



Rep. Michael J. Madigan

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1 AMENDMENT TO HOUSE BILL 1165

2 AMENDMENT NO. _____. Amend House Bill 1165 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 2-119, 2-119.01, 14-107, 14-108, 14-110,
6 15-135, 15-136, 16-132, 16-133, and 16-133.2 as follows:

7 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

8 Sec. 2-119. Retirement annuity - conditions for
9 eligibility.

10 (a) A participant whose service as a member is terminated,
11 regardless of age or cause, is entitled to a retirement annuity
12 beginning on the date specified by the participant in a written
13 application subject to the following conditions:

14 1. The date the annuity begins does not precede the
15 date of final termination of service, or is not more than
16 30 days before the receipt of the application by the board

1 in the case of annuities based on disability or one year
2 before the receipt of the application in the case of
3 annuities based on attained age;

4 2. The participant meets one of the following
5 eligibility requirements:

6 For a participant who first becomes a participant of
7 this System before January 1, 2011 (the effective date of
8 Public Act 96-889) and terminates service before the
9 effective date of this amendatory Act of the 98th General
10 Assembly:

11 (A) He or she has attained age 55 and has at least
12 8 years of service credit;

13 (B) He or she has attained age 62 and terminated
14 service after July 1, 1971 with at least 4 years of
15 service credit; or

16 (C) He or she has completed 8 years of service and
17 has become permanently disabled and as a consequence,
18 is unable to perform the duties of his or her office.

19 For a participant who first becomes a participant of
20 this System on or after January 1, 2011 (the effective date
21 of Public Act 96-889) and for any participant who is in
22 service on or after the effective date of this amendatory
23 Act of the 98th General Assembly, he or she has attained
24 age 67 and has at least 8 years of service credit.

25 (a-5) A participant who first becomes a participant of this
26 System on or after January 1, 2011 (the effective date of

1 Public Act 96-889) or who is in service on or after the
2 effective date of this amendatory Act of the 98th General
3 Assembly, and who has attained age 62 and has at least 8 years
4 of service credit, may elect to receive the lower retirement
5 annuity provided in paragraph (c) of Section 2-119.01 of this
6 Code.

7 (b) A participant shall be considered permanently disabled
8 only if: (1) disability occurs while in service and is of such
9 a nature as to prevent him or her from reasonably performing
10 the duties of his or her office at the time; and (2) the board
11 has received a written certificate by at least 2 licensed
12 physicians appointed by the board stating that the member is
13 disabled and that the disability is likely to be permanent.

14 (c) The changes made to this Section by this amendatory Act
15 of the 98th General Assembly do not apply to (i) a person not
16 in service on or after that effective date, (ii) a person who
17 was granted or began receiving a retirement annuity under this
18 Article before that effective date, or (iii) an annuity granted
19 because of disability as provided in item 2(C) of subsection
20 (a).

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

22 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

23 Sec. 2-119.01. Retirement annuities - Amount.

24 (a) For a participant in service after June 30, 1977 who
25 has not made contributions to this System after January 1,

1 1982, the annual retirement annuity is 3% for each of the first
2 8 years of service, plus 4% for each of the next 4 years of
3 service, plus 5% for each year of service in excess of 12
4 years, based on the participant's highest salary for annuity
5 purposes. The maximum retirement annuity payable shall be 80%
6 of the participant's highest salary for annuity purposes.

7 (b) For a participant in service after June 30, 1977 who
8 has made contributions to this System on or after January 1,
9 1982, the annual retirement annuity is 3% for each of the first
10 4 years of service, plus 3 1/2% for each of the next 2 years of
11 service, plus 4% for each of the next 2 years of service, plus
12 4 1/2% for each of the next 4 years of service, plus 5% for each
13 year of service in excess of 12 years, of the participant's
14 highest salary for annuity purposes. The maximum retirement
15 annuity payable shall be 85% of the participant's highest
16 salary for annuity purposes.

17 (c) Notwithstanding any other provision of this Article,
18 for a participant who first becomes a participant on or after
19 January 1, 2011 (the effective date of Public Act 96-889), the
20 annual retirement annuity is 3% of the participant's highest
21 salary for annuity purposes for each year of service. The
22 maximum retirement annuity payable shall be 60% of the
23 participant's highest salary for annuity purposes.

24 (d) As provided in Section 2-119 ~~Notwithstanding any other~~
25 ~~provision of this Article~~, for a participant who first becomes
26 a participant on or after January 1, 2011 (the effective date

1 of Public Act 96-889) or who is in service on or after the
2 effective date of this amendatory Act of the 98th General
3 Assembly, and who is retiring after attaining age 62 but before
4 age 67 with at least 8 years of service credit, the retirement
5 annuity shall be reduced by one-half of 1% for each month that
6 the member's age is under age 67.

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

8 (40 ILCS 5/14-107) (from Ch. 108 1/2, par. 14-107)

9 Sec. 14-107. Retirement annuity - service and age -
10 conditions.

11 (a) A member is entitled to a retirement annuity after
12 having at least 8 years of creditable service.

13 (b) Except as provided in subsection (c): A member who has
14 at least 35 years of creditable service may claim his or her
15 retirement annuity at any age. A member having at least 8 years
16 of creditable service but less than 35 may claim his or her
17 retirement annuity upon or after attainment of age 60 or,
18 beginning January 1, 2001, any lesser age which, when added to
19 the number of years of his or her creditable service, equals at
20 least 85. A member upon or after attainment of age 55 having at
21 least 25 years of creditable service (30 years if retirement is
22 before January 1, 2001) may elect to receive the lower
23 retirement annuity provided in paragraph (c) of Section 14-108
24 of this Code. For purposes of the rule of 85, portions of years
25 shall be counted in whole months.

1 (c) Notwithstanding any other provision of this Article,
2 beginning on the effective date of this amendatory Act of the
3 98th General Assembly, no person shall be granted a retirement
4 annuity under this Article without having attained age 67;
5 except that a member who has attained age 62 and has at least
6 10 years of service credit and is otherwise eligible may elect
7 to receive a retirement annuity reduced by one-half of 1% for
8 each full month that the member's age is under age 67.

9 This limitation does not apply to (i) a person not in
10 service on or after that effective date, (ii) a person who was
11 granted or began receiving a retirement annuity under this
12 Article before that effective date, or (iii) an annuity granted
13 because of disability. This subsection does not grant or
14 accelerate eligibility for a retirement annuity for any person
15 otherwise subject to a more restrictive limit or condition.

16 (d) The allowance shall begin with the first full calendar
17 month specified in the member's application therefor, the first
18 day of which shall not be before the date of withdrawal as
19 approved by the board. Regardless of the date of withdrawal,
20 the allowance need not begin within one year of application
21 therefor.

22 (Source: P.A. 91-927, eff. 12-14-00.)

23 (40 ILCS 5/14-108) (from Ch. 108 1/2, par. 14-108)

24 Sec. 14-108. Amount of retirement annuity. A member who has
25 contributed to the System for at least 12 months shall be

1 entitled to a prior service annuity for each year of certified
2 prior service credited to him, except that a member shall
3 receive 1/3 of the prior service annuity for each year of
4 service for which contributions have been made and all of such
5 annuity shall be payable after the member has made
6 contributions for a period of 3 years. Proportionate amounts
7 shall be payable for service of less than a full year after
8 completion of at least 12 months.

9 The total period of service to be considered in
10 establishing the measure of prior service annuity shall include
11 service credited in the Teachers' Retirement System of the
12 State of Illinois and the State Universities Retirement System
13 for which contributions have been made by the member to such
14 systems; provided that at least 1 year of the total period of 3
15 years prescribed for the allowance of a full measure of prior
16 service annuity shall consist of membership service in this
17 system for which credit has been granted.

18 (a) In the case of a member who retires on or after January
19 1, 1998 and is a noncovered employee, the retirement annuity
20 for membership service and prior service shall be 2.2% of final
21 average compensation for each year of service. Any service
22 credit established as a covered employee shall be computed as
23 stated in paragraph (b).

24 (b) In the case of a member who retires on or after January
25 1, 1998 and is a covered employee, the retirement annuity for
26 membership service and prior service shall be computed as

1 stated in paragraph (a) for all service credit established as a
2 noncovered employee; for service credit established as a
3 covered employee it shall be 1.67% of final average
4 compensation for each year of service.

5 (c) For a member retiring after attaining age 55 but before
6 age 60 with at least 30 but less than 35 years of creditable
7 service if retirement is before January 1, 2001, or with at
8 least 25 but less than 30 years of creditable service if
9 retirement is on or after January 1, 2001 and before the
10 effective date of this amendatory Act of the 98th General
11 Assembly, the retirement annuity shall be reduced by 1/2 of 1%
12 for each month that the member's age is under age 60 at the
13 time of retirement.

14 For a member retiring after attaining age 62 but before age
15 67 with at least 10 years of creditable service, if retirement
16 is on or after the effective date of this amendatory Act of the
17 98th General Assembly, the retirement annuity shall be
18 discounted as provided in subsection (c) of Section 14-107.

19 (d) A retirement annuity shall not exceed 75% of final
20 average compensation, subject to such extension as may result
21 from the application of Section 14-114 or Section 14-115.

22 (e) The retirement annuity payable to any covered employee
23 who is a member of the System and in service on January 1,
24 1969, or in service thereafter in 1969 as a result of
25 legislation enacted by the Illinois General Assembly
26 transferring the member to State employment from county

1 employment in a county Department of Public Aid in counties of
2 3,000,000 or more population, under a plan of coordination with
3 the Old Age, Survivors and Disability provisions thereof, if
4 not fully insured for Old Age Insurance payments under the
5 Federal Old Age, Survivors and Disability Insurance provisions
6 at the date of acceptance of a retirement annuity, shall not be
7 less than the amount for which the member would have been
8 eligible if coordination were not applicable.

9 (f) The retirement annuity payable to any covered employee
10 who is a member of the System and in service on January 1,
11 1969, or in service thereafter in 1969 as a result of the
12 legislation designated in the immediately preceding paragraph,
13 if fully insured for Old Age Insurance payments under the
14 Federal Social Security Act at the date of acceptance of a
15 retirement annuity, shall not be less than an amount which when
16 added to the Primary Insurance Benefit payable to the member
17 upon attainment of age 65 under such Federal Act, will equal
18 the annuity which would otherwise be payable if the coordinated
19 plan of coverage were not applicable.

20 (g) In the case of a member who is a noncovered employee,
21 the retirement annuity for membership service as a security
22 employee of the Department of Corrections or security employee
23 of the Department of Human Services shall be: if retirement
24 occurs on or after January 1, 2001, 3% of final average
25 compensation for each year of creditable service; or if
26 retirement occurs before January 1, 2001, 1.9% of final average

1 compensation for each of the first 10 years of service, 2.1%
2 for each of the next 10 years of service, 2.25% for each year
3 of service in excess of 20 but not exceeding 30, and 2.5% for
4 each year in excess of 30; except that the annuity may be
5 calculated under subsection (a) rather than this subsection (g)
6 if the resulting annuity is greater.

7 (h) In the case of a member who is a covered employee, the
8 retirement annuity for membership service as a security
9 employee of the Department of Corrections or security employee
10 of the Department of Human Services shall be: if retirement
11 occurs on or after January 1, 2001, 2.5% of final average
12 compensation for each year of creditable service; if retirement
13 occurs before January 1, 2001, 1.67% of final average
14 compensation for each of the first 10 years of service, 1.90%
15 for each of the next 10 years of service, 2.10% for each year
16 of service in excess of 20 but not exceeding 30, and 2.30% for
17 each year in excess of 30.

18 (i) For the purposes of this Section and Section 14-133 of
19 this Act, the term "security employee of the Department of
20 Corrections" and the term "security employee of the Department
21 of Human Services" shall have the meanings ascribed to them in
22 subsection (c) of Section 14-110.

23 (j) The retirement annuity computed pursuant to paragraphs
24 (g) or (h) shall be applicable only to those security employees
25 of the Department of Corrections and security employees of the
26 Department of Human Services who have at least 20 years of

1 membership service and who are not eligible for the alternative
2 retirement annuity provided under Section 14-110. However,
3 persons transferring to this System under Section 14-108.2 or
4 14-108.2c who have service credit under Article 16 of this Code
5 may count such service toward establishing their eligibility
6 under the 20-year service requirement of this subsection; but
7 such service may be used only for establishing such
8 eligibility, and not for the purpose of increasing or
9 calculating any benefit.

10 (k) (Blank).

11 (l) The changes to this Section made by this amendatory Act
12 of 1997 (changing certain retirement annuity formulas from a
13 stepped rate to a flat rate) apply to members who retire on or
14 after January 1, 1998, without regard to whether employment
15 terminated before the effective date of this amendatory Act of
16 1997. An annuity shall not be calculated in steps by using the
17 new flat rate for some steps and the superseded stepped rate
18 for other steps of the same type of service.

19 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01.)

20 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

21 Sec. 14-110. Alternative retirement annuity.

22 (a) Except as provided in subsection (a-5) of this Section:

23 Any member who has withdrawn from service with not less
24 than 20 years of eligible creditable service and has attained
25 age 55, and any member who has withdrawn from service with not

1 less than 25 years of eligible creditable service and has
2 attained age 50, regardless of whether the attainment of either
3 of the specified ages occurs while the member is still in
4 service, shall be entitled to receive at the option of the
5 member, in lieu of the regular or minimum retirement annuity, a
6 retirement annuity computed as follows:

7 (i) for periods of service as a noncovered employee: if
8 retirement occurs on or after January 1, 2001, 3% of final
9 average compensation for each year of creditable service;
10 if retirement occurs before January 1, 2001, 2 1/4% of
11 final average compensation for each of the first 10 years
12 of creditable service, 2 1/2% for each year above 10 years
13 to and including 20 years of creditable service, and 2 3/4%
14 for each year of creditable service above 20 years; and

15 (ii) for periods of eligible creditable service as a
16 covered employee: if retirement occurs on or after January
17 1, 2001, 2.5% of final average compensation for each year
18 of creditable service; if retirement occurs before January
19 1, 2001, 1.67% of final average compensation for each of
20 the first 10 years of such service, 1.90% for each of the
21 next 10 years of such service, 2.10% for each year of such
22 service in excess of 20 but not exceeding 30, and 2.30% for
23 each year in excess of 30.

24 Such annuity shall be subject to a maximum of 75% of final
25 average compensation if retirement occurs before January 1,
26 2001 or to a maximum of 80% of final average compensation if

1 retirement occurs on or after January 1, 2001.

2 These rates shall not be applicable to any service
3 performed by a member as a covered employee which is not
4 eligible creditable service. Service as a covered employee
5 which is not eligible creditable service shall be subject to
6 the rates and provisions of Section 14-108.

7 (a-5) Notwithstanding any other provision of this Section,
8 beginning on the effective date of this amendatory Act of the
9 98th General Assembly, no person shall be granted a retirement
10 annuity under this Section without having attained age 67 with
11 at least 20 years of eligible creditable service; except that a
12 member who has attained age 62 and has at least 20 years of
13 eligible creditable service and is otherwise eligible may elect
14 to receive a retirement annuity under this Section reduced by
15 one-half of 1% for each full month that the member's age is
16 under age 67.

17 This limitation does not apply to (i) a person not in
18 service on or after that effective date, (ii) a person who was
19 granted or began receiving a retirement annuity under this
20 Article before that effective date, or (iii) an annuity granted
21 because of disability. This subsection does not grant or
22 accelerate eligibility for a retirement annuity for any person
23 otherwise subject to a more restrictive limit or condition.

24 (b) For the purpose of this Section, "eligible creditable
25 service" means creditable service resulting from service in one
26 or more of the following positions:

- 1 (1) State policeman;
- 2 (2) fire fighter in the fire protection service of a
- 3 department;
- 4 (3) air pilot;
- 5 (4) special agent;
- 6 (5) investigator for the Secretary of State;
- 7 (6) conservation police officer;
- 8 (7) investigator for the Department of Revenue or the
- 9 Illinois Gaming Board;
- 10 (8) security employee of the Department of Human
- 11 Services;
- 12 (9) Central Management Services security police
- 13 officer;
- 14 (10) security employee of the Department of
- 15 Corrections or the Department of Juvenile Justice;
- 16 (11) dangerous drugs investigator;
- 17 (12) investigator for the Department of State Police;
- 18 (13) investigator for the Office of the Attorney
- 19 General;
- 20 (14) controlled substance inspector;
- 21 (15) investigator for the Office of the State's
- 22 Attorneys Appellate Prosecutor;
- 23 (16) Commerce Commission police officer;
- 24 (17) arson investigator;
- 25 (18) State highway maintenance worker.

26 A person employed in one of the positions specified in this

1 subsection is entitled to eligible creditable service for
2 service credit earned under this Article while undergoing the
3 basic police training course approved by the Illinois Law
4 Enforcement Training Standards Board, if completion of that
5 training is required of persons serving in that position. For
6 the purposes of this Code, service during the required basic
7 police training course shall be deemed performance of the
8 duties of the specified position, even though the person is not
9 a sworn peace officer at the time of the training.

10 (c) For the purposes of this Section:

11 (1) The term "state policeman" includes any title or
12 position in the Department of State Police that is held by
13 an individual employed under the State Police Act.

14 (2) The term "fire fighter in the fire protection
15 service of a department" includes all officers in such fire
16 protection service including fire chiefs and assistant
17 fire chiefs.

18 (3) The term "air pilot" includes any employee whose
19 official job description on file in the Department of
20 Central Management Services, or in the department by which
21 he is employed if that department is not covered by the
22 Personnel Code, states that his principal duty is the
23 operation of aircraft, and who possesses a pilot's license;
24 however, the change in this definition made by this
25 amendatory Act of 1983 shall not operate to exclude any
26 noncovered employee who was an "air pilot" for the purposes

1 of this Section on January 1, 1984.

2 (4) The term "special agent" means any person who by
3 reason of employment by the Division of Narcotic Control,
4 the Bureau of Investigation or, after July 1, 1977, the
5 Division of Criminal Investigation, the Division of
6 Internal Investigation, the Division of Operations, or any
7 other Division or organizational entity in the Department
8 of State Police is vested by law with duties to maintain
9 public order, investigate violations of the criminal law of
10 this State, enforce the laws of this State, make arrests
11 and recover property. The term "special agent" includes any
12 title or position in the Department of State Police that is
13 held by an individual employed under the State Police Act.

14 (5) The term "investigator for the Secretary of State"
15 means any person employed by the Office of the Secretary of
16 State and vested with such investigative duties as render
17 him ineligible for coverage under the Social Security Act
18 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
19 218(1)(1) of that Act.

20 A person who became employed as an investigator for the
21 Secretary of State between January 1, 1967 and December 31,
22 1975, and who has served as such until attainment of age
23 60, either continuously or with a single break in service
24 of not more than 3 years duration, which break terminated
25 before January 1, 1976, shall be entitled to have his
26 retirement annuity calculated in accordance with

1 subsection (a), notwithstanding that he has less than 20
2 years of credit for such service.

3 (6) The term "Conservation Police Officer" means any
4 person employed by the Division of Law Enforcement of the
5 Department of Natural Resources and vested with such law
6 enforcement duties as render him ineligible for coverage
7 under the Social Security Act by reason of Sections
8 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
9 term "Conservation Police Officer" includes the positions
10 of Chief Conservation Police Administrator and Assistant
11 Conservation Police Administrator.

12 (7) The term "investigator for the Department of
13 Revenue" means any person employed by the Department of
14 Revenue and vested with such investigative duties as render
15 him ineligible for coverage under the Social Security Act
16 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
17 218(1)(1) of that Act.

18 The term "investigator for the Illinois Gaming Board"
19 means any person employed as such by the Illinois Gaming
20 Board and vested with such peace officer duties as render
21 the person ineligible for coverage under the Social
22 Security Act by reason of Sections 218(d)(5)(A),
23 218(d)(8)(D), and 218(1)(1) of that Act.

24 (8) The term "security employee of the Department of
25 Human Services" means any person employed by the Department
26 of Human Services who (i) is employed at the Chester Mental

1 Health Center and has daily contact with the residents
2 thereof, (ii) is employed within a security unit at a
3 facility operated by the Department and has daily contact
4 with the residents of the security unit, (iii) is employed
5 at a facility operated by the Department that includes a
6 security unit and is regularly scheduled to work at least
7 50% of his or her working hours within that security unit,
8 or (iv) is a mental health police officer. "Mental health
9 police officer" means any person employed by the Department
10 of Human Services in a position pertaining to the
11 Department's mental health and developmental disabilities
12 functions who is vested with such law enforcement duties as
13 render the person ineligible for coverage under the Social
14 Security Act by reason of Sections 218(d)(5)(A),
15 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
16 means that portion of a facility that is devoted to the
17 care, containment, and treatment of persons committed to
18 the Department of Human Services as sexually violent
19 persons, persons unfit to stand trial, or persons not
20 guilty by reason of insanity. With respect to past
21 employment, references to the Department of Human Services
22 include its predecessor, the Department of Mental Health
23 and Developmental Disabilities.

24 The changes made to this subdivision (c)(8) by Public
25 Act 92-14 apply to persons who retire on or after January
26 1, 2001, notwithstanding Section 1-103.1.

1 (9) "Central Management Services security police
2 officer" means any person employed by the Department of
3 Central Management Services who is vested with such law
4 enforcement duties as render him ineligible for coverage
5 under the Social Security Act by reason of Sections
6 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

7 (10) For a member who first became an employee under
8 this Article before July 1, 2005, the term "security
9 employee of the Department of Corrections or the Department
10 of Juvenile Justice" means any employee of the Department
11 of Corrections or the Department of Juvenile Justice or the
12 former Department of Personnel, and any member or employee
13 of the Prisoner Review Board, who has daily contact with
14 inmates or youth by working within a correctional facility
15 or Juvenile facility operated by the Department of Juvenile
16 Justice or who is a parole officer or an employee who has
17 direct contact with committed persons in the performance of
18 his or her job duties. For a member who first becomes an
19 employee under this Article on or after July 1, 2005, the
20 term means an employee of the Department of Corrections or
21 the Department of Juvenile Justice who is any of the
22 following: (i) officially headquartered at a correctional
23 facility or Juvenile facility operated by the Department of
24 Juvenile Justice, (ii) a parole officer, (iii) a member of
25 the apprehension unit, (iv) a member of the intelligence
26 unit, (v) a member of the sort team, or (vi) an

1 investigator.

2 (11) The term "dangerous drugs investigator" means any
3 person who is employed as such by the Department of Human
4 Services.

5 (12) The term "investigator for the Department of State
6 Police" means a person employed by the Department of State
7 Police who is vested under Section 4 of the Narcotic
8 Control Division Abolition Act with such law enforcement
9 powers as render him ineligible for coverage under the
10 Social Security Act by reason of Sections 218(d)(5)(A),
11 218(d)(8)(D) and 218(1)(1) of that Act.

12 (13) "Investigator for the Office of the Attorney
13 General" means any person who is employed as such by the
14 Office of the Attorney General and is vested with such
15 investigative duties as render him ineligible for coverage
16 under the Social Security Act by reason of Sections
17 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
18 the period before January 1, 1989, the term includes all
19 persons who were employed as investigators by the Office of
20 the Attorney General, without regard to social security
21 status.

22 (14) "Controlled substance inspector" means any person
23 who is employed as such by the Department of Professional
24 Regulation and is vested with such law enforcement duties
25 as render him ineligible for coverage under the Social
26 Security Act by reason of Sections 218(d)(5)(A),

1 218(d)(8)(D) and 218(1)(1) of that Act. The term
2 "controlled substance inspector" includes the Program
3 Executive of Enforcement and the Assistant Program
4 Executive of Enforcement.

5 (15) The term "investigator for the Office of the
6 State's Attorneys Appellate Prosecutor" means a person
7 employed in that capacity on a full time basis under the
8 authority of Section 7.06 of the State's Attorneys
9 Appellate Prosecutor's Act.

10 (16) "Commerce Commission police officer" means any
11 person employed by the Illinois Commerce Commission who is
12 vested with such law enforcement duties as render him
13 ineligible for coverage under the Social Security Act by
14 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
15 218(1)(1) of that Act.

16 (17) "Arson investigator" means any person who is
17 employed as such by the Office of the State Fire Marshal
18 and is vested with such law enforcement duties as render
19 the person ineligible for coverage under the Social
20 Security Act by reason of Sections 218(d)(5)(A),
21 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
22 employed as an arson investigator on January 1, 1995 and is
23 no longer in service but not yet receiving a retirement
24 annuity may convert his or her creditable service for
25 employment as an arson investigator into eligible
26 creditable service by paying to the System the difference

1 between the employee contributions actually paid for that
2 service and the amounts that would have been contributed if
3 the applicant were contributing at the rate applicable to
4 persons with the same social security status earning
5 eligible creditable service on the date of application.

6 (18) The term "State highway maintenance worker" means
7 a person who is either of the following:

8 (i) A person employed on a full-time basis by the
9 Illinois Department of Transportation in the position
10 of highway maintainer, highway maintenance lead
11 worker, highway maintenance lead/lead worker, heavy
12 construction equipment operator, power shovel
13 operator, or bridge mechanic; and whose principal
14 responsibility is to perform, on the roadway, the
15 actual maintenance necessary to keep the highways that
16 form a part of the State highway system in serviceable
17 condition for vehicular traffic.

18 (ii) A person employed on a full-time basis by the
19 Illinois State Toll Highway Authority in the position
20 of equipment operator/laborer H-4, equipment
21 operator/laborer H-6, welder H-4, welder H-6,
22 mechanical/electrical H-4, mechanical/electrical H-6,
23 water/sewer H-4, water/sewer H-6, sign maker/hanger
24 H-4, sign maker/hanger H-6, roadway lighting H-4,
25 roadway lighting H-6, structural H-4, structural H-6,
26 painter H-4, or painter H-6; and whose principal

1 responsibility is to perform, on the roadway, the
2 actual maintenance necessary to keep the Authority's
3 tollways in serviceable condition for vehicular
4 traffic.

5 (d) Beginning on the effective date of this amendatory Act
6 of the 98th General Assembly, this subsection (d) is subject to
7 the requirements imposed by subsection (a-5) of this Section.

8 A security employee of the Department of Corrections or the
9 Department of Juvenile Justice, and a security employee of the
10 Department of Human Services who is not a mental health police
11 officer, shall not be eligible for the alternative retirement
12 annuity provided by this Section unless he or she meets the
13 following minimum age and service requirements at the time of
14 retirement:

15 (i) 25 years of eligible creditable service and age 55;

16 or

17 (ii) beginning January 1, 1987, 25 years of eligible
18 creditable service and age 54, or 24 years of eligible
19 creditable service and age 55; or

20 (iii) beginning January 1, 1988, 25 years of eligible
21 creditable service and age 53, or 23 years of eligible
22 creditable service and age 55; or

23 (iv) beginning January 1, 1989, 25 years of eligible
24 creditable service and age 52, or 22 years of eligible
25 creditable service and age 55; or

26 (v) beginning January 1, 1990, 25 years of eligible

1 creditable service and age 51, or 21 years of eligible
2 creditable service and age 55; or

3 (vi) beginning January 1, 1991, 25 years of eligible
4 creditable service and age 50, or 20 years of eligible
5 creditable service and age 55.

6 Persons who have service credit under Article 16 of this
7 Code for service as a security employee of the Department of
8 Corrections or the Department of Juvenile Justice, or the
9 Department of Human Services in a position requiring
10 certification as a teacher may count such service toward
11 establishing their eligibility under the service requirements
12 of this Section; but such service may be used only for
13 establishing such eligibility, and not for the purpose of
14 increasing or calculating any benefit.

15 (e) If a member enters military service while working in a
16 position in which eligible creditable service may be earned,
17 and returns to State service in the same or another such
18 position, and fulfills in all other respects the conditions
19 prescribed in this Article for credit for military service,
20 such military service shall be credited as eligible creditable
21 service for the purposes of the retirement annuity prescribed
22 in this Section.

23 (f) For purposes of calculating retirement annuities under
24 this Section, periods of service rendered after December 31,
25 1968 and before October 1, 1975 as a covered employee in the
26 position of special agent, conservation police officer, mental

1 health police officer, or investigator for the Secretary of
2 State, shall be deemed to have been service as a noncovered
3 employee, provided that the employee pays to the System prior
4 to retirement an amount equal to (1) the difference between the
5 employee contributions that would have been required for such
6 service as a noncovered employee, and the amount of employee
7 contributions actually paid, plus (2) if payment is made after
8 July 31, 1987, regular interest on the amount specified in item
9 (1) from the date of service to the date of payment.

10 For purposes of calculating retirement annuities under
11 this Section, periods of service rendered after December 31,
12 1968 and before January 1, 1982 as a covered employee in the
13 position of investigator for the Department of Revenue shall be
14 deemed to have been service as a noncovered employee, provided
15 that the employee pays to the System prior to retirement an
16 amount equal to (1) the difference between the employee
17 contributions that would have been required for such service as
18 a noncovered employee, and the amount of employee contributions
19 actually paid, plus (2) if payment is made after January 1,
20 1990, regular interest on the amount specified in item (1) from
21 the date of service to the date of payment.

22 (g) A State policeman may elect, not later than January 1,
23 1990, to establish eligible creditable service for up to 10
24 years of his service as a policeman under Article 3, by filing
25 a written election with the Board, accompanied by payment of an
26 amount to be determined by the Board, equal to (i) the

1 difference between the amount of employee and employer
2 contributions transferred to the System under Section 3-110.5,
3 and the amounts that would have been contributed had such
4 contributions been made at the rates applicable to State
5 policemen, plus (ii) interest thereon at the effective rate for
6 each year, compounded annually, from the date of service to the
7 date of payment.

8 Subject to the limitation in subsection (i), a State
9 policeman may elect, not later than July 1, 1993, to establish
10 eligible creditable service for up to 10 years of his service
11 as a member of the County Police Department under Article 9, by
12 filing a written election with the Board, accompanied by
13 payment of an amount to be determined by the Board, equal to
14 (i) the difference between the amount of employee and employer
15 contributions transferred to the System under Section 9-121.10
16 and the amounts that would have been contributed had those
17 contributions been made at the rates applicable to State
18 policemen, plus (ii) interest thereon at the effective rate for
19 each year, compounded annually, from the date of service to the
20 date of payment.

21 (h) Subject to the limitation in subsection (i), a State
22 policeman or investigator for the Secretary of State may elect
23 to establish eligible creditable service for up to 12 years of
24 his service as a policeman under Article 5, by filing a written
25 election with the Board on or before January 31, 1992, and
26 paying to the System by January 31, 1994 an amount to be

1 determined by the Board, equal to (i) the difference between
2 the amount of employee and employer contributions transferred
3 to the System under Section 5-236, and the amounts that would
4 have been contributed had such contributions been made at the
5 rates applicable to State policemen, plus (ii) interest thereon
6 at the effective rate for each year, compounded annually, from
7 the date of service to the date of payment.

8 Subject to the limitation in subsection (i), a State
9 policeman, conservation police officer, or investigator for
10 the Secretary of State may elect to establish eligible
11 creditable service for up to 10 years of service as a sheriff's
12 law enforcement employee under Article 7, by filing a written
13 election with the Board on or before January 31, 1993, and
14 paying to the System by January 31, 1994 an amount to be
15 determined by the Board, equal to (i) the difference between
16 the amount of employee and employer contributions transferred
17 to the System under Section 7-139.7, and the amounts that would
18 have been contributed had such contributions been made at the
19 rates applicable to State policemen, plus (ii) interest thereon
20 at the effective rate for each year, compounded annually, from
21 the date of service to the date of payment.

22 Subject to the limitation in subsection (i), a State
23 policeman, conservation police officer, or investigator for
24 the Secretary of State may elect to establish eligible
25 creditable service for up to 5 years of service as a police
26 officer under Article 3, a policeman under Article 5, a

1 sheriff's law enforcement employee under Article 7, a member of
2 the county police department under Article 9, or a police
3 officer under Article 15 by filing a written election with the
4 Board and paying to the System an amount to be determined by
5 the Board, equal to (i) the difference between the amount of
6 employee and employer contributions transferred to the System
7 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
8 and the amounts that would have been contributed had such
9 contributions been made at the rates applicable to State
10 policemen, plus (ii) interest thereon at the effective rate for
11 each year, compounded annually, from the date of service to the
12 date of payment.

13 Subject to the limitation in subsection (i), an
14 investigator for the Office of the Attorney General, or an
15 investigator for the Department of Revenue, may elect to
16 establish eligible creditable service for up to 5 years of
17 service as a police officer under Article 3, a policeman under
18 Article 5, a sheriff's law enforcement employee under Article
19 7, or a member of the county police department under Article 9
20 by filing a written election with the Board within 6 months
21 after August 25, 2009 (the effective date of Public Act 96-745)
22 and paying to the System an amount to be determined by the
23 Board, equal to (i) the difference between the amount of
24 employee and employer contributions transferred to the System
25 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
26 amounts that would have been contributed had such contributions

1 been made at the rates applicable to State policemen, plus (ii)
2 interest thereon at the actuarially assumed rate for each year,
3 compounded annually, from the date of service to the date of
4 payment.

5 Subject to the limitation in subsection (i), a State
6 policeman, conservation police officer, investigator for the
7 Office of the Attorney General, an investigator for the
8 Department of Revenue, or investigator for the Secretary of
9 State may elect to establish eligible creditable service for up
10 to 5 years of service as a person employed by a participating
11 municipality to perform police duties, or law enforcement
12 officer employed on a full-time basis by a forest preserve
13 district under Article 7, a county corrections officer, or a
14 court services officer under Article 9, by filing a written
15 election with the Board within 6 months after August 25, 2009
16 (the effective date of Public Act 96-745) and paying to the
17 System an amount to be determined by the Board, equal to (i)
18 the difference between the amount of employee and employer
19 contributions transferred to the System under Sections 7-139.8
20 and 9-121.10 and the amounts that would have been contributed
21 had such contributions been made at the rates applicable to
22 State policemen, plus (ii) interest thereon at the actuarially
23 assumed rate for each year, compounded annually, from the date
24 of service to the date of payment.

25 (i) The total amount of eligible creditable service
26 established by any person under subsections (g), (h), (j), (k),

1 and (l) of this Section shall not exceed 12 years.

2 (j) Subject to the limitation in subsection (i), an
3 investigator for the Office of the State's Attorneys Appellate
4 Prosecutor or a controlled substance inspector may elect to
5 establish eligible creditable service for up to 10 years of his
6 service as a policeman under Article 3 or a sheriff's law
7 enforcement employee under Article 7, by filing a written
8 election with the Board, accompanied by payment of an amount to
9 be determined by the Board, equal to (1) the difference between
10 the amount of employee and employer contributions transferred
11 to the System under Section 3-110.6 or 7-139.8, and the amounts
12 that would have been contributed had such contributions been
13 made at the rates applicable to State policemen, plus (2)
14 interest thereon at the effective rate for each year,
15 compounded annually, from the date of service to the date of
16 payment.

17 (k) Subject to the limitation in subsection (i) of this
18 Section, an alternative formula employee may elect to establish
19 eligible creditable service for periods spent as a full-time
20 law enforcement officer or full-time corrections officer
21 employed by the federal government or by a state or local
22 government located outside of Illinois, for which credit is not
23 held in any other public employee pension fund or retirement
24 system. To obtain this credit, the applicant must file a
25 written application with the Board by March 31, 1998,
26 accompanied by evidence of eligibility acceptable to the Board

1 and payment of an amount to be determined by the Board, equal
2 to (1) employee contributions for the credit being established,
3 based upon the applicant's salary on the first day as an
4 alternative formula employee after the employment for which
5 credit is being established and the rates then applicable to
6 alternative formula employees, plus (2) an amount determined by
7 the Board to be the employer's normal cost of the benefits
8 accrued for the credit being established, plus (3) regular
9 interest on the amounts in items (1) and (2) from the first day
10 as an alternative formula employee after the employment for
11 which credit is being established to the date of payment.

12 (1) Subject to the limitation in subsection (i), a security
13 employee of the Department of Corrections may elect, not later
14 than July 1, 1998, to establish eligible creditable service for
15 up to 10 years of his or her service as a policeman under
16 Article 3, by filing a written election with the Board,
17 accompanied by payment of an amount to be determined by the
18 Board, equal to (i) the difference between the amount of
19 employee and employer contributions transferred to the System
20 under Section 3-110.5, and the amounts that would have been
21 contributed had such contributions been made at the rates
22 applicable to security employees of the Department of
23 Corrections, plus (ii) interest thereon at the effective rate
24 for each year, compounded annually, from the date of service to
25 the date of payment.

26 (m) The amendatory changes to this Section made by this

1 amendatory Act of the 94th General Assembly apply only to: (1)
2 security employees of the Department of Juvenile Justice
3 employed by the Department of Corrections before the effective
4 date of this amendatory Act of the 94th General Assembly and
5 transferred to the Department of Juvenile Justice by this
6 amendatory Act of the 94th General Assembly; and (2) persons
7 employed by the Department of Juvenile Justice on or after the
8 effective date of this amendatory Act of the 94th General
9 Assembly who are required by subsection (b) of Section 3-2.5-15
10 of the Unified Code of Corrections to have a bachelor's or
11 advanced degree from an accredited college or university with a
12 specialization in criminal justice, education, psychology,
13 social work, or a closely related social science or, in the
14 case of persons who provide vocational training, who are
15 required to have adequate knowledge in the skill for which they
16 are providing the vocational training.

17 (n) A person employed in a position under subsection (b) of
18 this Section who has purchased service credit under subsection
19 (j) of Section 14-104 or subsection (b) of Section 14-105 in
20 any other capacity under this Article may convert up to 5 years
21 of that service credit into service credit covered under this
22 Section by paying to the Fund an amount equal to (1) the
23 additional employee contribution required under Section
24 14-133, plus (2) the additional employer contribution required
25 under Section 14-131, plus (3) interest on items (1) and (2) at
26 the actuarially assumed rate from the date of the service to

1 the date of payment.

2 (Source: P.A. 95-530, eff. 8-28-07; 95-1036, eff. 2-17-09;
3 96-37, eff. 7-13-09; 96-745, eff. 8-25-09; 96-1000, eff.
4 7-2-10.)

5 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)
6 Sec. 15-135. Retirement annuities - Conditions.

7 (a) Except as provided in subsection (a-5):

8 A participant who retires in one of the following specified
9 years with the specified amount of service is entitled to a
10 retirement annuity at any age under the retirement program
11 applicable to the participant:

12 35 years if retirement is in 1997 or before;

13 34 years if retirement is in 1998;

14 33 years if retirement is in 1999;

15 32 years if retirement is in 2000;

16 31 years if retirement is in 2001;

17 30 years if retirement is in 2002 or later.

18 A participant with 8 or more years of service after
19 September 1, 1941, is entitled to a retirement annuity on or
20 after attainment of age 55.

21 A participant with at least 5 but less than 8 years of
22 service after September 1, 1941, is entitled to a retirement
23 annuity on or after attainment of age 62.

24 A participant who has at least 25 years of service in this
25 system as a police officer or firefighter is entitled to a

1 retirement annuity on or after the attainment of age 50, if
2 Rule 4 of Section 15-136 is applicable to the participant.

3 (a-5) Notwithstanding any other provision of this Article,
4 beginning on the effective date of this amendatory Act of the
5 98th General Assembly, no person shall be granted a retirement
6 annuity under this Article without having attained age 67;
7 except that a participant who has attained age 62 and has at
8 least 10 years of service credit and is otherwise eligible may
9 elect to receive a retirement annuity reduced by one-half of 1%
10 for each full month that the participant's age is under age 67.

11 This limitation does not apply to (i) a person not in
12 service on or after that effective date, (ii) a person who was
13 granted or began receiving a retirement annuity under this
14 Article before that effective date, or (iii) an annuity granted
15 because of disability. This subsection does not grant or
16 accelerate eligibility for a retirement annuity for any person
17 otherwise subject to a more restrictive limit or condition.

18 (b) The annuity payment period shall begin on the date
19 specified by the participant or the recipient of a disability
20 retirement annuity submitting a written application, which
21 date shall not be prior to termination of employment or more
22 than one year before the application is received by the board;
23 however, if the participant is not an employee of an employer
24 participating in this System or in a participating system as
25 defined in Article 20 of this Code on April 1 of the calendar
26 year next following the calendar year in which the participant

1 attains age 70 1/2, the annuity payment period shall begin on
2 that date regardless of whether an application has been filed.

3 (c) An annuity is not payable if the amount provided under
4 Section 15-136 is less than \$10 per month.

5 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

6 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

7 Sec. 15-136. Retirement annuities - Amount. The provisions
8 of this Section 15-136 apply only to those participants who are
9 participating in the traditional benefit package or the
10 portable benefit package and do not apply to participants who
11 are participating in the self-managed plan.

12 (a) The amount of a participant's retirement annuity,
13 expressed in the form of a single-life annuity, shall be
14 determined by whichever of the following rules is applicable
15 and provides the largest annuity:

16 Rule 1: The retirement annuity shall be 1.67% of final rate
17 of earnings for each of the first 10 years of service, 1.90%
18 for each of the next 10 years of service, 2.10% for each year
19 of service in excess of 20 but not exceeding 30, and 2.30% for
20 each year in excess of 30; or for persons who retire on or
21 after January 1, 1998, 2.2% of the final rate of earnings for
22 each year of service.

23 Rule 2: The retirement annuity shall be the sum of the
24 following, determined from amounts credited to the participant
25 in accordance with the actuarial tables and the effective rate

1 of interest in effect at the time the retirement annuity
2 begins:

3 (i) the normal annuity which can be provided on an
4 actuarially equivalent basis, by the accumulated normal
5 contributions as of the date the annuity begins;

6 (ii) an annuity from employer contributions of an
7 amount equal to that which can be provided on an
8 actuarially equivalent basis from the accumulated normal
9 contributions made by the participant under Section
10 15-113.6 and Section 15-113.7 plus 1.4 times all other
11 accumulated normal contributions made by the participant;
12 and

13 (iii) the annuity that can be provided on an
14 actuarially equivalent basis from the entire contribution
15 made by the participant under Section 15-113.3.

16 With respect to a police officer or firefighter who retires
17 on or after August 14, 1998, the accumulated normal
18 contributions taken into account under clauses (i) and (ii) of
19 this Rule 2 shall include the additional normal contributions
20 made by the police officer or firefighter under Section
21 15-157(a).

22 The amount of a retirement annuity calculated under this
23 Rule 2 shall be computed solely on the basis of the
24 participant's accumulated normal contributions, as specified
25 in this Rule and defined in Section 15-116. Neither an employee
26 or employer contribution for early retirement under Section

1 15-136.2 nor any other employer contribution shall be used in
2 the calculation of the amount of a retirement annuity under
3 this Rule 2.

4 This amendatory Act of the 91st General Assembly is a
5 clarification of existing law and applies to every participant
6 and annuitant without regard to whether status as an employee
7 terminates before the effective date of this amendatory Act.

8 This Rule 2 does not apply to a person who first becomes an
9 employee under this Article on or after July 1, 2005.

10 Rule 3: The retirement annuity of a participant who is
11 employed at least one-half time during the period on which his
12 or her final rate of earnings is based, shall be equal to the
13 participant's years of service not to exceed 30, multiplied by
14 (1) \$96 if the participant's final rate of earnings is less
15 than \$3,500, (2) \$108 if the final rate of earnings is at least
16 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
17 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
18 the final rate of earnings is at least \$5,500 but less than
19 \$6,500, (5) \$144 if the final rate of earnings is at least
20 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
21 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
22 the final rate of earnings is at least \$8,500 but less than
23 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
24 more, except that the annuity for those persons having made an
25 election under Section 15-154(a-1) shall be calculated and
26 payable under the portable retirement benefit program pursuant

1 to the provisions of Section 15-136.4.

2 Rule 4: A participant who is at least age 50 and has 25 or
3 more years of service as a police officer or firefighter, and a
4 participant who is age 55 or over and has at least 20 but less
5 than 25 years of service as a police officer or firefighter,
6 shall be entitled to a retirement annuity of 2 1/4% of the
7 final rate of earnings for each of the first 10 years of
8 service as a police officer or firefighter, 2 1/2% for each of
9 the next 10 years of service as a police officer or
10 firefighter, and 2 3/4% for each year of service as a police
11 officer or firefighter in excess of 20. The retirement annuity
12 for all other service shall be computed under Rule 1.

13 For purposes of this Rule 4, a participant's service as a
14 firefighter shall also include the following:

15 (i) service that is performed while the person is an
16 employee under subsection (h) of Section 15-107; and

17 (ii) in the case of an individual who was a
18 participating employee employed in the fire department of
19 the University of Illinois's Champaign-Urbana campus
20 immediately prior to the elimination of that fire
21 department and who immediately after the elimination of
22 that fire department transferred to another job with the
23 University of Illinois, service performed as an employee of
24 the University of Illinois in a position other than police
25 officer or firefighter, from the date of that transfer
26 until the employee's next termination of service with the

1 University of Illinois.

2 Rule 5: The retirement annuity of a participant who elected
3 early retirement under the provisions of Section 15-136.2 and
4 who, on or before February 16, 1995, brought administrative
5 proceedings pursuant to the administrative rules adopted by the
6 System to challenge the calculation of his or her retirement
7 annuity shall be the sum of the following, determined from
8 amounts credited to the participant in accordance with the
9 actuarial tables and the prescribed rate of interest in effect
10 at the time the retirement annuity begins:

11 (i) the normal annuity which can be provided on an
12 actuarially equivalent basis, by the accumulated normal
13 contributions as of the date the annuity begins; and

14 (ii) an annuity from employer contributions of an
15 amount equal to that which can be provided on an
16 actuarially equivalent basis from the accumulated normal
17 contributions made by the participant under Section
18 15-113.6 and Section 15-113.7 plus 1.4 times all other
19 accumulated normal contributions made by the participant;
20 and

21 (iii) an annuity which can be provided on an
22 actuarially equivalent basis from the employee
23 contribution for early retirement under Section 15-136.2,
24 and an annuity from employer contributions of an amount
25 equal to that which can be provided on an actuarially
26 equivalent basis from the employee contribution for early

1 retirement under Section 15-136.2.

2 In no event shall a retirement annuity under this Rule 5 be
3 lower than the amount obtained by adding (1) the monthly amount
4 obtained by dividing the combined employee and employer
5 contributions made under Section 15-136.2 by the System's
6 annuity factor for the age of the participant at the beginning
7 of the annuity payment period and (2) the amount equal to the
8 participant's annuity if calculated under Rule 1, reduced under
9 Section 15-136(b) as if no contributions had been made under
10 Section 15-136.2.

11 With respect to a participant who is qualified for a
12 retirement annuity under this Rule 5 whose retirement annuity
13 began before the effective date of this amendatory Act of the
14 91st General Assembly, and for whom an employee contribution
15 was made under Section 15-136.2, the System shall recalculate
16 the retirement annuity under this Rule 5 and shall pay any
17 additional amounts due in the manner provided in Section
18 15-186.1 for benefits mistakenly set too low.

19 The amount of a retirement annuity calculated under this
20 Rule 5 shall be computed solely on the basis of those
21 contributions specifically set forth in this Rule 5. Except as
22 provided in clause (iii) of this Rule 5, neither an employee
23 nor employer contribution for early retirement under Section
24 15-136.2, nor any other employer contribution, shall be used in
25 the calculation of the amount of a retirement annuity under
26 this Rule 5.

1 The General Assembly has adopted the changes set forth in
2 Section 25 of this amendatory Act of the 91st General Assembly
3 in recognition that the decision of the Appellate Court for the
4 Fourth District in *Mattis v. State Universities Retirement*
5 *System et al.* might be deemed to give some right to the
6 plaintiff in that case. The changes made by Section 25 of this
7 amendatory Act of the 91st General Assembly are a legislative
8 implementation of the decision of the Appellate Court for the
9 Fourth District in *Mattis v. State Universities Retirement*
10 *System et al.* with respect to that plaintiff.

11 The changes made by Section 25 of this amendatory Act of
12 the 91st General Assembly apply without regard to whether the
13 person is in service as an employee on or after its effective
14 date.

15 (b) For persons not in service on or after the effective
16 date of this amendatory Act of the 98th General Assembly and
17 not subject to Section 1-160:

18 The retirement annuity provided under Rules 1 and 3 above
19 shall be reduced by 1/2 of 1% for each month the participant is
20 under age 60 at the time of retirement. However, this reduction
21 shall not apply in the following cases:

22 (1) For a disabled participant whose disability
23 benefits have been discontinued because he or she has
24 exhausted eligibility for disability benefits under clause
25 (6) of Section 15-152;

26 (2) For a participant who has at least the number of

1 years of service required to retire at any age under
2 subsection (a) of Section 15-135; or

3 (3) For that portion of a retirement annuity which has
4 been provided on account of service of the participant
5 during periods when he or she performed the duties of a
6 police officer or firefighter, if these duties were
7 performed for at least 5 years immediately preceding the
8 date the retirement annuity is to begin.

9 For a person in service on or after the effective date of
10 this amendatory Act of the 98th General Assembly who retires
11 after attaining age 62 but before age 67 and with at least 10
12 years of creditable service, the retirement annuity shall be
13 discounted as provided in subsection (c) of Section 15-135.

14 (c) The maximum retirement annuity provided under Rules 1,
15 2, 4, and 5 shall be the lesser of (1) the annual limit of
16 benefits as specified in Section 415 of the Internal Revenue
17 Code of 1986, as such Section may be amended from time to time
18 and as such benefit limits shall be adjusted by the
19 Commissioner of Internal Revenue, and (2) 80% of final rate of
20 earnings.

21 (d) An annuitant whose status as an employee terminates
22 after August 14, 1969 shall receive automatic increases in his
23 or her retirement annuity as follows:

24 Effective January 1 immediately following the date the
25 retirement annuity begins, the annuitant shall receive an
26 increase in his or her monthly retirement annuity of 0.125% of

1 the monthly retirement annuity provided under Rule 1, Rule 2,
2 Rule 3, Rule 4, or Rule 5, contained in this Section,
3 multiplied by the number of full months which elapsed from the
4 date the retirement annuity payments began to January 1, 1972,
5 plus 0.1667% of such annuity, multiplied by the number of full
6 months which elapsed from January 1, 1972, or the date the
7 retirement annuity payments began, whichever is later, to
8 January 1, 1978, plus 0.25% of such annuity multiplied by the
9 number of full months which elapsed from January 1, 1978, or
10 the date the retirement annuity payments began, whichever is
11 later, to the effective date of the increase.

12 The annuitant shall receive an increase in his or her
13 monthly retirement annuity on each January 1 thereafter during
14 the annuitant's life of 3% of the monthly annuity provided
15 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in
16 this Section. The change made under this subsection by P.A.
17 81-970 is effective January 1, 1980 and applies to each
18 annuitant whose status as an employee terminates before or
19 after that date.

20 Beginning January 1, 1990, all automatic annual increases
21 payable under this Section shall be calculated as a percentage
22 of the total annuity payable at the time of the increase,
23 including all increases previously granted under this Article.

24 The change made in this subsection by P.A. 85-1008 is
25 effective January 26, 1988, and is applicable without regard to
26 whether status as an employee terminated before that date.

1 (e) If, on January 1, 1987, or the date the retirement
2 annuity payment period begins, whichever is later, the sum of
3 the retirement annuity provided under Rule 1 or Rule 2 of this
4 Section and the automatic annual increases provided under the
5 preceding subsection or Section 15-136.1, amounts to less than
6 the retirement annuity which would be provided by Rule 3, the
7 retirement annuity shall be increased as of January 1, 1987, or
8 the date the retirement annuity payment period begins,
9 whichever is later, to the amount which would be provided by
10 Rule 3 of this Section. Such increased amount shall be
11 considered as the retirement annuity in determining benefits
12 provided under other Sections of this Article. This paragraph
13 applies without regard to whether status as an employee
14 terminated before the effective date of this amendatory Act of
15 1987, provided that the annuitant was employed at least
16 one-half time during the period on which the final rate of
17 earnings was based.

18 (f) A participant is entitled to such additional annuity as
19 may be provided on an actuarially equivalent basis, by any
20 accumulated additional contributions to his or her credit.
21 However, the additional contributions made by the participant
22 toward the automatic increases in annuity provided under this
23 Section shall not be taken into account in determining the
24 amount of such additional annuity.

25 (g) If, (1) by law, a function of a governmental unit, as
26 defined by Section 20-107 of this Code, is transferred in whole

1 or in part to an employer, and (2) a participant transfers
2 employment from such governmental unit to such employer within
3 6 months after the transfer of the function, and (3) the sum of
4 (A) the annuity payable to the participant under Rule 1, 2, or
5 3 of this Section (B) all proportional annuities payable to the
6 participant by all other retirement systems covered by Article
7 20, and (C) the initial primary insurance amount to which the
8 participant is entitled under the Social Security Act, is less
9 than the retirement annuity which would have been payable if
10 all of the participant's pension credits validated under
11 Section 20-109 had been validated under this system, a
12 supplemental annuity equal to the difference in such amounts
13 shall be payable to the participant.

14 (h) On January 1, 1981, an annuitant who was receiving a
15 retirement annuity on or before January 1, 1971 shall have his
16 or her retirement annuity then being paid increased \$1 per
17 month for each year of creditable service. On January 1, 1982,
18 an annuitant whose retirement annuity began on or before
19 January 1, 1977, shall have his or her retirement annuity then
20 being paid increased \$1 per month for each year of creditable
21 service.

22 (i) On January 1, 1987, any annuitant whose retirement
23 annuity began on or before January 1, 1977, shall have the
24 monthly retirement annuity increased by an amount equal to 8¢
25 per year of creditable service times the number of years that
26 have elapsed since the annuity began.

1 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

2 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

3 Sec. 16-132. Retirement annuity eligibility.

4 (a) Except as otherwise provided in subsection (a-5):

5 A member who has at least 20 years of creditable service is
6 entitled to a retirement annuity upon or after attainment of
7 age 55. A member who has at least 10 but less than 20 years of
8 creditable service is entitled to a retirement annuity upon or
9 after attainment of age 60. A member who has at least 5 but
10 less than 10 years of creditable service is entitled to a
11 retirement annuity upon or after attainment of age 62. A member
12 who (i) has earned during the period immediately preceding the
13 last day of service at least one year of contributing
14 creditable service as an employee of a department as defined in
15 Section 14-103.04, (ii) has earned at least 5 years of
16 contributing creditable service as an employee of a department
17 as defined in Section 14-103.04, and (iii) retires on or after
18 January 1, 2001 is entitled to a retirement annuity upon or
19 after attainment of an age which, when added to the number of
20 years of his or her total creditable service, equals at least
21 85. Portions of years shall be counted as decimal equivalents.

22 A member who is eligible to receive a retirement annuity of
23 at least 74.6% of final average salary and will attain age 55
24 on or before December 31 during the year which commences on
25 July 1 shall be deemed to attain age 55 on the preceding June

1 1.

2 (a-5) Notwithstanding any other provision of this Article,
3 beginning on the effective date of this amendatory Act of the
4 98th General Assembly, no person shall be granted a retirement
5 annuity under this Article without having attained age 67;
6 except that a member who has attained age 62 and has at least
7 10 years of service credit and is otherwise eligible may elect
8 to receive a retirement annuity reduced by one-half of 1% for
9 each full month that the member's age is under age 67.

10 This limitation does not apply to (i) a person not in
11 service on or after that effective date, (ii) a person who was
12 granted or began receiving a retirement annuity under this
13 Article before that effective date, or (iii) an annuity granted
14 because of disability. This subsection does not grant or
15 accelerate eligibility for a retirement annuity for any person
16 otherwise subject to a more restrictive limit or condition.

17 (b) A member meeting the above eligibility conditions is
18 entitled to a retirement annuity upon written application to
19 the board setting forth the date the member wishes the
20 retirement annuity to commence. However, the effective date of
21 the retirement annuity shall be no earlier than the day
22 following the last day of creditable service, regardless of the
23 date of official termination of employment.

24 (c) To be eligible for a retirement annuity, a member shall
25 not be employed as a teacher in the schools included under this
26 System or under Article 17, except (i) as provided in Section

1 16-118 or 16-150.1, (ii) if the member is disabled (in which
2 event, eligibility for salary must cease), or (iii) if the
3 System is required by federal law to commence payment due to
4 the member's age; the changes to this sentence made by this
5 amendatory Act of the 93rd General Assembly apply without
6 regard to whether the member terminated employment before or
7 after its effective date.

8 (Source: P.A. 93-320, eff. 7-23-03.)

9 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

10 Sec. 16-133. Retirement annuity; amount.

11 (a) The amount of the retirement annuity shall be (i) in
12 the case of a person who first became a teacher under this
13 Article before July 1, 2005, the larger of the amounts
14 determined under paragraphs (A) and (B) below, or (ii) in the
15 case of a person who first becomes a teacher under this Article
16 on or after July 1, 2005, the amount determined under the
17 applicable provisions of paragraph (B):

18 (A) An amount consisting of the sum of the following:

19 (1) An amount that can be provided on an
20 actuarially equivalent basis by the member's
21 accumulated contributions at the time of retirement;
22 and

23 (2) The sum of (i) the amount that can be provided
24 on an actuarially equivalent basis by the member's
25 accumulated contributions representing service prior

1 to July 1, 1947, and (ii) the amount that can be
2 provided on an actuarially equivalent basis by the
3 amount obtained by multiplying 1.4 times the member's
4 accumulated contributions covering service subsequent
5 to June 30, 1947; and

6 (3) If there is prior service, 2 times the amount
7 that would have been determined under subparagraph (2)
8 of paragraph (A) above on account of contributions
9 which would have been made during the period of prior
10 service creditable to the member had the System been in
11 operation and had the member made contributions at the
12 contribution rate in effect prior to July 1, 1947.

13 This paragraph (A) does not apply to a person who first
14 becomes a teacher under this Article on or after July 1,
15 2005.

16 (B) An amount consisting of the greater of the
17 following:

18 (1) For creditable service earned before July 1,
19 1998 that has not been augmented under Section
20 16-129.1: 1.67% of final average salary for each of the
21 first 10 years of creditable service, 1.90% of final
22 average salary for each year in excess of 10 but not
23 exceeding 20, 2.10% of final average salary for each
24 year in excess of 20 but not exceeding 30, and 2.30% of
25 final average salary for each year in excess of 30; and

26 For creditable service earned on or after July 1,

1 1998 by a member who has at least 24 years of
2 creditable service on July 1, 1998 and who does not
3 elect to augment service under Section 16-129.1: 2.2%
4 of final average salary for each year of creditable
5 service earned on or after July 1, 1998 but before the
6 member reaches a total of 30 years of creditable
7 service and 2.3% of final average salary for each year
8 of creditable service earned on or after July 1, 1998
9 and after the member reaches a total of 30 years of
10 creditable service; and

11 For all other creditable service: 2.2% of final
12 average salary for each year of creditable service; or

13 (2) 1.5% of final average salary for each year of
14 creditable service plus the sum \$7.50 for each of the
15 first 20 years of creditable service.

16 For a person not in service on or after the effective
17 date of this amendatory Act of the 98th General Assembly to
18 whom this paragraph (B) applies, the ~~The~~ amount of the
19 retirement annuity determined under this paragraph (B)
20 shall be reduced by 1/2 of 1% for each month that the
21 member is less than age 60 at the time the retirement
22 annuity begins. However, this reduction shall not apply (i)
23 if the member has at least 35 years of creditable service,
24 or (ii) if the member retires on account of disability
25 under Section 16-149.2 of this Article with at least 20
26 years of creditable service, or (iii) if the member (1) has

1 earned during the period immediately preceding the last day
2 of service at least one year of contributing creditable
3 service as an employee of a department as defined in
4 Section 14-103.04, (2) has earned at least 5 years of
5 contributing creditable service as an employee of a
6 department as defined in Section 14-103.04, (3) retires on
7 or after January 1, 2001, and (4) retires having attained
8 an age which, when added to the number of years of his or
9 her total creditable service, equals at least 85. Portions
10 of years shall be counted as decimal equivalents.

11 For a person in service on or after the effective date
12 of this amendatory Act of the 98th General Assembly to whom
13 this paragraph (B) applies and who retires after attaining
14 age 62 but before age 67 with at least 10 years of
15 creditable service, the retirement annuity shall be
16 discounted as provided in subsection (a-5) of Section
17 16-132.

18 (b) For purposes of this Section, final average salary
19 shall be the average salary for the highest 4 consecutive years
20 within the last 10 years of creditable service as determined
21 under rules of the board. The minimum final average salary
22 shall be considered to be \$2,400 per year.

23 In the determination of final average salary for members
24 other than elected officials and their appointees when such
25 appointees are allowed by statute, that part of a member's
26 salary for any year beginning after June 30, 1979 which exceeds

1 the member's annual full-time salary rate with the same
2 employer for the preceding year by more than 20% shall be
3 excluded. The exclusion shall not apply in any year in which
4 the member's creditable earnings are less than 50% of the
5 preceding year's mean salary for downstate teachers as
6 determined by the survey of school district salaries provided
7 in Section 2-3.103 of the School Code.

8 (c) In determining the amount of the retirement annuity
9 under paragraph (B) of this Section, a fractional year shall be
10 granted proportional credit.

11 (d) The retirement annuity determined under paragraph (B)
12 of this Section shall be available only to members who render
13 teaching service after July 1, 1947 for which member
14 contributions are required, and to annuitants who re-enter
15 under the provisions of Section 16-150.

16 (e) The maximum retirement annuity provided under
17 paragraph (B) of this Section shall be 75% of final average
18 salary.

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

25 (Source: P.A. 94-4, eff. 6-1-05.)

1 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)

2 Sec. 16-133.2. Early retirement without discount.

3 (a) A member retiring after June 1, 1980 and on or before
4 June 30, 2005 (or as provided in subsection (b) of this
5 Section), and applying for a retirement annuity within 6 months
6 of the last day of teaching for which retirement contributions
7 were required, may elect at the time of application for a
8 retirement annuity, to make a one time member contribution to
9 the System and thereby avoid the reduction in the retirement
10 annuity for retirement before age 60 specified in paragraph (B)
11 of Section 16-133. The exercise of the election shall also
12 obligate the last employer to make a one time non-refundable
13 contribution to the System. Substitute teachers wishing to
14 exercise this election must teach 85 or more days in one school
15 term with one employer, who shall be deemed the last employer
16 for purposes of this Section. The last day of teaching with
17 that employer must be within 6 months of the date of
18 application for retirement. All substitute teaching credit
19 applied toward the required 85 days must be earned after June
20 30, 1990.

21 The one time member and employer contributions shall be a
22 percentage of the retiring member's highest annual salary rate
23 used in the determination of the average salary for retirement
24 annuity purposes. However, when determining the one-time
25 member and employer contributions, that part of a member's
26 salary with the same employer which exceeds the annual salary

1 rate for the preceding year by more than 20% shall be excluded.
2 The member contribution shall be at the rate of 7% for the
3 lesser of the following 2 periods: (1) for each year that the
4 member is less than age 60; or (2) for each year that the
5 member's creditable service is less than 35 years. If a member
6 is at least age 55 and has at least 34 years of creditable
7 service, no member or employer contribution for the early
8 retirement option shall be required. The employer contribution
9 shall be at the rate of 20% for each year the member is under
10 age 60.

11 Upon receipt of the application and election, the System
12 shall determine the one time employee and employer
13 contributions required. The member contribution shall be
14 credited to the individual account of the member and the
15 employer contribution shall be credited to the Benefit Trust
16 Reserve. The provisions of this subsection (a) providing for
17 the avoidance of the reduction in retirement annuity shall not
18 be applicable until the member's contribution, if any, has been
19 received by the System; however, the date such contributions
20 are received shall not be considered in determining the
21 effective date of retirement.

22 The number of members working for a single employer who may
23 retire under this subsection or subsection (b) in any year may
24 be limited at the option of the employer to a specified
25 percentage of those eligible, not less than 30%, with the right
26 to participate to be allocated among those applying on the

1 basis of seniority in the service of the employer.

2 (b) The provisions of subsection (a) of this Section shall
3 remain in effect for a member retiring after June 30, 2005 and
4 on or before July 1, 2007, provided that the member satisfies
5 both of the following requirements:

6 (1) the member notified his or her employer of intent
7 to retire under this Article on or before the effective
8 date of this amendatory Act of the 94th General Assembly
9 under the terms of a contract or collective bargaining
10 agreement entered into, amended, or renewed with the
11 employer on or before the effective date of this amendatory
12 Act of the 94th General Assembly; and

13 (2) the effective date of the member's retirement is on
14 or before July 1, 2007.

15 The member's employer must give evidence of the member's
16 notification by providing to the System:

17 (i) a copy of the member's notification to the employer
18 or the record of that notification;

19 (ii) an affidavit signed by the member and the
20 employer, verifying the notification; and

21 (iii) any additional documentation that the System may
22 require.

23 (c) Except as otherwise provided in subsection (b), and
24 subject to the provisions of Section 16-176, a member retiring
25 on or after July 1, 2005 and before the effective date of this
26 amendatory Act of the 98th General Assembly, and applying for a

1 retirement annuity within 6 months of the last day of teaching
2 for which retirement contributions were required, may elect at
3 the time of application for a retirement annuity, to make a
4 one-time member contribution to the System and thereby avoid
5 the reduction in the retirement annuity for retirement before
6 age 60 specified in paragraph (B) of Section 16-133. The
7 exercise of the election shall also obligate the last employer
8 to make a one-time nonrefundable contribution to the System.
9 Substitute teachers wishing to exercise this election must
10 teach 85 or more days in one school term with one employer, who
11 shall be deemed the last employer for purposes of this Section.
12 The last day of teaching with that employer must be within 6
13 months of the date of application for retirement. All
14 substitute teaching credit applied toward the required 85 days
15 must be earned after June 30, 1990.

16 The one-time member and employer contributions shall be a
17 percentage of the retiring member's highest annual salary rate
18 used in the determination of the average salary for retirement
19 annuity purposes. However, when determining the one-time
20 member and employer contributions, that part of a member's
21 salary with the same employer which exceeds the annual salary
22 rate for the preceding year by more than 20% shall be excluded.
23 The member contribution shall be at the rate of 11.5% for the
24 lesser of the following 2 periods: (1) for each year that the
25 member is less than age 60; or (2) for each year that the
26 member's creditable service is less than 35 years. The employer

1 contribution shall be at the rate of 23.5% for each year the
2 member is under age 60.

3 Upon receipt of the application and election, the System
4 shall determine the one-time employee and employer
5 contributions required. The member contribution shall be
6 credited to the individual account of the member and the
7 employer contribution shall be credited to the Benefit Trust
8 Reserve. The avoidance of the reduction in retirement annuity
9 provided under this subsection (c) is not applicable until the
10 member's contribution, if any, has been received by the System;
11 however, the date that contribution is received shall not be
12 considered in determining the effective date of retirement.

13 The number of members working for a single employer who may
14 retire under this subsection (c) in any year may be limited at
15 the option of the employer to a specified percentage of those
16 eligible, not less than 10%, with the right to participate to
17 be allocated among those applying on the basis of seniority in
18 the service of the employer.

19 The early retirement without discount option provided
20 under this Section is not available to persons who are in
21 service on or after the effective date of this amendatory Act
22 of the 98th General Assembly.

23 (Source: P.A. 93-469, eff. 8-8-03; 94-4, eff. 6-1-05.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."