the
17 amount of school funds of each district or part of a district
18 handled by the treasurer bears to the total amount of all
19 school funds handled by the treasurer.

20 From the funds subject to allocation among districts and
21 parts of districts pursuant to the School Code, the trustees
22 shall withhold the proportionate share of the liability for
23 municipality contributions imposed upon such districts by this
24 Section, in respect to such township treasurers and employees
25 and remit the same to the Board.

26 The municipality contribution rate for an educational

1 service center shall initially be the same rate for each year
2 as the regional office of education or school district which
3 serves as its administrative agent. When actuarial data become
4 available, a separate rate shall be established as provided in
5 subparagraph (i) of this Section.

6 The municipality contribution rate for a public agency,
7 other than a vocational education cooperative, formed under the
8 Intergovernmental Cooperation Act shall initially be the
9 average rate for the municipalities which are parties to the
10 intergovernmental agreement. When actuarial data become
11 available, a separate rate shall be established as provided in
12 subparagraph (i) of this Section.

13 (h) Each participating municipality and participating
14 instrumentality shall make the contributions in the amounts
15 provided in this Section in the manner prescribed from time to
16 time by the Board and all such contributions shall be
17 obligations of the respective participating municipalities and
18 participating instrumentalities to this fund. The failure to
19 deduct any employee contributions shall not relieve the
20 participating municipality or participating instrumentality of
21 its obligation to this fund. Delinquent payments of
22 contributions due under this Section may, with interest, be
23 recovered by civil action against the participating
24 municipalities or participating instrumentalities.
25 Municipality contributions, other than the amount necessary
26 for employee contributions and Social Security contributions,

1 for periods of service by employees from whose earnings no
2 deductions were made for employee contributions to the fund,
3 may be charged to the municipality reserve for the municipality
4 or participating instrumentality.

5 (i) Contributions by participating instrumentalities shall
6 be determined as provided herein except that the percentage
7 derived under subparagraph 2 of paragraph (b) of this Section,
8 and the amount payable under subparagraph 4 of paragraph (a) of
9 this Section, shall be based on an amortization period of 10
10 years.

11 (j) Notwithstanding the other provisions of this Section,
12 the additional unfunded liability accruing as a result of this
13 amendatory Act of the 94th General Assembly shall be amortized
14 over a period of 30 years beginning on January 1 of the second
15 calendar year following the calendar year in which this
16 amendatory Act takes effect, except that the employer may
17 provide for a longer amortization period by adopting a
18 resolution or ordinance specifying a 35-year or 40-year period
19 and submitting a certified copy of the ordinance or resolution
20 to the fund no later than June 1 of the calendar year following
21 the calendar year in which this amendatory Act takes effect.

22 (k) If the amount of a participating employee's reported
23 earnings for any of the 12-month periods used to determine the
24 final rate of earnings exceeds the employee's 12 month reported
25 earnings with the same employer for the previous year by the
26 greater of 6% or 1.5 times the annual increase in the Consumer

1 Price Index-U, as established by the United States Department
2 of Labor for the preceding September, the participating
3 municipality or participating instrumentality that paid those
4 earnings shall pay to the Fund, in addition to any other
5 contributions required under this Article, the present value of
6 the increase in the pension resulting from the portion of the
7 increase in salary that is in excess of the greater of 6% or
8 1.5 times the annual increase in the Consumer Price Index-U, as
9 determined by the Fund. This present value shall be computed on
10 the basis of the actuarial assumptions and tables used in the
11 most recent actuarial valuation of the Fund that is available
12 at the time of the computation.

13 Whenever it determines that a payment is or may be required
14 under this subsection (k), the fund shall calculate the amount
15 of the payment and bill the participating municipality or
16 participating instrumentality for that amount. The bill shall
17 specify the calculations used to determine the amount due. If
18 the participating municipality or participating
19 instrumentality disputes the amount of the bill, it may, within
20 30 days after receipt of the bill, apply to the fund in writing
21 for a recalculation. The application must specify in detail the
22 grounds of the dispute. Upon receiving a timely application for
23 recalculation, the fund shall review the application and, if
24 appropriate, recalculate the amount due. The participating
25 municipality and participating instrumentality contributions
26 required under this subsection (k) may be paid in the form of a

1 lump sum within 90 days after receipt of the bill. If the
2 participating municipality and participating instrumentality
3 contributions are not paid within 90 days after receipt of the
4 bill, then interest will be charged at a rate equal to the
5 fund's annual actuarially assumed rate of return on investment
6 compounded annually from the 91st day after receipt of the
7 bill. Payments must be concluded within 3 years after receipt
8 of the bill by the participating municipality or participating
9 instrumentality.

10 When assessing payment for any amount due under this
11 subsection (k), the fund shall exclude earnings increases
12 resulting from overload or overtime earnings.

13 When assessing payment for any amount due under this
14 subsection (k), the fund shall also exclude earnings increases
15 attributable to standard employment promotions resulting in
16 increased responsibility and workload.

17 This subsection (k) does not apply to earnings increases
18 paid to individuals under contracts or collective bargaining
19 agreements entered into, amended, or renewed before the
20 effective date of this amendatory Act of the 97th General
21 Assembly, earnings increases paid to members who are 10 years
22 or more from retirement eligibility, or earnings increases
23 resulting from an increase in the number of hours required to
24 be worked.

25 When assessing payment for any amount due under this
26 subsection (k), the fund shall also exclude earnings

1 attributable to personnel policies adopted before the
2 effective date of this amendatory Act of the 97th General
3 Assembly as long as those policies are not applicable to
4 employees who begin service on or after the effective date of
5 this amendatory Act of the 97th General Assembly.

6 (Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10;
7 revised 9-16-10.)

8 (40 ILCS 5/7-199.4 new)

9 Sec. 7-199.4. To accept transfer of reserves and investment
10 functions from funds established under Articles 3 and 4. To
11 accept the transfer of the reserves and the control and
12 management of the investment function from the board of
13 trustees of any fund electing such a transfer under Section
14 3-140.2 or 4-129.2. Notwithstanding any other provision of this
15 Code, after such transfer, the reserves shall be invested with
16 and subject to the same rules as the reserves of the fund
17 established under this Article.

18 The board established under this Article shall establish
19 such rules and regulations as are necessary to administer this
20 transfer and the investment of the reserves of the funds
21 electing the transfer and the recovery of the associated costs
22 of investing these reserves.

23 (40 ILCS 5/7-205) (from Ch. 108 1/2, par. 7-205)

24 Sec. 7-205. Reserves for annuities. Appropriate reserves

1 shall be created for payment of all annuities granted under
2 this Article at the time such annuities are granted and in
3 amounts determined to be necessary under actuarial tables
4 adopted by the Board upon recommendation of the actuary of the
5 fund. All annuities payable shall be charged to the annuity
6 reserve.

7 1. Amounts credited to annuity reserves shall be derived by
8 transfer of all the employee credits from the appropriate
9 employee reserves and by charges to the municipality reserve of
10 those municipalities in which the retiring employee has
11 accumulated service. If a retiring employee has accumulated
12 service in more than one participating municipality or
13 participating instrumentality, the aggregate municipality
14 charges for non-concurrent service shall be calculated as
15 follows:

16 (A) for purposes of calculating the annuity reserve, an
17 annuity will be calculated based on service and adjusted
18 earnings with each employer (without regard to the vesting
19 requirement contained in subsection (a) of Section 7-142);
20 and

21 (B) the difference between the municipality charges
22 for the actual annuity granted and the aggregation of the
23 municipality charges based upon the ratio of each from
24 those calculations to the aggregated total from paragraph
25 (A) of this item 1.

26 Aggregate municipality charges for concurrent service

1 shall be prorated based on the employee's earnings. The
2 municipality charges for retirement annuities calculated under
3 subparagraph a. of paragraph 1. of subsection (a) of Section
4 7-142 shall be prorated based on actual contributions ~~prorated~~
5 ~~on a basis of the employee's earnings in case of concurrent~~
6 ~~service and creditable service in other cases.~~

7 2. Supplemental annuities shall be handled as a separate
8 annuity and amounts to be credited to the annuity reserve
9 therefor shall be derived in the same manner as a regular
10 annuity.

11 3. When a retirement annuity is granted to an employee with
12 a spouse eligible for a surviving spouse annuity, there shall
13 be credited to the annuity reserve an amount to fund the cost
14 of both the retirement and surviving spouse annuity as a joint
15 and survivors annuity.

16 4. Beginning January 1, 1989, when a retirement annuity is
17 awarded, an amount equal to the present value of the \$3,000
18 death benefit payable upon the death of the annuitant shall be
19 transferred to the annuity reserve from the appropriate
20 municipality reserves in the same manner as the transfer for
21 annuities.

22 5. All annuity reserves shall be revalued annually as of
23 December 31. Beginning as of December 31, 1973, adjustment
24 required therein by such revaluation shall be charged or
25 credited to the earnings and experience variation reserve.

26 6. There shall be credited to the annuity reserve all of

1 the payments made by annuitants under Section 7-144.2, plus an
2 additional amount from the earnings and experience variation
3 reserve to fund the cost of the incremental annuities granted
4 to annuitants making these payments.

5 7. As of December 31, 1972, the excess in the annuity
6 reserve shall be transferred to the municipality reserves. An
7 amount equal to the deficiency in the reserve of participating
8 municipalities and participating instrumentalities which have
9 no participating employees shall be allocated to their
10 reserves. The remainder shall be allocated in amounts
11 proportionate to the present value, as of January 1, 1972, of
12 annuities of annuitants of the remaining participating
13 municipalities and participating instrumentalities.

14 (Source: P.A. 89-136, eff. 7-14-95.)

15 (40 ILCS 5/7-225 new)

16 Sec. 7-225. Increases in earnings; pension impact
17 statement. Before increasing the earnings of an officer,
18 executive, or manager by 12% or more:

19 (1) the authorities of the respective employer who are
20 authorizing the increase must contact the Illinois
21 Municipal Retirement Fund as to the effect of that increase
22 in salary on the pension benefits of that participant;

23 (2) the Illinois Municipal Retirement Fund must
24 respond with a written "Pension Impact Statement" stating
25 the effect of that increase in salary on the pension

1 benefits of that participant, and any other relevant effect
2 of the increase, including payment of the present value of
3 the increase in benefits resulting from the portion of any
4 increase in salary that is in excess of 6% as provided
5 under subsection (k) of Section 7-172, if applicable;

6 (3) the authorities authorizing this increase must
7 sign the pension impact statement, acknowledging receipt
8 and understanding of the effects of the increase; and

9 (4) the employer must pay the costs associated with the
10 pension impact statement.

11 The provisions of this Section do not apply to any of the
12 following: increases attributable to standard employment
13 promotions resulting in increased responsibility and
14 workloads; earnings increases paid to individuals under
15 contracts or collective bargaining agreements entered into,
16 amended, or renewed before January 1, 2012; earnings increases
17 paid to members who are 10 years or more from retirement
18 eligibility; or earnings increases resulting from an increase
19 in the number of hours required to be worked.

20 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

21 Sec. 14-103.05. Employee.

22 (a) Any person employed by a Department who receives salary
23 for personal services rendered to the Department on a warrant
24 issued pursuant to a payroll voucher certified by a Department
25 and drawn by the State Comptroller upon the State Treasurer,

1 including an elected official described in subparagraph (d) of
2 Section 14-104, shall become an employee for purpose of
3 membership in the Retirement System on the first day of such
4 employment.

5 A person entering service on or after January 1, 1972 and
6 prior to January 1, 1984 shall become a member as a condition
7 of employment and shall begin making contributions as of the
8 first day of employment.

9 A person entering service on or after January 1, 1984
10 shall, upon completion of 6 months of continuous service which
11 is not interrupted by a break of more than 2 months, become a
12 member as a condition of employment. Contributions shall begin
13 the first of the month after completion of the qualifying
14 period.

15 A person employed by the Chicago Metropolitan Agency for
16 Planning on the effective date of this amendatory Act of the
17 95th General Assembly who was a member of this System as an
18 employee of the Chicago Area Transportation Study and makes an
19 election under Section 14-104.13 to participate in this System
20 for his or her employment with the Chicago Metropolitan Agency
21 for Planning.

22 The qualifying period of 6 months of service is not
23 applicable to: (1) a person who has been granted credit for
24 service in a position covered by the State Universities
25 Retirement System, the Teachers' Retirement System of the State
26 of Illinois, the General Assembly Retirement System, or the

1 Judges Retirement System of Illinois unless that service has
2 been forfeited under the laws of those systems; (2) a person
3 entering service on or after July 1, 1991 in a noncovered
4 position; (3) a person to whom Section 14-108.2a or 14-108.2b
5 applies; or (4) a person to whom subsection (a-5) of this
6 Section applies.

7 (a-5) A person entering service on or after December 1,
8 2010 shall become a member as a condition of employment and
9 shall begin making contributions as of the first day of
10 employment. A person serving in the qualifying period on
11 December 1, 2010 will become a member on December 1, 2010 and
12 shall begin making contributions as of December 1, 2010.

13 (b) The term "employee" does not include the following:

14 (1) members of the State Legislature, and persons
15 electing to become members of the General Assembly
16 Retirement System pursuant to Section 2-105;

17 (2) incumbents of offices normally filled by vote of
18 the people;

19 (3) except as otherwise provided in this Section, any
20 person appointed by the Governor with the advice and
21 consent of the Senate unless that person elects to
22 participate in this system;

23 (3.1) any person serving as a commissioner of an ethics
24 commission created under the State Officials and Employees
25 Ethics Act unless that person elects to participate in this
26 system with respect to that service as a commissioner;

1 (3.2) any person serving as a part-time employee in any
2 of the following positions: Legislative Inspector General,
3 Special Legislative Inspector General, employee of the
4 Office of the Legislative Inspector General, Executive
5 Director of the Legislative Ethics Commission, or staff of
6 the Legislative Ethics Commission, regardless of whether
7 he or she is in active service on or after July 8, 2004
8 (the effective date of Public Act 93-685), unless that
9 person elects to participate in this System with respect to
10 that service; in this item (3.2), a "part-time employee" is
11 a person who is not required to work at least 35 hours per
12 week;

13 (3.3) any person who has made an election under Section
14 1-123 and who is serving either as legal counsel in the
15 Office of the Governor or as Chief Deputy Attorney General;

16 (4) except as provided in Section 14-108.2 or
17 14-108.2c, any person who is covered or eligible to be
18 covered by the Teachers' Retirement System of the State of
19 Illinois, the State Universities Retirement System, or the
20 Judges Retirement System of Illinois;

21 (5) an employee of a municipality or any other
22 political subdivision of the State;

23 (6) any person who becomes an employee after June 30,
24 1979 as a public service employment program participant
25 under the Federal Comprehensive Employment and Training
26 Act and whose wages or fringe benefits are paid in whole or

1 in part by funds provided under such Act;

2 (7) enrollees of the Illinois Young Adult Conservation
3 Corps program, administered by the Department of Natural
4 Resources, authorized grantee pursuant to Title VIII of the
5 "Comprehensive Employment and Training Act of 1973", 29 USC
6 993, as now or hereafter amended;

7 (8) enrollees and temporary staff of programs
8 administered by the Department of Natural Resources under
9 the Youth Conservation Corps Act of 1970;

10 (9) any person who is a member of any professional
11 licensing or disciplinary board created under an Act
12 administered by the Department of Professional Regulation
13 or a successor agency or created or re-created after the
14 effective date of this amendatory Act of 1997, and who
15 receives per diem compensation rather than a salary,
16 notwithstanding that such per diem compensation is paid by
17 warrant issued pursuant to a payroll voucher; such persons
18 have never been included in the membership of this System,
19 and this amendatory Act of 1987 (P.A. 84-1472) is not
20 intended to effect any change in the status of such
21 persons;

22 (10) any person who is a member of the Illinois Health
23 Care Cost Containment Council, and receives per diem
24 compensation rather than a salary, notwithstanding that
25 such per diem compensation is paid by warrant issued
26 pursuant to a payroll voucher; such persons have never been

1 included in the membership of this System, and this
2 amendatory Act of 1987 is not intended to effect any change
3 in the status of such persons;

4 (11) any person who is a member of the Oil and Gas
5 Board created by Section 1.2 of the Illinois Oil and Gas
6 Act, and receives per diem compensation rather than a
7 salary, notwithstanding that such per diem compensation is
8 paid by warrant issued pursuant to a payroll voucher; ~~or~~

9 (12) a person employed by the State Board of Higher
10 Education in a position with the Illinois Century Network
11 as of June 30, 2004, who remains continuously employed
12 after that date by the Department of Central Management
13 Services in a position with the Illinois Century Network
14 and participates in the Article 15 system with respect to
15 that employment;~~;~~

16 (13) any person who first becomes a member of the Civil
17 Service Commission on or after January 1, 2012;

18 (14) any person, other than the Director of Employment
19 Security, who first becomes a member of the Board of Review
20 of the Department of Employment Security on or after
21 January 1, 2012;

22 (15) any person who first becomes a member of the Civil
23 Service Commission on or after January 1, 2012;

24 (16) any person who first becomes a member of the
25 Illinois Liquor Control Commission on or after January 1,
26 2012;

1 (17) any person who first becomes a member of the
2 Secretary of State Merit Commission on or after January 1,
3 2012;

4 (18) any person who first becomes a member of the Human
5 Rights Commission on or after January 1, 2012;

6 (19) any person who first becomes a member of the State
7 Mining Board on or after January 1, 2012;

8 (20) any person who first becomes a member of the
9 Property Tax Appeal Board on or after January 1, 2012;

10 (21) any person who first becomes a member of the
11 Illinois Racing Board on or after January 1, 2012;

12 (22) any person who first becomes a member of the
13 Department of State Police Merit Board on or after January
14 1, 2012;

15 (23) any person who first becomes a member of the
16 Illinois State Toll Highway Authority on or after January
17 1, 2012; or

18 (24) any person who first becomes a member of the
19 Illinois State Board of Elections on or after January 1,
20 2012.

21 (c) An individual who represents or is employed as an
22 officer or employee of a statewide labor organization that
23 represents members of this System may participate in the System
24 and shall be deemed an employee, provided that (1) the
25 individual has previously earned creditable service under this
26 Article, (2) the individual files with the System an

1 irrevocable election to become a participant within 6 months
2 after the effective date of this amendatory Act of the 94th
3 General Assembly, and (3) the individual does not receive
4 credit for that employment under any other provisions of this
5 Code. An employee under this subsection (c) is responsible for
6 paying to the System both (i) employee contributions based on
7 the actual compensation received for service with the labor
8 organization and (ii) employer contributions based on the
9 percentage of payroll certified by the board; all or any part
10 of these contributions may be paid on the employee's behalf or
11 picked up for tax purposes (if authorized under federal law) by
12 the labor organization.

13 A person who is an employee as defined in this subsection
14 (c) may establish service credit for similar employment prior
15 to becoming an employee under this subsection by paying to the
16 System for that employment the contributions specified in this
17 subsection, plus interest at the effective rate from the date
18 of service to the date of payment. However, credit shall not be
19 granted under this subsection (c) for any such prior employment
20 for which the applicant received credit under any other
21 provision of this Code or during which the applicant was on a
22 leave of absence.

23 (Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

25 Sec. 22-101. Retirement Plan for Chicago Transit Authority

1 Employees.

2 (a) There shall be established and maintained by the
3 Authority created by the "Metropolitan Transit Authority Act",
4 approved April 12, 1945, as amended, (referred to in this
5 Section as the "Authority") a financially sound pension and
6 retirement system adequate to provide for all payments when due
7 under such established system or as modified from time to time
8 by ordinance of the Chicago Transit Board or collective
9 bargaining agreement. For this purpose, the Board must make
10 contributions to the established system as required under this
11 Section and may make any additional contributions provided for
12 by Board ordinance or collective bargaining agreement. The
13 participating employees shall make such periodic payments to
14 the established system as required under this Section and may
15 make any additional contributions provided for by Board
16 ordinance or collective bargaining agreement.

17 Provisions shall be made by the Board for all officers,
18 except those who first become members on or after January 1,
19 2012, and employees of the Authority appointed pursuant to the
20 "Metropolitan Transit Authority Act" to become, subject to
21 reasonable rules and regulations, participants of the pension
22 or retirement system with uniform rights, privileges,
23 obligations and status as to the class in which such officers
24 and employees belong. The terms, conditions and provisions of
25 any pension or retirement system or of any amendment or
26 modification thereof affecting employees who are members of any

1 labor organization may be established, amended or modified by
2 agreement with such labor organization, provided the terms,
3 conditions and provisions must be consistent with this Act, the
4 annual funding levels for the retirement system established by
5 law must be met and the benefits paid to future participants in
6 the system may not exceed the benefit ceilings set for future
7 participants under this Act and the contribution levels
8 required by the Authority and its employees may not be less
9 than the contribution levels established under this Act.

10 (b) The Board of Trustees shall consist of 11 members
11 appointed as follows: (i) 5 trustees shall be appointed by the
12 Chicago Transit Board; (ii) 3 trustees shall be appointed by an
13 organization representing the highest number of Chicago
14 Transit Authority participants; (iii) one trustee shall be
15 appointed by an organization representing the second-highest
16 number of Chicago Transit Authority participants; (iv) one
17 trustee shall be appointed by the recognized coalition
18 representatives of participants who are not represented by an
19 organization with the highest or second-highest number of
20 Chicago Transit Authority participants; and (v) one trustee
21 shall be selected by the Regional Transportation Authority
22 Board of Directors, and the trustee shall be a professional
23 fiduciary who has experience in the area of collectively
24 bargained pension plans. Trustees shall serve until a successor
25 has been appointed and qualified, or until resignation, death,
26 incapacity, or disqualification.

1 Any person appointed as a trustee of the board shall
2 qualify by taking an oath of office that he or she will
3 diligently and honestly administer the affairs of the system
4 and will not knowingly violate or willfully permit the
5 violation of any of the provisions of law applicable to the
6 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,
7 1-111, 1-114, and 1-115 of the Illinois Pension Code.

8 Each trustee shall cast individual votes, and a majority
9 vote shall be final and binding upon all interested parties,
10 provided that the Board of Trustees may require a supermajority
11 vote with respect to the investment of the assets of the
12 Retirement Plan, and may set forth that requirement in the
13 Retirement Plan documents, by-laws, or rules of the Board of
14 Trustees. Each trustee shall have the rights, privileges,
15 authority, and obligations as are usual and customary for such
16 fiduciaries.

17 The Board of Trustees may cause amounts on deposit in the
18 Retirement Plan to be invested in those investments that are
19 permitted investments for the investment of moneys held under
20 any one or more of the pension or retirement systems of the
21 State, any unit of local government or school district, or any
22 agency or instrumentality thereof. The Board, by a vote of at
23 least two-thirds of the trustees, may transfer investment
24 management to the Illinois State Board of Investment, which is
25 hereby authorized to manage these investments when so requested
26 by the Board of Trustees.

1 Notwithstanding any other provision of this Article or any
2 law to the contrary, any person who first becomes a member of
3 the Chicago Transit Board on or after January 1, 2012 shall not
4 be eligible to participate in this Retirement Plan.

5 (c) All individuals who were previously participants in the
6 Retirement Plan for Chicago Transit Authority Employees shall
7 remain participants, and shall receive the same benefits
8 established by the Retirement Plan for Chicago Transit
9 Authority Employees, except as provided in this amendatory Act
10 or by subsequent legislative enactment or amendment to the
11 Retirement Plan. For Authority employees hired on or after the
12 effective date of this amendatory Act of the 95th General
13 Assembly, the Retirement Plan for Chicago Transit Authority
14 Employees shall be the exclusive retirement plan and such
15 employees shall not be eligible for any supplemental plan,
16 except for a deferred compensation plan funded only by employee
17 contributions.

18 For all Authority employees who are first hired on or after
19 the effective date of this amendatory Act of the 95th General
20 Assembly and are participants in the Retirement Plan for
21 Chicago Transit Authority Employees, the following terms,
22 conditions and provisions with respect to retirement shall be
23 applicable:

24 (1) Such participant shall be eligible for an unreduced
25 retirement allowance for life upon the attainment of age 64
26 with 25 years of continuous service.

1 (2) Such participant shall be eligible for a reduced
2 retirement allowance for life upon the attainment of age 55
3 with 10 years of continuous service.

4 (3) For the purpose of determining the retirement
5 allowance to be paid to a retiring employee, the term
6 "Continuous Service" as used in the Retirement Plan for
7 Chicago Transit Authority Employees shall also be deemed to
8 include all pension credit for service with any retirement
9 system established under Article 8 or Article 11 of this
10 Code, provided that the employee forfeits and relinquishes
11 all pension credit under Article 8 or Article 11 of this
12 Code, and the contribution required under this subsection
13 is made by the employee. The Retirement Plan's actuary
14 shall determine the contribution paid by the employee as an
15 amount equal to the normal cost of the benefit accrued, had
16 the service been rendered as an employee, plus interest per
17 annum from the time such service was rendered until the
18 date the payment is made.

19 (d) From the effective date of this amendatory Act through
20 December 31, 2008, all participating employees shall
21 contribute to the Retirement Plan in an amount not less than 6%
22 of compensation, and the Authority shall contribute to the
23 Retirement Plan in an amount not less than 12% of compensation.

24 (e) (1) Beginning January 1, 2009 the Authority shall make
25 contributions to the Retirement Plan in an amount equal to
26 twelve percent (12%) of compensation and participating

1 employees shall make contributions to the Retirement Plan in an
2 amount equal to six percent (6%) of compensation. These
3 contributions may be paid by the Authority and participating
4 employees on a payroll or other periodic basis, but shall in
5 any case be paid to the Retirement Plan at least monthly.

6 (2) For the period ending December 31, 2040, the amount
7 paid by the Authority in any year with respect to debt service
8 on bonds issued for the purposes of funding a contribution to
9 the Retirement Plan under Section 12c of the Metropolitan
10 Transit Authority Act, other than debt service paid with the
11 proceeds of bonds or notes issued by the Authority for any year
12 after calendar year 2008, shall be treated as a credit against
13 the amount of required contribution to the Retirement Plan by
14 the Authority under subsection (e)(1) for the following year up
15 to an amount not to exceed 6% of compensation paid by the
16 Authority in that following year.

17 (3) By September 15 of each year beginning in 2009 and
18 ending on December 31, 2039, on the basis of a report prepared
19 by an enrolled actuary retained by the Plan, the Board of
20 Trustees of the Retirement Plan shall determine the estimated
21 funded ratio of the total assets of the Retirement Plan to its
22 total actuarially determined liabilities. A report containing
23 that determination and the actuarial assumptions on which it is
24 based shall be filed with the Authority, the representatives of
25 its participating employees, the Auditor General of the State
26 of Illinois, and the Regional Transportation Authority. If the

1 funded ratio is projected to decline below 60% in any year
2 before 2040, the Board of Trustees shall also determine the
3 increased contribution required each year as a level percentage
4 of payroll over the years remaining until 2040 using the
5 projected unit credit actuarial cost method so the funded ratio
6 does not decline below 60% and include that determination in
7 its report. If the actual funded ratio declines below 60% in
8 any year prior to 2040, the Board of Trustees shall also
9 determine the increased contribution required each year as a
10 level percentage of payroll during the years after the then
11 current year using the projected unit credit actuarial cost
12 method so the funded ratio is projected to reach at least 60%
13 no later than 10 years after the then current year and include
14 that determination in its report. Within 60 days after
15 receiving the report, the Auditor General shall review the
16 determination and the assumptions on which it is based, and if
17 he finds that the determination and the assumptions on which it
18 is based are unreasonable in the aggregate, he shall issue a
19 new determination of the funded ratio, the assumptions on which
20 it is based and the increased contribution required each year
21 as a level percentage of payroll over the years remaining until
22 2040 using the projected unit credit actuarial cost method so
23 the funded ratio does not decline below 60%, or, in the event
24 of an actual decline below 60%, so the funded ratio is
25 projected to reach 60% by no later than 10 years after the then
26 current year. If the Board of Trustees or the Auditor General

1 determine that an increased contribution is required to meet
2 the funded ratio required by the subsection, effective January
3 1 following the determination or 30 days after such
4 determination, whichever is later, one-third of the increased
5 contribution shall be paid by participating employees and
6 two-thirds by the Authority, in addition to the contributions
7 required by this subsection (1).

8 (4) For the period beginning 2040, the minimum contribution
9 to the Retirement Plan for each fiscal year shall be an amount
10 determined by the Board of Trustees of the Retirement Plan to
11 be sufficient to bring the total assets of the Retirement Plan
12 up to 90% of its total actuarial liabilities by the end of
13 2059. Participating employees shall be responsible for
14 one-third of the required contribution and the Authority shall
15 be responsible for two-thirds of the required contribution. In
16 making these determinations, the Board of Trustees shall
17 calculate the required contribution each year as a level
18 percentage of payroll over the years remaining to and including
19 fiscal year 2059 using the projected unit credit actuarial cost
20 method. A report containing that determination and the
21 actuarial assumptions on which it is based shall be filed by
22 September 15 of each year with the Authority, the
23 representatives of its participating employees, the Auditor
24 General of the State of Illinois and the Regional
25 Transportation Authority. If the funded ratio is projected to
26 fail to reach 90% by December 31, 2059, the Board of Trustees

1 shall also determine the increased contribution required each
2 year as a level percentage of payroll over the years remaining
3 until December 31, 2059 using the projected unit credit
4 actuarial cost method so the funded ratio will meet 90% by
5 December 31, 2059 and include that determination in its report.
6 Within 60 days after receiving the report, the Auditor General
7 shall review the determination and the assumptions on which it
8 is based and if he finds that the determination and the
9 assumptions on which it is based are unreasonable in the
10 aggregate, he shall issue a new determination of the funded
11 ratio, the assumptions on which it is based and the increased
12 contribution required each year as a level percentage of
13 payroll over the years remaining until December 31, 2059 using
14 the projected unit credit actuarial cost method so the funded
15 ratio reaches no less than 90% by December 31, 2059. If the
16 Board of Trustees or the Auditor General determine that an
17 increased contribution is required to meet the funded ratio
18 required by this subsection, effective January 1 following the
19 determination or 30 days after such determination, whichever is
20 later, one-third of the increased contribution shall be paid by
21 participating employees and two-thirds by the Authority, in
22 addition to the contributions required by subsection (e) (1).

23 (5) Beginning in 2060, the minimum contribution for each
24 year shall be the amount needed to maintain the total assets of
25 the Retirement Plan at 90% of the total actuarial liabilities
26 of the Plan, and the contribution shall be funded two-thirds by

1 the Authority and one-third by the participating employees in
2 accordance with this subsection.

3 (f) The Authority shall take the steps necessary to comply
4 with Section 414(h)(2) of the Internal Revenue Code of 1986, as
5 amended, to permit the pick-up of employee contributions under
6 subsections (d) and (e) on a tax-deferred basis.

7 (g) The Board of Trustees shall certify to the Governor,
8 the General Assembly, the Auditor General, the Board of the
9 Regional Transportation Authority, and the Authority at least
10 90 days prior to the end of each fiscal year the amount of the
11 required contributions to the retirement system for the next
12 retirement system fiscal year under this Section. The
13 certification shall include a copy of the actuarial
14 recommendations upon which it is based. In addition, copies of
15 the certification shall be sent to the Commission on Government
16 Forecasting and Accountability and the Mayor of Chicago.

17 (h)(1) As to an employee who first becomes entitled to a
18 retirement allowance commencing on or after November 30, 1989,
19 the retirement allowance shall be the amount determined in
20 accordance with the following formula:

21 (A) One percent (1%) of his "Average Annual
22 Compensation in the highest four (4) completed Plan Years"
23 for each full year of continuous service from the date of
24 original employment to the effective date of the Plan; plus

25 (B) One and seventy-five hundredths percent (1.75%) of
26 his "Average Annual Compensation in the highest four (4)

1 completed Plan Years" for each year (including fractions
2 thereof to completed calendar months) of continuous
3 service as provided for in the Retirement Plan for Chicago
4 Transit Authority Employees.

5 Provided, however that:

6 (2) As to an employee who first becomes entitled to a
7 retirement allowance commencing on or after January 1, 1993,
8 the retirement allowance shall be the amount determined in
9 accordance with the following formula:

10 (A) One percent (1%) of his "Average Annual
11 Compensation in the highest four (4) completed Plan Years"
12 for each full year of continuous service from the date of
13 original employment to the effective date of the Plan; plus

14 (B) One and eighty hundredths percent (1.80%) of his
15 "Average Annual Compensation in the highest four (4)
16 completed Plan Years" for each year (including fractions
17 thereof to completed calendar months) of continuous
18 service as provided for in the Retirement Plan for Chicago
19 Transit Authority Employees.

20 Provided, however that:

21 (3) As to an employee who first becomes entitled to a
22 retirement allowance commencing on or after January 1, 1994,
23 the retirement allowance shall be the amount determined in
24 accordance with the following formula:

25 (A) One percent (1%) of his "Average Annual
26 Compensation in the highest four (4) completed Plan Years"

1 for each full year of continuous service from the date of
2 original employment to the effective date of the Plan; plus

3 (B) One and eighty-five hundredths percent (1.85%) of
4 his "Average Annual Compensation in the highest four (4)
5 completed Plan Years" for each year (including fractions
6 thereof to completed calendar months) of continuous
7 service as provided for in the Retirement Plan for Chicago
8 Transit Authority Employees.

9 Provided, however that:

10 (4) As to an employee who first becomes entitled to a
11 retirement allowance commencing on or after January 1, 2000,
12 the retirement allowance shall be the amount determined in
13 accordance with the following formula:

14 (A) One percent (1%) of his "Average Annual
15 Compensation in the highest four (4) completed Plan Years"
16 for each full year of continuous service from the date of
17 original employment to the effective date of the Plan; plus

18 (B) Two percent (2%) of his "Average Annual
19 Compensation in the highest four (4) completed Plan Years"
20 for each year (including fractions thereof to completed
21 calendar months) of continuous service as provided for in
22 the Retirement Plan for Chicago Transit Authority
23 Employees.

24 Provided, however that:

25 (5) As to an employee who first becomes entitled to a
26 retirement allowance commencing on or after January 1, 2001,

1 the retirement allowance shall be the amount determined in
2 accordance with the following formula:

3 (A) One percent (1%) of his "Average Annual
4 Compensation in the highest four (4) completed Plan Years"
5 for each full year of continuous service from the date of
6 original employment to the effective date of the Plan; plus

7 (B) Two and fifteen hundredths percent (2.15%) of his
8 "Average Annual Compensation in the highest four (4)
9 completed Plan Years" for each year (including fractions
10 thereof to completed calendar months) of continuous
11 service as provided for in the Retirement Plan for Chicago
12 Transit Authority Employees.

13 The changes made by this amendatory Act of the 95th General
14 Assembly, to the extent that they affect the rights or
15 privileges of Authority employees that are currently the
16 subject of collective bargaining, have been agreed to between
17 the authorized representatives of these employees and of the
18 Authority prior to enactment of this amendatory Act, as
19 evidenced by a Memorandum of Understanding between these
20 representatives that will be filed with the Secretary of State
21 Index Department and designated as "95-GA-C05". The General
22 Assembly finds and declares that those changes are consistent
23 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the
24 Federal Transit Act) because of this agreement between
25 authorized representatives of these employees and of the
26 Authority, and that any future amendments to the provisions of

1 this amendatory Act of the 95th General Assembly, to the extent
2 those amendments would affect the rights and privileges of
3 Authority employees that are currently the subject of
4 collective bargaining, would be consistent with 49 U.S.C.
5 5333(b) if and only if those amendments were agreed to between
6 these authorized representatives prior to enactment.

7 (i) Early retirement incentive plan; funded ratio.

8 (1) Beginning on the effective date of this Section, no
9 early retirement incentive shall be offered to
10 participants of the Plan unless the Funded Ratio of the
11 Plan is at least 80% or more.

12 (2) For the purposes of this Section, the Funded Ratio
13 shall be the Adjusted Assets divided by the Actuarial
14 Accrued Liability developed in accordance with Statement
15 #25 promulgated by the Government Accounting Standards
16 Board and the actuarial assumptions described in the Plan.
17 The Adjusted Assets shall be calculated based on the
18 methodology described in the Plan.

19 (j) Nothing in this amendatory Act of the 95th General
20 Assembly shall impair the rights or privileges of Authority
21 employees under any other law.

22 (Source: P.A. 94-839, eff. 6-6-06; 95-708, eff. 1-18-08.)

23 (40 ILCS 5/22-103)

24 Sec. 22-103. Regional Transportation Authority and related
25 pension plans.

1 (a) As used in this Section:

2 "Affected pension plan" means a defined-benefit pension
3 plan supported in whole or in part by employer contributions
4 and maintained by the Regional Transportation Authority, the
5 Suburban Bus Division, or the Commuter Rail Division, or any
6 combination thereof, under the general authority of the
7 Regional Transportation Authority Act, including but not
8 limited to any such plan that has been established under or is
9 subject to a collective bargaining agreement or is limited to
10 employees covered by a collective bargaining agreement.
11 "Affected pension plan" does not include any pension fund or
12 retirement system subject to Section 22-101 of this Section.

13 "Authority" means the Regional Transportation Authority
14 created under the Regional Transportation Authority Act.

15 "Contributing employer" means an employer that is required
16 to make contributions to an affected pension plan under the
17 terms of that plan.

18 "Funding ratio" means the ratio of an affected pension
19 plan's assets to the present value of its actuarial
20 liabilities, as determined at its latest actuarial valuation in
21 accordance with applicable actuarial assumptions and
22 recommendations.

23 "Under-funded pension plan" or "under-funded" means an
24 affected pension plan that, at the time of its last actuarial
25 valuation, has a funding ratio of less than 90%.

26 (b) The contributing employers of each affected pension

1 plan have a general duty to make the required employer
2 contributions to the affected pension plan in a timely manner
3 in accordance with the terms of the plan. A contributing
4 employer must make contributions to the affected pension plan
5 as required under this subsection and, if applicable,
6 subsection (c); a contributing employer may make any additional
7 contributions provided for by the board of the employer or
8 collective bargaining agreement.

9 (c) In the case of an affected pension plan that is
10 under-funded on January 1, 2009 or becomes under-funded at any
11 time after that date, the contributing employers shall
12 contribute to the affected pension plan, in addition to all
13 amounts otherwise required, amounts sufficient to bring the
14 funding ratio of the affected pension plan up to 90% in
15 accordance with an amortization schedule adopted jointly by the
16 contributing employers and the trustee of the affected pension
17 plan. The amortization schedule may extend for any period up to
18 a maximum of 50 years and shall provide for additional employer
19 contributions in substantially equal annual amounts over the
20 selected period. If the contributing employers and the trustee
21 of the affected pension plan do not agree on an appropriate
22 period for the amortization schedule within 6 months of the
23 date of determination that the plan is under-funded, then the
24 amortization schedule shall be based on a period of 50 years.

25 In the case of an affected pension plan that has more than
26 one contributing employer, each contributing employer's share

1 of the total additional employer contributions required under
2 this subsection shall be determined: (i) in proportion to the
3 amounts, if any, by which the respective contributing employers
4 have failed to meet their contribution obligations under the
5 terms of the affected pension plan; or (ii) if all of the
6 contributing employers have met their contribution obligations
7 under the terms of the affected pension plan, then in the same
8 proportion as they are required to contribute under the terms
9 of that plan. In the case of an affected pension plan that has
10 only one contributing employer, that contributing employer is
11 responsible for all of the additional employer contributions
12 required under this subsection.

13 If an under-funded pension plan is determined to have
14 achieved a funding ratio of at least 90% during the period when
15 an amortization schedule is in force under this Section, the
16 contributing employers and the trustee of the affected pension
17 plan, acting jointly, may cancel the amortization schedule and
18 the contributing employers may cease making additional
19 contributions under this subsection for as long as the affected
20 pension plan retains a funding ratio of at least 90%.

21 (d) Beginning January 1, 2009, if the Authority fails to
22 pay to an affected pension fund within 30 days after it is due
23 (i) any employer contribution that it is required to make as a
24 contributing employer, (ii) any additional employer
25 contribution that it is required to pay under subsection (c),
26 or (iii) any payment that it is required to make under Section

1 4.02a or 4.02b of the Regional Transportation Authority Act,
2 the trustee of the affected pension fund shall promptly so
3 notify the Commission on Government Forecasting and
4 Accountability, the Mayor of Chicago, the Governor, and the
5 General Assembly.

6 (e) For purposes of determining employer contributions,
7 assets, and actuarial liabilities under this subsection,
8 contributions, assets, and liabilities relating to health care
9 benefits shall not be included.

10 (f) This amendatory Act of the 94th General Assembly does
11 not affect or impair the right of any contributing employer or
12 its employees to collectively bargain the amount or level of
13 employee contributions to an affected pension plan, to the
14 extent that the plan includes employees subject to collective
15 bargaining.

16 (g) Notwithstanding any other provision of this Article or
17 any law to the contrary, a person who, on or after the
18 effective date of this amendatory Act of the 97th General
19 Assembly, first becomes a director on the Suburban Bus Board,
20 the Commuter Rail Board, or the Board of Directors of the
21 Regional Transportation Authority shall not be eligible to
22 participate in an affected pension plan.

23 (Source: P.A. 94-839, eff. 6-6-06.)

24 Section 15. The State Mandates Act is amended by adding
25 Section 8.35 as follows:

1 (30 ILCS 805/8.35 new)

2 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 97th General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".