



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3569

Introduced 2/10/2012, by Sen. Matt Murphy

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-114	from Ch. 108 1/2, par. 7-114
40 ILCS 5/7-116	from Ch. 108 1/2, par. 7-116
40 ILCS 5/7-139	from Ch. 108 1/2, par. 7-139
40 ILCS 5/9-219	from Ch. 108 1/2, par. 9-219
40 ILCS 5/9-220	from Ch. 108 1/2, par. 9-220
40 ILCS 5/14-104.3	from Ch. 108 1/2, par. 14-104.3
40 ILCS 5/14-106	from Ch. 108 1/2, par. 14-106
40 ILCS 5/15-112	from Ch. 108 1/2, par. 15-112
40 ILCS 5/15-113.4	from Ch. 108 1/2, par. 15-113.4
40 ILCS 5/16-121	from Ch. 108 1/2, par. 16-121
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/17-116	from Ch. 108 1/2, par. 17-116
40 ILCS 5/17-134	from Ch. 108 1/2, par. 17-134

Amends the Illinois Municipal Retirement Fund (IMRF), Cook County, State Employees, State Universities, Downstate Teachers, and Chicago Teachers Articles of the Illinois Pension Code. For participants who first become participants on or after the effective date, prohibits (i) payments for unused sick or vacation time from being used to calculate pensionable earnings and salary and (ii) unused sick or vacation time from being used to establish service credit. Effective immediately.

LRB097 15485 JDS 60586 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 7-114, 7-116, 7-139, 9-219, 9-220, 14-104.3, 14-106,
6 15-112, 15-113.4, 16-121, 16-127, 17-116, and 17-134 as
7 follows:

8 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

9 Sec. 7-114. Earnings. "Earnings":

10 (a) An amount to be determined by the board, equal to the
11 sum of:

12 1. The total amount of money paid to an employee for
13 personal services or official duties as an employee (except
14 those employed as independent contractors) paid out of the
15 general fund, or out of any special funds controlled by the
16 municipality, or by any instrumentality thereof, or
17 participating instrumentality, including compensation,
18 fees, allowances, or other emolument paid for official
19 duties (but not including automobile maintenance, travel
20 expense, ~~or~~ reimbursements for expenditures incurred in
21 the performance of duties, or, in the case of a person who
22 first becomes a participant on or after the effective date
23 of this amendatory Act of the 97th General Assembly,

1 payments for unused sick or vacation time) and, for fee
2 offices, the fees or earnings of the offices to the extent
3 such fees are paid out of funds controlled by the
4 municipality, or instrumentality or participating
5 instrumentality; and

6 2. The money value, as determined by rules prescribed
7 by the governing body of the municipality, or
8 instrumentality thereof, of any board, lodging, fuel,
9 laundry, and other allowances provided an employee in lieu
10 of money.

11 (b) For purposes of determining benefits payable under this
12 fund payments to a person who is engaged in an independently
13 established trade, occupation, profession or business and who
14 is paid for his service on a basis other than a monthly or
15 other regular salary, are not earnings.

16 (c) If a disabled participating employee is eligible to
17 receive Workers' Compensation for an accidental injury and the
18 participating municipality or instrumentality which employed
19 the participating employee when injured continues to pay the
20 participating employee regular salary or other compensation or
21 pays the employee an amount in excess of the Workers'
22 Compensation amount, then earnings shall be deemed to be the
23 total payments, including an amount equal to the Workers'
24 Compensation payments. These payments shall be subject to
25 employee contributions and allocated as if paid to the
26 participating employee when the regular payroll amounts would

1 have been paid if the participating employee had continued
2 working, and creditable service shall be awarded for this
3 period.

4 (d) If an elected official who is a participating employee
5 becomes disabled but does not resign and is not removed from
6 office, then earnings shall include all salary payments made
7 for the remainder of that term of office and the official shall
8 be awarded creditable service for the term of office.

9 (e) If a participating employee is paid pursuant to "An Act
10 to provide for the continuation of compensation for law
11 enforcement officers, correctional officers and firemen who
12 suffer disabling injury in the line of duty", approved
13 September 6, 1973, as amended, the payments shall be deemed
14 earnings, and the participating employee shall be awarded
15 creditable service for this period.

16 (f) Additional compensation received by a person while
17 serving as a supervisor of assessments, assessor, deputy
18 assessor or member of a board of review from the State of
19 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
20 Code shall not be earnings for purposes of this Article and
21 shall not be included in the contribution formula or
22 calculation of benefits for such person pursuant to this
23 Article.

24 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

25 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

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

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

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

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

18 (d) In computing the final rate of earnings: (1) the
19 earnings rate for all periods of prior service shall be
20 considered equal to the average earnings rate for the last 3
21 calendar years of prior service for which creditable service is
22 received under Section 7-139 or, if there is less than 3 years
23 of creditable prior service, the average for the total prior
24 service period for which creditable service is received under
25 Section 7-139; (2) for out of state service and authorized
26 leave, the earnings rate shall be the rate upon which service

1 credits are granted; (3) periods of military leave shall not be
2 considered; (4) the earnings rate for all periods of disability
3 shall be considered equal to the rate of earnings upon which
4 the employee's disability benefits are computed for such
5 periods; (5) the earnings to be considered for each of the
6 final three months of the final earnings period for persons who
7 first became participants before January 1, 2012 and the
8 earnings to be considered for each of the final 24 months for
9 participants who first become participants on or after January
10 1, 2012 shall not exceed 125% of the highest earnings of any
11 other month in the final earnings period; ~~and~~ (6) the annual
12 amount of final rate of earnings shall be the monthly amount
13 multiplied by the number of months of service normally required
14 by the position in a year; and (7) in the case of a person who
15 first becomes a participant on or after the effective date of
16 this amendatory Act of the 97th General Assembly, payments for
17 unused sick or vacation time shall not be considered.

18 (Source: P.A. 97-609, eff. 1-1-12.)

19 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

20 Sec. 7-139. Credits and creditable service to employees.

21 (a) Each participating employee shall be granted credits
22 and creditable service, for purposes of determining the amount
23 of any annuity or benefit to which he or a beneficiary is
24 entitled, as follows:

25 1. For prior service: Each participating employee who

1 is an employee of a participating municipality or
2 participating instrumentality on the effective date shall
3 be granted creditable service, but no credits under
4 paragraph 2 of this subsection (a), for periods of prior
5 service for which credit has not been received under any
6 other pension fund or retirement system established under
7 this Code, as follows:

8 If the effective date of participation for the
9 participating municipality or participating
10 instrumentality is on or before January 1, 1998, creditable
11 service shall be granted for the entire period of prior
12 service with that employer without any employee
13 contribution.

14 If the effective date of participation for the
15 participating municipality or participating
16 instrumentality is after January 1, 1998, creditable
17 service shall be granted for the last 20% of the period of
18 prior service with that employer, but no more than 5 years,
19 without any employee contribution. A participating
20 employee may establish creditable service for the
21 remainder of the period of prior service with that employer
22 by making an application in writing, accompanied by payment
23 of an employee contribution in an amount determined by the
24 Fund, based on the employee contribution rates in effect at
25 the time of application for the creditable service and the
26 employee's salary rate on the effective date of

1 participation for that employer, plus interest at the
2 effective rate from the date of the prior service to the
3 date of payment. Application for this creditable service
4 may be made at any time while the employee is still in
5 service.

6 A municipality that (i) has at least 35 employees; (ii)
7 is located in a county with at least 2,000,000 inhabitants;
8 and (iii) maintains an independent defined benefit pension
9 plan for the benefit of its eligible employees may restrict
10 creditable service in whole or in part for periods of prior
11 service with the employer if the governing body of the
12 municipality adopts an irrevocable resolution to restrict
13 that creditable service and files the resolution with the
14 board before the municipality's effective date of
15 participation.

16 Any person who has withdrawn from the service of a
17 participating municipality or participating
18 instrumentality prior to the effective date, who reenters
19 the service of the same municipality or participating
20 instrumentality after the effective date and becomes a
21 participating employee is entitled to creditable service
22 for prior service as otherwise provided in this subdivision
23 (a)(1) only if he or she renders 2 years of service as a
24 participating employee after the effective date.
25 Application for such service must be made while in a
26 participating status. The salary rate to be used in the

1 calculation of the required employee contribution, if any,
2 shall be the employee's salary rate at the time of first
3 reentering service with the employer after the employer's
4 effective date of participation.

5 2. For current service, each participating employee
6 shall be credited with:

7 a. Additional credits of amounts equal to each
8 payment of additional contributions received from him
9 under Section 7-173, as of the date the corresponding
10 payment of earnings is payable to him.

11 b. Normal credits of amounts equal to each payment
12 of normal contributions received from him, as of the
13 date the corresponding payment of earnings is payable
14 to him, and normal contributions made for the purpose
15 of establishing out-of-state service credits as
16 permitted under the conditions set forth in paragraph 6
17 of this subsection (a).

18 c. Municipality credits in an amount equal to 1.4
19 times the normal credits, except those established by
20 out-of-state service credits, as of the date of
21 computation of any benefit if these credits would
22 increase the benefit.

23 d. Survivor credits equal to each payment of
24 survivor contributions received from the participating
25 employee as of the date the corresponding payment of
26 earnings is payable, and survivor contributions made

1 for the purpose of establishing out-of-state service
2 credits.

3 3. For periods of temporary and total and permanent
4 disability benefits, each employee receiving disability
5 benefits shall be granted creditable service for the period
6 during which disability benefits are payable. Normal and
7 survivor credits, based upon the rate of earnings applied
8 for disability benefits, shall also be granted if such
9 credits would result in a higher benefit to any such
10 employee or his beneficiary.

11 4. For authorized leave of absence without pay: A
12 participating employee shall be granted credits and
13 creditable service for periods of authorized leave of
14 absence without pay under the following conditions:

15 a. An application for credits and creditable
16 service is submitted to the board while the employee is
17 in a status of active employment.

18 b. Not more than 12 complete months of creditable
19 service for authorized leave of absence without pay
20 shall be counted for purposes of determining any
21 benefits payable under this Article.

22 c. Credits and creditable service shall be granted
23 for leave of absence only if such leave is approved by
24 the governing body of the municipality, including
25 approval of the estimated cost thereof to the
26 municipality as determined by the fund, and employee

1 contributions, plus interest at the effective rate
2 applicable for each year from the end of the period of
3 leave to date of payment, have been paid to the fund in
4 accordance with Section 7-173. The contributions shall
5 be computed upon the assumption earnings continued
6 during the period of leave at the rate in effect when
7 the leave began.

8 d. Benefits under the provisions of Sections
9 7-141, 7-146, 7-150 and 7-163 shall become payable to
10 employees on authorized leave of absence, or their
11 designated beneficiary, only if such leave of absence
12 is creditable hereunder, and if the employee has at
13 least one year of creditable service other than the
14 service granted for leave of absence. Any employee
15 contributions due may be deducted from any benefits
16 payable.

17 e. No credits or creditable service shall be
18 allowed for leave of absence without pay during any
19 period of prior service.

20 5. For military service: The governing body of a
21 municipality or participating instrumentality may elect to
22 allow creditable service to participating employees who
23 leave their employment to serve in the armed forces of the
24 United States for all periods of such service, provided
25 that the person returns to active employment within 90 days
26 after completion of full time active duty, but no

1 creditable service shall be allowed such person for any
2 period that can be used in the computation of a pension or
3 any other pay or benefit, other than pay for active duty,
4 for service in any branch of the armed forces of the United
5 States. If necessary to the computation of any benefit, the
6 board shall establish municipality credits for
7 participating employees under this paragraph on the
8 assumption that the employee received earnings at the rate
9 received at the time he left the employment to enter the
10 armed forces. A participating employee in the armed forces
11 shall not be considered an employee during such period of
12 service and no additional death and no disability benefits
13 are payable for death or disability during such period.

14 Any participating employee who left his employment
15 with a municipality or participating instrumentality to
16 serve in the armed forces of the United States and who
17 again became a participating employee within 90 days after
18 completion of full time active duty by entering the service
19 of a different municipality or participating
20 instrumentality, which has elected to allow creditable
21 service for periods of military service under the preceding
22 paragraph, shall also be allowed creditable service for his
23 period of military service on the same terms that would
24 apply if he had been employed, before entering military
25 service, by the municipality or instrumentality which
26 employed him after he left the military service and the

1 employer costs arising in relation to such grant of
2 creditable service shall be charged to and paid by that
3 municipality or instrumentality.

4 Notwithstanding the foregoing, any participating
5 employee shall be entitled to creditable service as
6 required by any federal law relating to re-employment
7 rights of persons who served in the United States Armed
8 Services. Such creditable service shall be granted upon
9 payment by the member of an amount equal to the employee
10 contributions which would have been required had the
11 employee continued in service at the same rate of earnings
12 during the military leave period, plus interest at the
13 effective rate.

14 5.1. In addition to any creditable service established
15 under paragraph 5 of this subsection (a), creditable
16 service may be granted for up to 48 months of service in
17 the armed forces of the United States.

18 In order to receive creditable service for military
19 service under this paragraph 5.1, a participating employee
20 must (1) apply to the Fund in writing and provide evidence
21 of the military service that is satisfactory to the Board;
22 (2) obtain the written approval of the current employer;
23 and (3) make contributions to the Fund equal to (i) the
24 employee contributions that would have been required had
25 the service been rendered as a member, plus (ii) an amount
26 determined by the board to be equal to the employer's

1 normal cost of the benefits accrued for that military
2 service, plus (iii) interest on items (i) and (ii) from the
3 date of first membership in the Fund to the date of
4 payment. The required interest shall be calculated at the
5 regular interest rate.

6 The changes made to this paragraph 5.1 by Public Acts
7 95-483 and 95-486 apply only to participating employees in
8 service on or after August 28, 2007 (the effective date of
9 those Public Acts).

10 6. For out-of-state service: Creditable service shall
11 be granted for service rendered to an out-of-state local
12 governmental body under the following conditions: The
13 employee had participated and has irrevocably forfeited
14 all rights to benefits in the out-of-state public employees
15 pension system; the governing body of his participating
16 municipality or instrumentality authorizes the employee to
17 establish such service; the employee has 2 years current
18 service with this municipality or participating
19 instrumentality; the employee makes a payment of
20 contributions, which shall be computed at 8% (normal) plus
21 2% (survivor) times length of service purchased times the
22 average rate of earnings for the first 2 years of service
23 with the municipality or participating instrumentality
24 whose governing body authorizes the service established
25 plus interest at the effective rate on the date such
26 credits are established, payable from the date the employee

1 completes the required 2 years of current service to date
2 of payment. In no case shall more than 120 months of
3 creditable service be granted under this provision.

4 7. For retroactive service: Any employee who could have
5 but did not elect to become a participating employee, or
6 who should have been a participant in the Municipal Public
7 Utilities Annuity and Benefit Fund before that fund was
8 superseded, may receive creditable service for the period
9 of service not to exceed 50 months; however, a current or
10 former elected or appointed official of a participating
11 municipality may establish credit under this paragraph 7
12 for more than 50 months of service as an official of that
13 municipality, if the excess over 50 months is approved by
14 resolution of the governing body of the affected
15 municipality filed with the Fund before January 1, 2002.

16 Any employee who is a participating employee on or
17 after September 24, 1981 and who was excluded from
18 participation by the age restrictions removed by Public Act
19 82-596 may receive creditable service for the period, on or
20 after January 1, 1979, excluded by the age restriction and,
21 in addition, if the governing body of the participating
22 municipality or participating instrumentality elects to
23 allow creditable service for all employees excluded by the
24 age restriction prior to January 1, 1979, for service
25 during the period prior to that date excluded by the age
26 restriction. Any employee who was excluded from

1 participation by the age restriction removed by Public Act
2 82-596 and who is not a participating employee on or after
3 September 24, 1981 may receive creditable service for
4 service after January 1, 1979. Creditable service under
5 this paragraph shall be granted upon payment of the
6 employee contributions which would have been required had
7 he participated, with interest at the effective rate for
8 each year from the end of the period of service established
9 to date of payment.

10 8. For accumulated unused sick leave: A participating
11 employee who first becomes a participating employee before
12 the effective date of this amendatory Act of the 97th
13 General Assembly and who is applying for a retirement
14 annuity shall be entitled to creditable service for that
15 portion of the employee's accumulated unused sick leave for
16 which payment is not received, as follows:

17 a. Sick leave days shall be limited to those
18 accumulated under a sick leave plan established by a
19 participating municipality or participating
20 instrumentality which is available to all employees or
21 a class of employees.

22 b. Except as provided in item b-1, only sick leave
23 days accumulated with a participating municipality or
24 participating instrumentality with which the employee
25 was in service within 60 days of the effective date of
26 his retirement annuity shall be credited; If the

1 employee was in service with more than one employer
2 during this period only the sick leave days with the
3 employer with which the employee has the greatest
4 number of unpaid sick leave days shall be considered.

5 b-1. If the employee was in the service of more
6 than one employer as defined in item (2) of paragraph
7 (a) of subsection (A) of Section 7-132, then the sick
8 leave days from all such employers shall be credited,
9 as long as the creditable service attributed to those
10 sick leave days does not exceed the limitation in item
11 f of this paragraph 8. In calculating the creditable
12 service under this item b-1, the sick leave days from
13 the last employer shall be considered first, then the
14 remaining sick leave days shall be considered until
15 there are no more days or the maximum creditable sick
16 leave threshold under item f of this paragraph 8 has
17 been reached.

18 c. The creditable service granted shall be
19 considered solely for the purpose of computing the
20 amount of the retirement annuity and shall not be used
21 to establish any minimum service period required by any
22 provision of the Illinois Pension Code, the effective
23 date of the retirement annuity, or the final rate of
24 earnings.

25 d. The creditable service shall be at the rate of
26 1/20 of a month for each full sick day, provided that

1 no more than 12 months may be credited under this
2 subdivision 8.

3 e. Employee contributions shall not be required
4 for creditable service under this subdivision 8.

5 f. Each participating municipality and
6 participating instrumentality with which an employee
7 has service within 60 days of the effective date of his
8 retirement annuity shall certify to the board the
9 number of accumulated unpaid sick leave days credited
10 to the employee at the time of termination of service.

11 9. For service transferred from another system:
12 Credits and creditable service shall be granted for service
13 under Article 3, 4, 5, 8, 14, or 16 of this Act, to any
14 active member of this Fund, and to any inactive member who
15 has been a county sheriff, upon transfer of such credits
16 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,
17 14-105.6, or 16-131.4, and payment by the member of the
18 amount by which (1) the employer and employee contributions
19 that would have been required if he had participated in
20 this Fund as a sheriff's law enforcement employee during
21 the period for which credit is being transferred, plus
22 interest thereon at the effective rate for each year,
23 compounded annually, from the date of termination of the
24 service for which credit is being transferred to the date
25 of payment, exceeds (2) the amount actually transferred to
26 the Fund. Such transferred service shall be deemed to be

1 service as a sheriff's law enforcement employee for the
2 purposes of Section 7-142.1.

3 10. For service transferred from an Article 3 system
4 under Section 3-110.8: Credits and creditable service
5 shall be granted for service under Article 3 of this Act as
6 provided in Section 3-110.8, to any active member of this
7 Fund upon transfer of such credits pursuant to Section
8 3-110.8. If the amount by which (1) the employer and
9 employee contributions that would have been required if he
10 had participated in this Fund during the period for which
11 credit is being transferred, plus interest thereon at the
12 effective rate for each year, compounded annually, from the
13 date of termination of the service for which credit is
14 being transferred to the date of payment, exceeds (2) the
15 amount actually transferred to the Fund, then the amount of
16 creditable service established under this paragraph 10
17 shall be reduced by a corresponding amount in accordance
18 with the rules and procedures established under this
19 paragraph 10.

20 The board shall establish by rule the manner of making
21 the calculation required under this paragraph 10, taking
22 into account the appropriate actuarial assumptions; the
23 member's service, age, and salary history; the level of
24 funding of the employer; and any other factors that the
25 board determines to be relevant.

26 Until January 1, 2010, members who transferred service

1 from an Article 3 system under the provisions of Public Act
2 94-356 may establish additional credit in this Fund, but
3 only up to the amount of the service credit reduction in
4 that transfer, as calculated under the actuarial
5 assumptions. This credit may be established upon payment by
6 the member of an amount to be determined by the board,
7 equal to (1) the amount that would have been contributed as
8 employee and employer contributions had all the service
9 been as an employee under this Article, plus interest
10 thereon compounded annually from the date of service to the
11 date of transfer, less (2) the total amount transferred
12 from the Article 3 system, plus (3) interest on the
13 difference at the effective rate for each year, compounded
14 annually, from the date of the transfer to the date of
15 payment. The additional service credit is allowed under
16 this amendatory Act of the 95th General Assembly
17 notwithstanding the provisions of Article 3 terminating
18 all transferred credits on the date of transfer.

19 (b) Creditable service - amount:

20 1. One month of creditable service shall be allowed for
21 each month for which a participating employee made
22 contributions as required under Section 7-173, or for which
23 creditable service is otherwise granted hereunder. Not
24 more than 1 month of service shall be credited and counted
25 for 1 calendar month, and not more than 1 year of service
26 shall be credited and counted for any calendar year. A

1 calendar month means a nominal month beginning on the first
2 day thereof, and a calendar year means a year beginning
3 January 1 and ending December 31.

4 2. A seasonal employee shall be given 12 months of
5 creditable service if he renders the number of months of
6 service normally required by the position in a 12-month
7 period and he remains in service for the entire 12-month
8 period. Otherwise a fractional year of service in the
9 number of months of service rendered shall be credited.

10 3. An intermittent employee shall be given creditable
11 service for only those months in which a contribution is
12 made under Section 7-173.

13 (c) No application for correction of credits or creditable
14 service shall be considered unless the board receives an
15 application for correction while (1) the applicant is a
16 participating employee and in active employment with a
17 participating municipality or instrumentality, or (2) while
18 the applicant is actively participating in a pension fund or
19 retirement system which is a participating system under the
20 Retirement Systems Reciprocal Act. A participating employee or
21 other applicant shall not be entitled to credits or creditable
22 service unless the required employee contributions are made in
23 a lump sum or in installments made in accordance with board
24 rule.

25 (d) Upon the granting of a retirement, surviving spouse or
26 child annuity, a death benefit or a separation benefit, on

1 account of any employee, all individual accumulated credits
2 shall thereupon terminate. Upon the withdrawal of additional
3 contributions, the credits applicable thereto shall thereupon
4 terminate. Terminated credits shall not be applied to increase
5 the benefits any remaining employee would otherwise receive
6 under this Article.

7 (Source: P.A. 96-299, eff. 8-11-09; 97-415, eff. 8-16-11.)

8 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

9 Sec. 9-219. Computation of service.

10 (1) In computing the term of service of an employee prior
11 to the effective date, the entire period beginning on the date
12 he was first appointed and ending on the day before the
13 effective date, except any intervening period during which he
14 was separated by withdrawal from service, shall be counted for
15 all purposes of this Article.

16 (2) In computing the term of service of any employee on or
17 after the effective date, the following periods of time shall
18 be counted as periods of service for age and service, widow's
19 and child's annuity purposes:

20 (a) The time during which he performed the duties of
21 his position.

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

25 (c) For an employee who is a member of a county police

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

17 For a former member of a county police department who
18 has received a refund under Section 9-164, periods during
19 which the employee serves as head of an employee
20 association, the membership of which consists of other
21 police officers, provided that the employee contributes to
22 the Fund (1) the amount that he would have contributed had
23 he remained an active member of the county police
24 department in the position he occupied at the time he left
25 service, (2) an amount calculated by the Board representing
26 employer contributions, and (3) regular interest thereon

1 from the date of service to the date of payment. However,
2 if the former member of the county police department
3 retires on or after January 1, 1993 but no later than March
4 1, 1993, the amount representing employer contributions
5 specified in item (2) shall be waived.

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

8 (e) For a person who first becomes an employee before
9 the effective date of this amendatory Act of the 97th
10 General Assembly, accumulated ~~Accumulated~~ vacation or
11 other time for which an employee who retires on or after
12 November 1, 1990 receives a lump sum payment at the time of
13 retirement, provided that contributions were made to the
14 fund at the time such lump sum payment was received. The
15 service granted for the lump sum payment shall not change
16 the employee's date of withdrawal for computing the
17 effective date of the annuity.

18 (f) An employee who first becomes an employee before
19 the effective date of this amendatory Act of the 97th
20 General Assembly may receive service credit for annuity
21 purposes for accumulated sick leave as of the date of the
22 employee's withdrawal from service, not to exceed a total
23 of 180 days, provided that the amount of such accumulated
24 sick leave is certified by the County Comptroller to the
25 Board and the employee pays an amount equal to 8.5% (9% for
26 members of the County Police Department who are eligible to

1 receive an annuity under Section 9-128.1) of the amount
2 that would have been paid had such accumulated sick leave
3 been paid at the employee's final rate of salary. Such
4 payment shall be made within 30 days after the date of
5 withdrawal and prior to receipt of the first annuity check.
6 The service credit granted for such accumulated sick leave
7 shall not change the employee's date of withdrawal for the
8 purpose of computing the effective date of the annuity.

9 (3) In computing the term of service of an employee on or
10 after the effective date for ordinary disability benefit
11 purposes, the following periods of time shall be counted as
12 periods of service:

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

15 (b) Paid vacations and leaves of absence with whole or
16 part pay.

17 (c) Any period for which he received duty disability
18 benefit.

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

21 (4) For an employee who on January 1, 1958, was transferred
22 by Act of the 70th General Assembly from his position in a
23 department of welfare of any city located in the county in
24 which this Article is in force and effect to a similar position
25 in a department of such county, service shall also be credited
26 for ordinary disability benefit and child's annuity for such

1 period of department of welfare service during which period he
2 was a contributor to a statutory annuity and benefit fund in
3 such city and for which purposes service credit would otherwise
4 not be credited by virtue of such involuntary transfer.

5 (5) An employee described in subsection (e) of Section
6 9-108 shall receive credit for child's annuity and ordinary
7 disability benefit for the period of time for which he was
8 credited with service in the fund from which he was
9 involuntarily separated through class or group transfer;
10 provided, that no such credit shall be allowed to the extent
11 that it results in a duplication of credits or benefits, and
12 neither shall such credit be allowed to the extent that it was
13 or may be forfeited by the application for and acceptance of a
14 refund from the fund from which the employee was transferred.

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

18 (7) Unused sick or vacation time shall not be used to
19 compute the service of an employee who first becomes an
20 employee on or after the effective date of this amendatory Act
21 of the 97th General Assembly.

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

23 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

24 Sec. 9-220. Basis of service credit.

25 (a) In computing the period of service of any employee for

1 annuity purposes under Section 9-134, the following provisions
2 shall govern:

3 (1) All periods prior to the effective date shall be
4 computed in accordance with the provisions governing the
5 computation of such service.

6 (2) Service on or after the effective date shall
7 include:

8 (i) The actual period of time the employee
9 contributes or has contributed to the fund for service
10 rendered to age 65 plus the actual period of time after
11 age 65 for which the employee performs the duties of
12 his position or performs such duties and is given a
13 county contribution for age and service annuity or
14 minimum annuity purposes.

15 (ii) Leaves of absence from duty, or vacation, for
16 which an employee receives all or part of his salary.

17 (iii) For a person who first becomes an employee
18 before the effective date of this amendatory Act of the
19 97th General Assembly, accumulated ~~Accumulated~~
20 vacation or other time for which an employee who
21 retires on or after November 1, 1990 receives a lump
22 sum payment at the time of retirement, provided that
23 contributions were made to the fund at the time such
24 lump sum payment was received. The service granted for
25 the lump sum payment shall not change the employee's
26 date of withdrawal for computing the effective date of

1 the annuity.

2 (iv) For a person who first becomes an employee
3 before the effective date of this amendatory Act of the
4 97th General Assembly, accumulated ~~Accumulated~~ sick
5 leave as of the date of the employee's withdrawal from
6 service, not to exceed a total of 180 days, provided
7 that the amount of such accumulated sick leave is
8 certified by the County Comptroller to the Board and
9 the employee pays an amount equal to 8.5% (9% for
10 members of the County Police Department who are
11 eligible to receive an annuity under Section 9-128.1)
12 of the amount that would have been paid had such
13 accumulated sick leave been paid at the employee's
14 final rate of salary. Such payment shall be made within
15 30 days after the date of withdrawal and prior to
16 receipt of the first annuity check. The service credit
17 granted for such accumulated sick leave shall not
18 change the employee's date of withdrawal for the
19 purpose of computing the effective date of the annuity.

20 (v) Periods during which the employee has had
21 contributions for annuity purposes made for him in
22 accordance with law while on military leave of absence
23 during World War II.

24 (vi) Periods during which the employee receives a
25 disability benefit under this Article.

26 (vii) For any person who first becomes a member on

1 or after January 1, 2011, the actual period of time the
2 employee contributes or has contributed to the fund for
3 service rendered up to the limitation on salary in
4 subsection (b-5) of Section 1-160 plus the actual
5 period of time thereafter for which the employee
6 performs the duties of his position and ceased
7 contributing due to the salary limitation in
8 subsection (b-5) of Section 1-160.

9 (3) The right to have certain periods of time
10 considered as service as stated in paragraph (2) of Section
11 9-164 shall not apply for annuity purposes unless the
12 refunds shall have been repaid in accordance with this
13 Article.

14 (4) All service shall be computed in whole calendar
15 months, and at least 15 days of service in any one calendar
16 month shall constitute one calendar month of service, and 1
17 year of service shall be equal to the number of months,
18 days or hours for which an appropriation was made in the
19 annual appropriation ordinance for the position held by the
20 employee.

21 (5) Unused sick or vacation time shall not be used to
22 compute the service of an employee who first becomes an
23 employee on or after the effective date of this amendatory
24 Act of the 97th General Assembly.

25 (b) For all other annuity purposes of this Article the
26 following schedule shall govern the computation of a year of

1 service of an employee whose salary or wages is on the basis
2 stated, and any fractional part of a year of service shall be
3 determined according to said schedule:

4 Annual or Monthly Basis: Service during 4 months in any 1
5 calendar year;

6 Weekly Basis: Service during any 17 weeks of any 1 calendar
7 year, and service during any week shall constitute a week of
8 service;

9 Daily Basis: Service during 100 days in any 1 calendar
10 year, and service during any day shall constitute a day of
11 service;

12 Hourly Basis: Service during 800 hours in any 1 calendar
13 year, and service during any hour shall constitute an hour of
14 service.

15 (Source: P.A. 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/14-104.3) (from Ch. 108 1/2, par. 14-104.3)

17 Sec. 14-104.3. Notwithstanding provisions contained in
18 Section 14-103.10, any person who first becomes a member before
19 the effective date of this amendatory Act of the 97th General
20 Assembly and who at the time of retirement and after December
21 6, 1983 receives compensation in a lump sum for accumulated
22 vacation, sickness, or personal business may receive service
23 credit for such periods by making contributions within 90 days
24 of withdrawal, based on the rate of compensation in effect
25 immediately prior to retirement and the contribution rate then

1 in effect. Any person who first becomes a member on or after
2 the effective date of this amendatory Act of the 97th General
3 Assembly and who receives compensation in a lump sum for
4 accumulated vacation, sickness, or personal business may not
5 receive service credit for such periods. Exercising the option
6 provided in this Section shall not change a member's date of
7 withdrawal or final average compensation for purposes of
8 computing the amount or effective date of a retirement annuity.
9 Any annuitant who establishes service credit as herein provided
10 shall have his retirement annuity adjusted retroactively to the
11 date of retirement.

12 (Source: P.A. 83-1362.)

13 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

14 Sec. 14-106. Membership service credit.

15 (a) After January 1, 1944, all service of a member since he
16 last became a member with respect to which contributions are
17 made shall count as membership service; provided, that for
18 service on and after July 1, 1950, 12 months of service shall
19 constitute a year of membership service, the completion of 15
20 days or more of service during any month shall constitute 1
21 month of membership service, 8 to 15 days shall constitute 1/2
22 month of membership service and less than 8 days shall
23 constitute 1/4 month of membership service. The payroll record
24 of each department shall constitute conclusive evidence of the
25 record of service rendered by a member.

1 (b) For a member who is employed and paid on an
2 academic-year basis rather than on a 12-month annual basis,
3 employment for a full academic year shall constitute a full
4 year of membership service, except that the member shall not
5 receive more than one year of membership service credit (plus
6 any additional service credit granted for unused sick leave)
7 for service during any 12-month period. This subsection (b)
8 applies to all such service for which the member has not begun
9 to receive a retirement annuity before January 1, 2001.

10 (c) A person who first becomes a member before the
11 effective date of this amendatory Act of the 97th General
12 Assembly shall be entitled to additional service credit, under
13 rules prescribed by the Board, for accumulated unused sick
14 leave credited to his account in the last Department on the
15 date of withdrawal from service or for any period for which he
16 would have been eligible to receive benefits under a sick pay
17 plan authorized by law, if he had suffered a sickness or
18 accident on the date of withdrawal from service. It shall be
19 the responsibility of the last Department to certify to the
20 Board the length of time salary or benefits would have been
21 paid to the member based upon the accumulated unused sick leave
22 or the applicable sick pay plan if he had become entitled
23 thereto because of sickness on the date that his status as an
24 employee terminated. This period of service credit granted
25 under this paragraph shall not be considered in determining the
26 date the retirement annuity is to begin, or final average

1 compensation.

2 (d) A person who first becomes a member on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly shall not be entitled to additional service credit for
5 accumulated unused sick leave.

6 (Source: P.A. 92-14, eff. 6-28-01.)

7 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

8 Sec. 15-112. Final rate of earnings.

9 "Final rate of earnings":

10 (a) This subsection (a) applies only to a person who first
11 becomes a participant of any system before January 1, 2011.

12 For an employee who is paid on an hourly basis or who
13 receives an annual salary in installments during 12 months of
14 each academic year, the average annual earnings during the 48
15 consecutive calendar month period ending with the last day of
16 final termination of employment or the 4 consecutive academic
17 years of service in which the employee's earnings were the
18 highest, whichever is greater. For any other employee, the
19 average annual earnings during the 4 consecutive academic years
20 of service in which his or her earnings were the highest. For
21 an employee with less than 48 months or 4 consecutive academic
22 years of service, the average earnings during his or her entire
23 period of service. The earnings of an employee with more than
24 36 months of service prior to the date of becoming a
25 participant are, for such period, considered equal to the

1 average earnings during the last 36 months of such service.

2 (b) This subsection (b) applies to a person to whom
3 subsection (a) does not apply.

4 For an employee who is paid on an hourly basis or who
5 receives an annual salary in installments during 12 months of
6 each academic year, the average annual earnings obtained by
7 dividing by 8 the total earnings of the employee during the 96
8 consecutive months in which the total earnings were the highest
9 within the last 120 months prior to termination.

10 For any other employee, the average annual earnings during
11 the 8 consecutive academic years within the 10 years prior to
12 termination in which the employee's earnings were the highest.
13 For an employee with less than 96 consecutive months or 8
14 consecutive academic years of service, whichever is necessary,
15 the average earnings during his or her entire period of
16 service.

17 (c) For an employee on leave of absence with pay, or on
18 leave of absence without pay who makes contributions during
19 such leave, earnings are assumed to be equal to the basic
20 compensation on the date the leave began.

21 (d) For an employee on disability leave, earnings are
22 assumed to be equal to the basic compensation on the date
23 disability occurs or the average earnings during the 24 months
24 immediately preceding the month in which disability occurs,
25 whichever is greater.

26 (e) For a participant who retires on or after the effective

1 date of this amendatory Act of 1997 with at least 20 years of
2 service as a firefighter or police officer under this Article,
3 the final rate of earnings shall be the annual rate of earnings
4 received by the participant on his or her last day as a
5 firefighter or police officer under this Article, if that is
6 greater than the final rate of earnings as calculated under the
7 other provisions of this Section.

8 (f) If a participant to whom subsection (a) of this Section
9 applies is an employee for at least 6 months during the
10 academic year in which his or her employment is terminated, the
11 annual final rate of earnings shall be 25% of the sum of (1)
12 the annual basic compensation for that year, and (2) the amount
13 earned during the 36 months immediately preceding that year, if
14 this is greater than the final rate of earnings as calculated
15 under the other provisions of this Section.

16 (g) In the determination of the final rate of earnings for
17 an employee, that part of an employee's earnings for any
18 academic year beginning after June 30, 1997, which exceeds the
19 employee's earnings with that employer for the preceding year
20 by more than 20 percent shall be excluded; in the event that an
21 employee has more than one employer this limitation shall be
22 calculated separately for the earnings with each employer. In
23 making such calculation, only the basic compensation of
24 employees shall be considered, without regard to vacation or
25 overtime or to contracts for summer employment.

26 (h) The following are not considered as earnings in

1 determining final rate of earnings: (1) severance or separation
2 pay, (2) retirement pay, (3) payment for unused sick leave, and
3 (4) payments from an employer for the period used in
4 determining final rate of earnings for any purpose other than
5 (i) services rendered, (ii) leave of absence or vacation
6 granted during that period, and (iii) vacation of up to 56 work
7 days allowed upon termination of employment; except that, if
8 the benefit has been collectively bargained between the
9 employer and the recognized collective bargaining agent
10 pursuant to the Illinois Educational Labor Relations Act,
11 payment received during a period of up to 2 academic years for
12 unused sick leave may be considered as earnings in accordance
13 with the applicable collective bargaining agreement, subject
14 to the 20% increase limitation of this Section, and if the
15 person first becomes a participant on or after the effective
16 date of this amendatory Act of the 97th General Assembly,
17 payments for unused sick or vacation time shall not be
18 considered as earnings. Any unused sick leave considered as
19 earnings under this Section shall not be taken into account in
20 calculating service credit under Section 15-113.4.

21 (i) Intermittent periods of service shall be considered as
22 consecutive in determining final rate of earnings.

23 (Source: P.A. 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

25 Sec. 15-113.4. Service for unused sick leave. "Service for

1 unused sick leave": A person who first becomes a participant
2 before the effective date of this amendatory Act of the 97th
3 General Assembly and who is an employee under this System or
4 one of the other systems subject to Article 20 of this Code
5 within 60 days immediately preceding the date on which his or
6 her retirement annuity begins, is entitled to credit for
7 service for that portion of unused sick leave earned in the
8 course of employment with an employer and credited on the date
9 of termination of employment by an employer for which payment
10 is not received, in accordance with the following schedule: 30
11 through 90 full calendar days and 20 through 59 full work days
12 of unused sick leave, 1/4 of a year of service; 91 through 180
13 full calendar days and 60 through 119 full work days, 1/2 of a
14 year of service; 181 through 270 full calendar days and 120
15 through 179 full work days, 3/4 of a year of service; 271
16 through 360 full calendar days and 180 through 240 full work
17 days, one year of service. Only uncompensated, unused sick
18 leave earned in accordance with an employer's sick leave
19 accrual policy generally applicable to employees or a class of
20 employees shall be taken into account in calculating service
21 credit under this Section. Any uncompensated, unused sick leave
22 granted by an employer to facilitate the hiring, retirement,
23 termination, or other special circumstances of an employee
24 shall not be taken into account in calculating service credit
25 under this Section. If a participant transfers from one
26 employer to another, the unused sick leave credited by the

1 previous employer shall be considered in determining service to
2 be credited under this Section, even if the participant
3 terminated service prior to the effective date of P.A. 86-272
4 (August 23, 1989); if necessary, the retirement annuity shall
5 be recalculated to reflect such sick leave credit. Each
6 employer shall certify to the board the number of days of
7 unused sick leave accrued to the participant's credit on the
8 date that the participant's status as an employee terminated.
9 This period of unused sick leave shall not be considered in
10 determining the date the retirement annuity begins. A person
11 who first becomes a participant on or after the effective date
12 of this amendatory Act of the 97th General Assembly shall not
13 receive service credit for unused sick leave.

14 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

15 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

16 Sec. 16-121. Salary. "Salary": The actual compensation
17 received by a teacher during any school year and recognized by
18 the system in accordance with rules of the board. For purposes
19 of this Section, "school year" includes the regular school term
20 plus any additional period for which a teacher is compensated
21 and such compensation is recognized by the rules of the board.
22 In the case of a person who first becomes a member on or after
23 the effective date of this amendatory Act of the 97th General
24 Assembly, "salary" shall not include any payment for unused
25 sick or vacation time.

1 (Source: P.A. 84-1028.)

2 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

3 Sec. 16-127. Computation of creditable service.

4 (a) Each member shall receive regular credit for all
5 service as a teacher from the date membership begins, for which
6 satisfactory evidence is supplied and all contributions have
7 been paid.

8 (b) The following periods of service shall earn optional
9 credit and each member shall receive credit for all such
10 service for which satisfactory evidence is supplied and all
11 contributions have been paid as of the date specified:

12 (1) Prior service as a teacher.

13 (2) Service in a capacity essentially similar or
14 equivalent to that of a teacher, in the public common
15 schools in school districts in this State not included
16 within the provisions of this System, or of any other
17 State, territory, dependency or possession of the United
18 States, or in schools operated by or under the auspices of
19 the United States, or under the auspices of any agency or
20 department of any other State, and service during any
21 period of professional speech correction or special
22 education experience for a public agency within this State
23 or any other State, territory, dependency or possession of
24 the United States, and service prior to February 1, 1951 as
25 a recreation worker for the Illinois Department of Public

1 Safety, for a period not exceeding the lesser of 2/5 of the
2 total creditable service of the member or 10 years. The
3 maximum service of 10 years which is allowable under this
4 paragraph shall be reduced by the service credit which is
5 validated by other retirement systems under paragraph (i)
6 of Section 15-113 and paragraph 1 of Section 17-133. Credit
7 granted under this paragraph may not be used in
8 determination of a retirement annuity or disability
9 benefits unless the member has at least 5 years of
10 creditable service earned subsequent to this employment
11 with one or more of the following systems: Teachers'
12 Retirement System of the State of Illinois, State
13 Universities Retirement System, and the Public School
14 Teachers' Pension and Retirement Fund of Chicago. Whenever
15 such service credit exceeds the maximum allowed for all
16 purposes of this Article, the first service rendered in
17 point of time shall be considered. The changes to this
18 subdivision (b)(2) made by Public Act 86-272 shall apply
19 not only to persons who on or after its effective date
20 (August 23, 1989) are in service as a teacher under the
21 System, but also to persons whose status as such a teacher
22 terminated prior to such effective date, whether or not
23 such person is an annuitant on that date.

24 (3) Any periods immediately following teaching
25 service, under this System or under Article 17, (or
26 immediately following service prior to February 1, 1951 as

1 a recreation worker for the Illinois Department of Public
2 Safety) spent in active service with the military forces of
3 the United States; periods spent in educational programs
4 that prepare for return to teaching sponsored by the
5 federal government following such active military service;
6 if a teacher returns to teaching service within one
7 calendar year after discharge or after the completion of
8 the educational program, a further period, not exceeding
9 one calendar year, between time spent in military service
10 or in such educational programs and the return to
11 employment as a teacher under this System; and a period of
12 up to 2 years of active military service not immediately
13 following employment as a teacher.

14 The changes to this Section and Section 16-128 relating
15 to military service made by P.A. 87-794 shall apply not
16 only to persons who on or after its effective date are in
17 service as a teacher under the System, but also to persons
18 whose status as a teacher terminated prior to that date,
19 whether or not the person is an annuitant on that date. In
20 the case of an annuitant who applies for credit allowable
21 under this Section for a period of military service that
22 did not immediately follow employment, and who has made the
23 required contributions for such credit, the annuity shall
24 be recalculated to include the additional service credit,
25 with the increase taking effect on the date the System
26 received written notification of the annuitant's intent to

1 purchase the credit, if payment of all the required
2 contributions is made within 60 days of such notice, or
3 else on the first annuity payment date following the date
4 of payment of the required contributions. In calculating
5 the automatic annual increase for an annuity that has been
6 recalculated under this Section, the increase attributable
7 to the additional service allowable under P.A. 87-794 shall
8 be included in the calculation of automatic annual
9 increases accruing after the effective date of the
10 recalculation.

11 Credit for military service shall be determined as
12 follows: if entry occurs during the months of July, August,
13 or September and the member was a teacher at the end of the
14 immediately preceding school term, credit shall be granted
15 from July 1 of the year in which he or she entered service;
16 if entry occurs during the school term and the teacher was
17 in teaching service at the beginning of the school term,
18 credit shall be granted from July 1 of such year. In all
19 other cases where credit for military service is allowed,
20 credit shall be granted from the date of entry into the
21 service.

22 The total period of military service for which credit
23 is granted shall not exceed 5 years for any member unless
24 the service: (A) is validated before July 1, 1964, and (B)
25 does not extend beyond July 1, 1963. Credit for military
26 service shall be granted under this Section only if not

1 more than 5 years of the military service for which credit
2 is granted under this Section is used by the member to
3 qualify for a military retirement allotment from any branch
4 of the armed forces of the United States. The changes to
5 this subdivision (b) (3) made by Public Act 86-272 shall
6 apply not only to persons who on or after its effective
7 date (August 23, 1989) are in service as a teacher under
8 the System, but also to persons whose status as such a
9 teacher terminated prior to such effective date, whether or
10 not such person is an annuitant on that date.

11 (4) Any periods served as a member of the General
12 Assembly.

13 (5) (i) Any periods for which a teacher, as defined in
14 Section 16-106, is granted a leave of absence, provided he
15 or she returns to teaching service creditable under this
16 System or the State Universities Retirement System
17 following the leave; (ii) periods during which a teacher is
18 involuntarily laid off from teaching, provided he or she
19 returns to teaching following the lay-off; (iii) periods
20 prior to July 1, 1983 during which a teacher ceased covered
21 employment due to pregnancy, provided that the teacher
22 returned to teaching service creditable under this System
23 or the State Universities Retirement System following the
24 pregnancy and submits evidence satisfactory to the Board
25 documenting that the employment ceased due to pregnancy;
26 and (iv) periods prior to July 1, 1983 during which a

1 teacher ceased covered employment for the purpose of
2 adopting an infant under 3 years of age or caring for a
3 newly adopted infant under 3 years of age, provided that
4 the teacher returned to teaching service creditable under
5 this System or the State Universities Retirement System
6 following the adoption and submits evidence satisfactory
7 to the Board documenting that the employment ceased for the
8 purpose of adopting an infant under 3 years of age or
9 caring for a newly adopted infant under 3 years of age.
10 However, total credit under this paragraph (5) may not
11 exceed 3 years.

12 Any qualified member or annuitant may apply for credit
13 under item (iii) or (iv) of this paragraph (5) without
14 regard to whether service was terminated before the
15 effective date of this amendatory Act of 1997. In the case
16 of an annuitant who establishes credit under item (iii) or
17 (iv), the annuity shall be recalculated to include the
18 additional service credit. The increase in annuity shall
19 take effect on the date the System receives written
20 notification of the annuitant's intent to purchase the
21 credit, if the required evidence is submitted and the
22 required contribution paid within 60 days of that
23 notification, otherwise on the first annuity payment date
24 following the System's receipt of the required evidence and
25 contribution. The increase in an annuity recalculated
26 under this provision shall be included in the calculation

1 of automatic annual increases in the annuity accruing after
2 the effective date of the recalculation.

3 Optional credit may be purchased under this subsection
4 (b) (5) for periods during which a teacher has been granted
5 a leave of absence pursuant to Section 24-13 of the School
6 Code. A teacher whose service under this Article terminated
7 prior to the effective date of P.A. 86-1488 shall be
8 eligible to purchase such optional credit. If a teacher who
9 purchases this optional credit is already receiving a
10 retirement annuity under this Article, the annuity shall be
11 recalculated as if the annuitant had applied for the leave
12 of absence credit at the time of retirement. The difference
13 between the entitled annuity and the actual annuity shall
14 be credited to the purchase of the optional credit. The
15 remainder of the purchase cost of the optional credit shall
16 be paid on or before April 1, 1992.

17 The change in this paragraph made by Public Act 86-273
18 shall be applicable to teachers who retire after June 1,
19 1989, as well as to teachers who are in service on that
20 date.

21 (6) For a person who first becomes a member before the
22 effective date of this amendatory Act of the 97th General
23 Assembly, any ~~Any~~ days of unused and uncompensated
24 accumulated sick leave earned by a teacher. The service
25 credit granted under this paragraph shall be the ratio of
26 the number of unused and uncompensated accumulated sick

1 leave days to 170 days, subject to a maximum of 2 years of
2 service credit. Prior to the member's retirement, each
3 former employer shall certify to the System the number of
4 unused and uncompensated accumulated sick leave days
5 credited to the member at the time of termination of
6 service. The period of unused sick leave shall not be
7 considered in determining the effective date of
8 retirement. A member is not required to make contributions
9 in order to obtain service credit for unused sick leave.

10 Credit for sick leave shall, at retirement, be granted
11 by the System for any retiring regional or assistant
12 regional superintendent of schools who first becomes a
13 member before the effective date of this amendatory Act of
14 the 97th General Assembly at the rate of 6 days per year of
15 creditable service or portion thereof established while
16 serving as such superintendent or assistant
17 superintendent.

18 (7) Periods prior to February 1, 1987 served as an
19 employee of the Illinois Mathematics and Science Academy
20 for which credit has not been terminated under Section
21 15-113.9 of this Code.

22 (8) Service as a substitute teacher for work performed
23 prior to July 1, 1990.

24 (9) Service as a part-time teacher for work performed
25 prior to July 1, 1990.

26 (10) Up to 2 years of employment with Southern Illinois

1 University - Carbondale from September 1, 1959 to August
2 31, 1961, or with Governors State University from September
3 1, 1972 to August 31, 1974, for which the teacher has no
4 credit under Article 15. To receive credit under this item
5 (10), a teacher must apply in writing to the Board and pay
6 the required contributions before May 1, 1993 and have at
7 least 12 years of service credit under this Article.

8 (b-1) A member may establish optional credit for up to 2
9 years of service as a teacher or administrator employed by a
10 private school recognized by the Illinois State Board of
11 Education, provided that the teacher (i) was certified under
12 the law governing the certification of teachers at the time the
13 service was rendered, (ii) applies in writing on or after
14 August 1, 2009 and on or before August 1, 2012, (iii) supplies
15 satisfactory evidence of the employment, (iv) completes at
16 least 10 years of contributing service as a teacher as defined
17 in Section 16-106, and (v) pays the contribution required in
18 subsection (d-5) of Section 16-128. The member may apply for
19 credit under this subsection and pay the required contribution
20 before completing the 10 years of contributing service required
21 under item (iv), but the credit may not be used until the item
22 (iv) contributing service requirement has been met.

23 (c) The service credits specified in this Section shall be
24 granted only if: (1) such service credits are not used for
25 credit in any other statutory tax-supported public employee
26 retirement system other than the federal Social Security

1 program; and (2) the member makes the required contributions as
2 specified in Section 16-128. Except as provided in subsection
3 (b-1) of this Section, the service credit shall be effective as
4 of the date the required contributions are completed.

5 Any service credits granted under this Section shall
6 terminate upon cessation of membership for any cause.

7 Credit may not be granted under this Section covering any
8 period for which an age retirement or disability retirement
9 allowance has been paid.

10 (Source: P.A. 96-546, eff. 8-17-09.)

11 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

12 Sec. 17-116. Service retirement pension.

13 (a) Each teacher having 20 years of service upon attainment
14 of age 55, or who thereafter attains age 55 shall be entitled
15 to a service retirement pension upon or after attainment of age
16 55; and each teacher in service on or after July 1, 1971, with
17 5 or more but less than 20 years of service shall be entitled
18 to receive a service retirement pension upon or after
19 attainment of age 62.

20 (b) The service retirement pension for a teacher who
21 retires on or after June 25, 1971, at age 60 or over, shall be
22 calculated as follows:

23 (1) For creditable service earned before July 1, 1998
24 that has not been augmented under Section 17-119.1: 1.67%
25 for each of the first 10 years of service; 1.90% for each

1 of the next 10 years of service; 2.10% for each year of
2 service in excess of 20 but not exceeding 30; and 2.30% for
3 each year of service in excess of 30, based upon average
4 salary as herein defined.

5 (2) For creditable service earned on or after July 1,
6 1998 by a member who has at least 30 years of creditable
7 service on July 1, 1998 and who does not elect to augment
8 service under Section 17-119.1: 2.3% of average salary for
9 each year of creditable service earned on or after July 1,
10 1998.

11 (3) For all other creditable service: 2.2% of average
12 salary for each year of creditable service.

13 (c) When computing such service retirement pensions, the
14 following conditions shall apply:

15 1. Average salary shall consist of the average annual
16 rate of salary for the 4 consecutive years of validated
17 service within the last 10 years of service when such
18 average annual rate was highest. In the determination of
19 average salary for retirement allowance purposes, for
20 members who commenced employment after August 31, 1979,
21 that part of the salary for any year shall be excluded
22 which exceeds the annual full-time salary rate for the
23 preceding year by more than 20%. In the case of a member
24 who commenced employment before August 31, 1979 and who
25 receives salary during any year after September 1, 1983
26 which exceeds the annual full time salary rate for the

1 preceding year by more than 20%, an Employer and other
2 employers of eligible contributors as defined in Section
3 17-106 shall pay to the Fund an amount equal to the present
4 value of the additional service retirement pension
5 resulting from such excess salary. The present value of the
6 additional service retirement pension shall be computed by
7 the Board on the basis of actuarial tables adopted by the
8 Board. If a member elects to receive a pension from this
9 Fund provided by Section 20-121, his salary under the State
10 Universities Retirement System and the Teachers'
11 Retirement System of the State of Illinois shall be
12 considered in determining such average salary. Amounts
13 paid after the effective date of this amendatory Act of
14 1991 for unused vacation time earned after that effective
15 date shall not under any circumstances be included in the
16 calculation of average salary or the annual rate of salary
17 for the purposes of this Article.

18 2. Proportionate credit shall be given for validated
19 service of less than one year.

20 3. For retirement at age 60 or over the pension shall
21 be payable at the full rate.

22 4. For separation from service below age 60 to a
23 minimum age of 55, the pension shall be discounted at the
24 rate of 1/2 of one per cent for each month that the age of
25 the contributor is less than 60, but a teacher may elect to
26 defer the effective date of pension in order to eliminate

1 or reduce this discount. This discount shall not be
2 applicable to any participant who has at least 34 years of
3 service or a retirement pension of at least 74.6% of
4 average salary on the date the retirement annuity begins.

5 5. No additional pension shall be granted for service
6 exceeding 45 years. Beginning June 26, 1971 no pension
7 shall exceed the greater of \$1,500 per month or 75% of
8 average salary as herein defined.

9 6. Service retirement pensions shall begin on the
10 effective date of resignation, retirement, the day
11 following the close of the payroll period for which service
12 credit was validated, or the time the person resigning or
13 retiring attains age 55, or on a date elected by the
14 teacher, whichever shall be latest.

15 7. A member who is eligible to receive a retirement
16 pension of at least 74.6% of average salary and will attain
17 age 55 on or before December 31 during the year which
18 commences on July 1 shall be deemed to attain age 55 on the
19 preceding June 1.

20 8. A member retiring after the effective date of this
21 amendatory Act of 1998 shall receive a pension equal to 75%
22 of average salary if the member is qualified to receive a
23 retirement pension equal to at least 74.6% of average
24 salary under this Article or as proportional annuities
25 under Article 20 of this Code.

26 9. In the case of a person who first becomes a

1 participant on or after the effective date of this
2 amendatory Act of the 97th General Assembly, payments for
3 unused sick or vacation time shall not be used in the
4 calculation of average salary.

5 (Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

6 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

7 Sec. 17-134. Contributions for leaves of absence; military
8 service; computing service. In computing service for pension
9 purposes the following periods of service shall stand in lieu
10 of a like number of years of teaching service upon payment
11 therefor in the manner hereinafter provided: (a) time spent on
12 a leave of absence granted by the employer; (b) service with
13 teacher or labor organizations based upon special leaves of
14 absence therefor granted by an Employer; (c) a maximum of 5
15 years spent in the military service of the United States, of
16 which up to 2 years may have been served outside the pension
17 period; (d) unused sick days at termination of service to a
18 maximum of 244 days; (e) time lost due to layoff and
19 curtailment of the school term from June 6 through June 21,
20 1976; and (f) time spent after June 30, 1982 as a member of the
21 Board of Education, if required to resign from an
22 administrative or teaching position in order to qualify as a
23 member of the Board of Education.

24 (1) For time spent on or after September 6, 1948 on
25 sabbatical leaves of absence or sick leaves, for which

1 salaries are paid, an Employer shall make payroll
2 deductions at the applicable rates in effect during such
3 periods.

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

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

24 (4) For service with teacher or labor organizations
25 authorized by special leaves of absence, for which no
26 payroll deductions are made by an Employer, teachers

1 desiring service credit therefor shall contribute to the
2 Fund upon the basis of the actual salary received from such
3 organizations at the percentage rates in effect during such
4 periods for certified positions with such Employer. To the
5 extent the actual salary exceeds the regular salary, which
6 shall be defined as the salary rate, as calculated by the
7 Board, in effect for the teacher's regular position in
8 teaching service on September 1, 1983 or on the effective
9 date of the leave with the organization, whichever is
10 later, the organization shall pay to the Fund the
11 employer's normal cost as set by the Board on the
12 increment.

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

1 accrued from such service, plus interest thereon at 5% per
2 year, compounded annually, from the date of appointment to
3 the date of payment.

4 The changes to this Section made by Public Act 87-795
5 shall apply not only to persons who on or after its
6 effective date are in service under the Fund, but also to
7 persons whose status as a teacher terminated prior to that
8 date, whether or not the person is an annuitant on that
9 date. In the case of an annuitant who applies for credit
10 allowable under this Section for a period of military
11 service that did not immediately follow employment, and who
12 has made the required contributions for such credit, the
13 annuity shall be recalculated to include the additional
14 service credit, with the increase taking effect on the date
15 the Fund received written notification of the annuitant's
16 intent to purchase the credit, if payment of all the
17 required contributions is made within 60 days of such
18 notice, or else on the first annuity payment date following
19 the date of payment of the required contributions. In
20 calculating the automatic annual increase for an annuity
21 that has been recalculated under this Section, the increase
22 attributable to the additional service allowable under
23 this amendatory Act of 1991 shall be included in the
24 calculation of automatic annual increases accruing after
25 the effective date of the recalculation.

26 The total credit for military service shall not exceed

1 5 years, except that any teacher who on July 1, 1963, had
2 validated credit for more than 5 years of military service
3 shall be entitled to the total amount of such credit.

4 (6) For persons who first become teachers before the
5 effective date of this amendatory Act of the 97th General
6 Assembly, a ~~A~~ maximum of 244 unused sick days credited to
7 his account by an Employer on the date of termination of
8 employment. Members, upon verification of unused sick
9 days, may add this service time to total creditable
10 service.

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

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

1 year in which such a layoff occurred shall include the
2 compensation recognized for purposes of computing that
3 contribution.

4 (9) For time spent after June 30, 1982, as a
5 nonsalaried member of the Board of Education, if required
6 to resign from an administrative or teaching position in
7 order to qualify as a member of the Board of Education, an
8 administrator or teacher desiring credit therefor shall
9 pay the required contributions at the rates and salaries in
10 effect during such periods as though the member were in
11 service.

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

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

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