



Rep. Elaine Nekritz

**Filed: 3/13/2013**

09800HB1166ham006

LRB098 08855 EFG 42760 a

1 AMENDMENT TO HOUSE BILL 1166

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1166, AS AMENDED, by  
3 inserting in proper numerical sequence among the Sections of  
4 the Bill the following:

5 "Section 6. The Illinois Pension Code is amended by  
6 changing Sections 2-119, 14-107, 14-108, 14-110, 15-135,  
7 15-136, 16-132, and 16-133 and by adding Sections 2-105.1,  
8 14-103.40, 15-107.1, and 16-106.4 as follows:

9 (40 ILCS 5/2-105.1 new)

10 Sec. 2-105.1. Tier I participant. "Tier I participant": A  
11 participant who first became a participant before January 1,  
12 2011.

13 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

14 Sec. 2-119. Retirement annuity - conditions for  
15 eligibility.

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

5 1. The date the annuity begins does not precede the  
6 date of final termination of service, or is not more than  
7 30 days before the receipt of the application by the board  
8 in the case of annuities based on disability or one year  
9 before the receipt of the application in the case of  
10 annuities based on attained age;

11 2. The participant meets one of the following  
12 eligibility requirements:

13 For a participant who first becomes a participant of  
14 this System before January 1, 2011 (the effective date of  
15 Public Act 96-889):

16 (A) He or she has attained age 55 and has at least  
17 8 years of service credit;

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

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

24 For a participant who first becomes a participant of  
25 this System on or after January 1, 2011 (the effective date  
26 of Public Act 96-889), he or she has attained age 67 and

1 has at least 8 years of service credit.

2 (a-5) Notwithstanding subsection (a) of this Section, for a  
3 Tier I participant who begins receiving a retirement annuity  
4 under this Section after July 1, 2013:

5 (1) If the Tier I participant is at least 45 years old  
6 on the effective date of this amendatory Act of the 98th  
7 General Assembly, then the references to age 55 and 62 in  
8 subsection (a) of this Section remain unchanged.

9 (2) If the Tier I participant is at least 40 but less  
10 than 45 years old on the effective date of this amendatory  
11 Act of the 98th General Assembly, then the references to  
12 age 55 and 62 in subsection (a) of this Section are  
13 increased by one year.

14 (3) If the Tier I participant is at least 35 but less  
15 than 40 years old on the effective date of this amendatory  
16 Act of the 98th General Assembly, then the references to  
17 age 55 and 62 in subsection (a) of this Section are  
18 increased by 3 years.

19 (4) If the Tier I participant is less than 35 years old  
20 on the effective date of this amendatory Act of the 98th  
21 General Assembly, then the references to age 55 and 62 in  
22 subsection (a) of this Section are increased by 5 years.

23 Notwithstanding Section 1-103.1, this subsection (a-5)  
24 applies without regard to whether or not the Tier I member is  
25 in active service under this Article on or after the effective  
26 date of this amendatory Act of the 98th General Assembly.

1 (a-5) A participant who first becomes a participant of this  
2 System on or after January 1, 2011 (the effective date of  
3 Public Act 96-889) who has attained age 62 and has at least 8  
4 years of service credit may elect to receive the lower  
5 retirement annuity provided in paragraph (c) of Section  
6 2-119.01 of this 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 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

15 (40 ILCS 5/14-103.40 new)

16 Sec. 14-103.40. Tier I member. "Tier I member": A member of  
17 this System who first became a member or participant before  
18 January 1, 2011 under any reciprocal retirement system or  
19 pension fund established under this Code other than a  
20 retirement system or pension fund established under Article 2,  
21 3, 4, 5, 6, or 18 of this Code.

22 (40 ILCS 5/14-107) (from Ch. 108 1/2, par. 14-107)

23 Sec. 14-107. Retirement annuity - service and age -  
24 conditions.

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

3       (b) A member who has at least 35 years of creditable  
4 service may claim his or her retirement annuity at any age. A  
5 member having at least 8 years of creditable service but less  
6 than 35 may claim his or her retirement annuity upon or after  
7 attainment of age 60 or, beginning January 1, 2001, any lesser  
8 age which, when added to the number of years of his or her  
9 creditable service, equals at least 85. A member upon or after  
10 attainment of age 55 having at least 25 years of creditable  
11 service (30 years if retirement is before January 1, 2001) may  
12 elect to receive the lower retirement annuity provided in  
13 paragraph (c) of Section 14-108 of this Code. For purposes of  
14 the rule of 85, portions of years shall be counted in whole  
15 months.

16       (c) Notwithstanding subsection (b) of this Section, for a  
17 Tier I member who begins receiving a retirement annuity under  
18 this Article after July 1, 2013:

19       (1) If the Tier I member is at least 45 years old on  
20 the effective date of this amendatory Act of the 98th  
21 General Assembly, then the references to age 55 and 60 in  
22 subsection (b) of this Section remain unchanged and the  
23 references to 85 in subsection (b) of this Section remain  
24 unchanged.

25       (2) If the Tier I member is at least 40 but less than  
26 45 years old on the effective date of this amendatory Act

1       of the 98th General Assembly, then the references to age 55  
2       and 60 in subsection (b) of this Section are increased by  
3       one year and the references to 85 in subsection (b) are  
4       increased to 87.

5       (3) If the Tier I member is at least 35 but less than  
6       40 years old on the effective date of this amendatory Act  
7       of the 98th General Assembly, then the references to age 55  
8       and 60 in subsection (b) of this Section are increased by 3  
9       years and the references to 85 in subsection (b) are  
10       increased to 91.

11       (4) If the Tier I member is less than 35 years old on  
12       the effective date of this amendatory Act of the 98th  
13       General Assembly, then the references to age 55 and 60 in  
14       subsection (b) of this Section are increased by 5 years and  
15       the references to 85 in subsection (b) are increased to 95.

16       Notwithstanding Section 1-103.1, this subsection (c)  
17       applies without regard to whether or not the Tier I member is  
18       in active service under this Article on or after the effective  
19       date of this amendatory Act of the 98th General Assembly.

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

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

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

2 Sec. 14-108. Amount of retirement annuity. A member who has  
3 contributed to the System for at least 12 months shall be  
4 entitled to a prior service annuity for each year of certified  
5 prior service credited to him, except that a member shall  
6 receive 1/3 of the prior service annuity for each year of  
7 service for which contributions have been made and all of such  
8 annuity shall be payable after the member has made  
9 contributions for a period of 3 years. Proportionate amounts  
10 shall be payable for service of less than a full year after  
11 completion of at least 12 months.

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

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

1 stated in paragraph (b).

2 (b) In the case of a member who retires on or after January  
3 1, 1998 and is a covered employee, the retirement annuity for  
4 membership service and prior service shall be computed as  
5 stated in paragraph (a) for all service credit established as a  
6 noncovered employee; for service credit established as a  
7 covered employee it shall be 1.67% of final average  
8 compensation for each year of service.

9 (c) For a member retiring after attaining age 55 but before  
10 age 60 with at least 30 but less than 35 years of creditable  
11 service if retirement is before January 1, 2001, or with at  
12 least 25 but less than 30 years of creditable service if  
13 retirement is on or after January 1, 2001, the retirement  
14 annuity shall be reduced by 1/2 of 1% for each month that the  
15 member's age is under age 60 at the time of retirement. For  
16 members to whom subsection (c) of Section 14-107 applies, the  
17 references to age 55 and 60 in this subsection (c) are  
18 increased 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) Any member who has withdrawn from service with not less  
23 than 20 years of eligible creditable service and has attained  
24 age 55, and any member who has withdrawn from service with not  
25 less than 25 years of eligible creditable service and has

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

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

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

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

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

6           (a-5) Notwithstanding subsection (a) of this Section, for a  
7 Tier I member who begins receiving a retirement annuity under  
8 this Section after July 1, 2013:

9           (1) If the Tier I member is at least 45 years old on  
10 the effective date of this amendatory Act of the 98th  
11 General Assembly, then the references to age 50 and 55 in  
12 subsection (a) of this Section remain unchanged.

13           (2) If the Tier I member is at least 40 but less than  
14 45 years old on the effective date of this amendatory Act  
15 of the 98th General Assembly, then the references to age 50  
16 and 55 in subsection (a) of this Section are increased by  
17 one year.

18           (3) If the Tier I member is at least 35 but less than  
19 40 years old on the effective date of this amendatory Act  
20 of the 98th General Assembly, then the references to age 50  
21 and 55 in subsection (a) of this Section are increased by 3  
22 years.

23           (4) If the Tier I member is less than 35 years old on  
24 the effective date of this amendatory Act of the 98th  
25 General Assembly, then the references to age 50 and 55 in  
26 subsection (a) of this Section are increased by 5 years.

1        Notwithstanding Section 1-103.1, this subsection (a-5)  
2 applies without regard to whether or not the Tier I member is  
3 in active service under this Article on or after the effective  
4 date of this amendatory Act of the 98th General Assembly.

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

8            (1) State policeman;

9            (2) fire fighter in the fire protection service of a  
10 department;

11           (3) air pilot;

12           (4) special agent;

13           (5) investigator for the Secretary of State;

14           (6) conservation police officer;

15           (7) investigator for the Department of Revenue or the  
16 Illinois Gaming Board;

17           (8) security employee of the Department of Human  
18 Services;

19           (9) Central Management Services security police  
20 officer;

21           (10) security employee of the Department of  
22 Corrections or the Department of Juvenile Justice;

23           (11) dangerous drugs investigator;

24           (12) investigator for the Department of State Police;

25           (13) investigator for the Office of the Attorney  
26 General;

1 (14) controlled substance inspector;

2 (15) investigator for the Office of the State's  
3 Attorneys Appellate Prosecutor;

4 (16) Commerce Commission police officer;

5 (17) arson investigator;

6 (18) State highway maintenance worker.

7 A person employed in one of the positions specified in this  
8 subsection is entitled to eligible creditable service for  
9 service credit earned under this Article while undergoing the  
10 basic police training course approved by the Illinois Law  
11 Enforcement Training Standards Board, if completion of that  
12 training is required of persons serving in that position. For  
13 the purposes of this Code, service during the required basic  
14 police training course shall be deemed performance of the  
15 duties of the specified position, even though the person is not  
16 a sworn peace officer at the time of the training.

17 (c) For the purposes of this Section:

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

21 (2) The term "fire fighter in the fire protection  
22 service of a department" includes all officers in such fire  
23 protection service including fire chiefs and assistant  
24 fire chiefs.

25 (3) The term "air pilot" includes any employee whose  
26 official job description on file in the Department of

1 Central Management Services, or in the department by which  
2 he is employed if that department is not covered by the  
3 Personnel Code, states that his principal duty is the  
4 operation of aircraft, and who possesses a pilot's license;  
5 however, the change in this definition made by this  
6 amendatory Act of 1983 shall not operate to exclude any  
7 noncovered employee who was an "air pilot" for the purposes  
8 of this Section on January 1, 1984.

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

21 (5) The term "investigator for the Secretary of State"  
22 means any person employed by the Office of the Secretary of  
23 State and vested with such investigative duties as render  
24 him ineligible for coverage under the Social Security Act  
25 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
26 218(1)(1) of that Act.



1           A person who became employed as an investigator for the  
2 Secretary of State between January 1, 1967 and December 31,  
3 1975, and who has served as such until attainment of age  
4 60, either continuously or with a single break in service  
5 of not more than 3 years duration, which break terminated  
6 before January 1, 1976, shall be entitled to have his  
7 retirement annuity calculated in accordance with  
8 subsection (a), notwithstanding that he has less than 20  
9 years of credit for such service.

10           (6) The term "Conservation Police Officer" means any  
11 person employed by the Division of Law Enforcement of the  
12 Department of Natural Resources and vested with such law  
13 enforcement duties as render him ineligible for coverage  
14 under the Social Security Act by reason of Sections  
15 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The  
16 term "Conservation Police Officer" includes the positions  
17 of Chief Conservation Police Administrator and Assistant  
18 Conservation Police Administrator.

19           (7) The term "investigator for the Department of  
20 Revenue" means any person employed by the Department of  
21 Revenue and vested with such investigative duties as render  
22 him ineligible for coverage under the Social Security Act  
23 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
24 218(1)(1) of that Act.

25           The term "investigator for the Illinois Gaming Board"  
26 means any person employed as such by the Illinois Gaming

1 Board and vested with such peace officer duties as render  
2 the person ineligible for coverage under the Social  
3 Security Act by reason of Sections 218(d)(5)(A),  
4 218(d)(8)(D), and 218(1)(1) of that Act.

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

1 guilty by reason of insanity. With respect to past  
2 employment, references to the Department of Human Services  
3 include its predecessor, the Department of Mental Health  
4 and Developmental Disabilities.

5 The changes made to this subdivision (c)(8) by Public  
6 Act 92-14 apply to persons who retire on or after January  
7 1, 2001, notwithstanding Section 1-103.1.

8 (9) "Central Management Services security police  
9 officer" means any person employed by the Department of  
10 Central Management Services who is vested with such law  
11 enforcement duties as render him ineligible for coverage  
12 under the Social Security Act by reason of Sections  
13 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

14 (10) For a member who first became an employee under  
15 this Article before July 1, 2005, the term "security  
16 employee of the Department of Corrections or the Department  
17 of Juvenile Justice" means any employee of the Department  
18 of Corrections or the Department of Juvenile Justice or the  
19 former Department of Personnel, and any member or employee  
20 of the Prisoner Review Board, who has daily contact with  
21 inmates or youth by working within a correctional facility  
22 or Juvenile facility operated by the Department of Juvenile  
23 Justice or who is a parole officer or an employee who has  
24 direct contact with committed persons in the performance of  
25 his or her job duties. For a member who first becomes an  
26 employee under this Article on or after July 1, 2005, the

1 term means an employee of the Department of Corrections or  
2 the Department of Juvenile Justice who is any of the  
3 following: (i) officially headquartered at a correctional  
4 facility or Juvenile facility operated by the Department of  
5 Juvenile Justice, (ii) a parole officer, (iii) a member of  
6 the apprehension unit, (iv) a member of the intelligence  
7 unit, (v) a member of the sort team, or (vi) an  
8 investigator.

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

12 (12) The term "investigator for the Department of State  
13 Police" means a person employed by the Department of State  
14 Police who is vested under Section 4 of the Narcotic  
15 Control Division Abolition Act with such law enforcement  
16 powers as render him ineligible for coverage under the  
17 Social Security Act by reason of Sections 218(d)(5)(A),  
18 218(d)(8)(D) and 218(1)(1) of that Act.

19 (13) "Investigator for the Office of the Attorney  
20 General" means any person who is employed as such by the  
21 Office of the Attorney General and is vested with such  
22 investigative duties as render him ineligible for coverage  
23 under the Social Security Act by reason of Sections  
24 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
25 the period before January 1, 1989, the term includes all  
26 persons who were employed as investigators by the Office of

1 the Attorney General, without regard to social security  
2 status.

3 (14) "Controlled substance inspector" means any person  
4 who is employed as such by the Department of Professional  
5 Regulation and is vested with such law enforcement duties  
6 as render him ineligible for coverage under the Social  
7 Security Act by reason of Sections 218(d)(5)(A),  
8 218(d)(8)(D) and 218(1)(1) of that Act. The term  
9 "controlled substance inspector" includes the Program  
10 Executive of Enforcement and the Assistant Program  
11 Executive of Enforcement.

12 (15) The term "investigator for the Office of the  
13 State's Attorneys Appellate Prosecutor" means a person  
14 employed in that capacity on a full time basis under the  
15 authority of Section 7.06 of the State's Attorneys  
16 Appellate Prosecutor's Act.

17 (16) "Commerce Commission police officer" means any  
18 person employed by the Illinois Commerce Commission who is  
19 vested with such law enforcement duties as render him  
20 ineligible for coverage under the Social Security Act by  
21 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
22 218(1)(1) of that Act.

23 (17) "Arson investigator" means any person who is  
24 employed as such by the Office of the State Fire Marshal  
25 and is vested with such law enforcement duties as render  
26 the person ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),  
2 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
3 employed as an arson investigator on January 1, 1995 and is  
4 no longer in service but not yet receiving a retirement  
5 annuity may convert his or her creditable service for  
6 employment as an arson investigator into eligible  
7 creditable service by paying to the System the difference  
8 between the employee contributions actually paid for that  
9 service and the amounts that would have been contributed if  
10 the applicant were contributing at the rate applicable to  
11 persons with the same social security status earning  
12 eligible creditable service on the date of application.

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

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

25 (ii) A person employed on a full-time basis by the  
26 Illinois State Toll Highway Authority in the position

1 of equipment operator/laborer H-4, equipment  
2 operator/laborer H-6, welder H-4, welder H-6,  
3 mechanical/electrical H-4, mechanical/electrical H-6,  
4 water/sewer H-4, water/sewer H-6, sign maker/hanger  
5 H-4, sign maker/hanger H-6, roadway lighting H-4,  
6 roadway lighting H-6, structural H-4, structural H-6,  
7 painter H-4, or painter H-6; and whose principal  
8 responsibility is to perform, on the roadway, the  
9 actual maintenance necessary to keep the Authority's  
10 tollways in serviceable condition for vehicular  
11 traffic.

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

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

20 or

21 (ii) beginning January 1, 1987, 25 years of eligible  
22 creditable service and age 54, or 24 years of eligible  
23 creditable service and age 55; or

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

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

4 (v) beginning January 1, 1990, 25 years of eligible  
5 creditable service and age 51, or 21 years of eligible  
6 creditable service and age 55; or

7 (vi) beginning January 1, 1991, 25 years of eligible  
8 creditable service and age 50, or 20 years of eligible  
9 creditable service and age 55.

10 For members to whom subsection (a-5) of this Section  
11 applies, the references to age 50 and 55 in item (vi) of this  
12 subsection are increased as provided in subsection (a-5).

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

22 (e) If a member enters military service while working in a  
23 position in which eligible creditable service may be earned,  
24 and returns to State service in the same or another such  
25 position, and fulfills in all other respects the conditions  
26 prescribed in this Article for credit for military service,



1 such military service shall be credited as eligible creditable  
2 service for the purposes of the retirement annuity prescribed  
3 in this Section.

4 (f) For purposes of calculating retirement annuities under  
5 this Section, periods of service rendered after December 31,  
6 1968 and before October 1, 1975 as a covered employee in the  
7 position of special agent, conservation police officer, mental  
8 health police officer, or investigator for the Secretary of  
9 State, shall be deemed to have been service as a noncovered  
10 employee, provided that the employee pays to the System prior  
11 to retirement an amount equal to (1) the difference between the  
12 employee contributions that would have been required for such  
13 service as a noncovered employee, and the amount of employee  
14 contributions actually paid, plus (2) if payment is made after  
15 July 31, 1987, regular interest on the amount specified in item  
16 (1) from the date of service to the date of payment.

17 For purposes of calculating retirement annuities under  
18 this Section, periods of service rendered after December 31,  
19 1968 and before January 1, 1982 as a covered employee in the  
20 position of investigator for the Department of Revenue shall be  
21 deemed to have been service as a noncovered employee, provided  
22 that the employee pays to the System prior to retirement an  
23 amount equal to (1) the difference between the employee  
24 contributions that would have been required for such service as  
25 a noncovered employee, and the amount of employee contributions  
26 actually paid, plus (2) if payment is made after January 1,

1 1990, regular interest on the amount specified in item (1) from  
2 the date of service to the date of payment.

3 (g) A State policeman may elect, not later than January 1,  
4 1990, to establish eligible creditable service for up to 10  
5 years of his service as a policeman under Article 3, by filing  
6 a written election with the Board, accompanied by payment of an  
7 amount to be determined by the Board, equal to (i) the  
8 difference between the amount of employee and employer  
9 contributions transferred to the System under Section 3-110.5,  
10 and the amounts that would have been contributed had such  
11 contributions been made at the rates applicable to State  
12 policemen, plus (ii) interest thereon at the effective rate for  
13 each year, compounded annually, from the date of service to the  
14 date of payment.

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

1 date of payment.

2 (h) Subject to the limitation in subsection (i), a State  
3 policeman or investigator for the Secretary of State may elect  
4 to establish eligible creditable service for up to 12 years of  
5 his service as a policeman under Article 5, by filing a written  
6 election with the Board on or before January 31, 1992, and  
7 paying to the System by January 31, 1994 an amount to be  
8 determined by the Board, equal to (i) the difference between  
9 the amount of employee and employer contributions transferred  
10 to the System under Section 5-236, and the amounts that would  
11 have been contributed had such contributions been made at the  
12 rates applicable to State policemen, plus (ii) interest thereon  
13 at the effective rate for each year, compounded annually, from  
14 the date of service to the date of payment.

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

1 at the effective rate for each year, compounded annually, from  
2 the date of service to the date of payment.

3 Subject to the limitation in subsection (i), a State  
4 policeman, conservation police officer, or investigator for  
5 the Secretary of State may elect to establish eligible  
6 creditable service for up to 5 years of service as a police  
7 officer under Article 3, a policeman under Article 5, a  
8 sheriff's law enforcement employee under Article 7, a member of  
9 the county police department under Article 9, or a police  
10 officer under Article 15 by filing a written election with the  
11 Board and paying to the System an amount to be determined by  
12 the Board, equal to (i) the difference between the amount of  
13 employee and employer contributions transferred to the System  
14 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
15 and the amounts that would have been contributed had such  
16 contributions been made at the rates applicable to State  
17 policemen, plus (ii) interest thereon at the effective rate for  
18 each year, compounded annually, from the date of service to the  
19 date of payment.

20 Subject to the limitation in subsection (i), an  
21 investigator for the Office of the Attorney General, or an  
22 investigator for the Department of Revenue, may elect to  
23 establish eligible creditable service for up to 5 years of  
24 service as a police officer under Article 3, a policeman under  
25 Article 5, a sheriff's law enforcement employee under Article  
26 7, or a member of the county police department under Article 9

1 by filing a written election with the Board within 6 months  
2 after August 25, 2009 (the effective date of Public Act 96-745)  
3 and paying to the System an amount to be determined by the  
4 Board, equal to (i) the difference between the amount of  
5 employee and employer contributions transferred to the System  
6 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the  
7 amounts that would have been contributed had such contributions  
8 been made at the rates applicable to State policemen, plus (ii)  
9 interest thereon at the actuarially assumed rate for each year,  
10 compounded annually, from the date of service to the date of  
11 payment.

12 Subject to the limitation in subsection (i), a State  
13 policeman, conservation police officer, investigator for the  
14 Office of the Attorney General, an investigator for the  
15 Department of Revenue, or investigator for the Secretary of  
16 State may elect to establish eligible creditable service for up  
17 to 5 years of service as a person employed by a participating  
18 municipality to perform police duties, or law enforcement  
19 officer employed on a full-time basis by a forest preserve  
20 district under Article 7, a county corrections officer, or a  
21 court services officer under Article 9, by filing a written  
22 election with the Board within 6 months after August 25, 2009  
23 (the effective date of Public Act 96-745) and paying to the  
24 System an amount to be determined by the Board, equal to (i)  
25 the difference between the amount of employee and employer  
26 contributions transferred to the System under Sections 7-139.8

1 and 9-121.10 and the amounts that would have been contributed  
2 had such contributions been made at the rates applicable to  
3 State policemen, plus (ii) interest thereon at the actuarially  
4 assumed rate for each year, compounded annually, from the date  
5 of service to the date of payment.

6 (i) The total amount of eligible creditable service  
7 established by any person under subsections (g), (h), (j), (k),  
8 and (l) of this Section shall not exceed 12 years.

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

24 (k) Subject to the limitation in subsection (i) of this  
25 Section, an alternative formula employee may elect to establish  
26 eligible creditable service for periods spent as a full-time

1 law enforcement officer or full-time corrections officer  
2 employed by the federal government or by a state or local  
3 government located outside of Illinois, for which credit is not  
4 held in any other public employee pension fund or retirement  
5 system. To obtain this credit, the applicant must file a  
6 written application with the Board by March 31, 1998,  
7 accompanied by evidence of eligibility acceptable to the Board  
8 and payment of an amount to be determined by the Board, equal  
9 to (1) employee contributions for the credit being established,  
10 based upon the applicant's salary on the first day as an  
11 alternative formula employee after the employment for which  
12 credit is being established and the rates then applicable to  
13 alternative formula employees, plus (2) an amount determined by  
14 the Board to be the employer's normal cost of the benefits  
15 accrued for the credit being established, plus (3) regular  
16 interest on the amounts in items (1) and (2) from the first day  
17 as an alternative formula employee after the employment for  
18 which credit is being established to the date of payment.

19 (1) Subject to the limitation in subsection (i), a security  
20 employee of the Department of Corrections may elect, not later  
21 than July 1, 1998, to establish eligible creditable service for  
22 up to 10 years of his or her service as a policeman under  
23 Article 3, by filing a written election with the Board,  
24 accompanied by payment of an amount to be determined by the  
25 Board, equal to (i) the difference between the amount of  
26 employee and employer contributions transferred to the System

1 under Section 3-110.5, and the amounts that would have been  
2 contributed had such contributions been made at the rates  
3 applicable to security employees of the Department of  
4 Corrections, plus (ii) interest thereon at the effective rate  
5 for each year, compounded annually, from the date of service to  
6 the date of payment.

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

24 (n) A person employed in a position under subsection (b) of  
25 this Section who has purchased service credit under subsection  
26 (j) of Section 14-104 or subsection (b) of Section 14-105 in



1 any other capacity under this Article may convert up to 5 years  
2 of that service credit into service credit covered under this  
3 Section by paying to the Fund an amount equal to (1) the  
4 additional employee contribution required under Section  
5 14-133, plus (2) the additional employer contribution required  
6 under Section 14-131, plus (3) interest on items (1) and (2) at  
7 the actuarially assumed rate from the date of the service to  
8 the date of payment.

9 (Source: P.A. 95-530, eff. 8-28-07; 95-1036, eff. 2-17-09;  
10 96-37, eff. 7-13-09; 96-745, eff. 8-25-09; 96-1000, eff.  
11 7-2-10.)

12 (40 ILCS 5/15-107.1 new)

13 Sec. 15-107.1. Tier I participant. "Tier I participant": A  
14 participant under this Article, other than a participant in the  
15 self-managed plan under Section 15-158.2, who first became a  
16 member or participant before January 1, 2011 under any  
17 reciprocal retirement system or pension fund established under  
18 this Code other than a retirement system or pension fund  
19 established under Article 2, 3, 4, 5, 6, or 18 of this Code.

20 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

21 Sec. 15-135. Retirement annuities - Conditions.

22 (a) A participant who retires in one of the following  
23 specified years with the specified amount of service is  
24 entitled to a retirement annuity at any age under the

1 retirement program applicable to the participant:

2 35 years if retirement is in 1997 or before;

3 34 years if retirement is in 1998;

4 33 years if retirement is in 1999;

5 32 years if retirement is in 2000;

6 31 years if retirement is in 2001;

7 30 years if retirement is in 2002 or later.

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

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

14 A participant who has at least 25 years of service in this  
15 system as a police officer or firefighter is entitled to a  
16 retirement annuity on or after the attainment of age 50, if  
17 Rule 4 of Section 15-136 is applicable to the participant.

18 (a-5) Notwithstanding subsection (a) of this Section, for a  
19 Tier I participant who begins receiving a retirement annuity  
20 under this Article after July 1, 2013:

21 (1) If the Tier I participant is at least 45 years old  
22 on the effective date of this amendatory Act of the 98th  
23 General Assembly, then the reference to retirement with 30  
24 years of service as well as the references to age 50, 55,  
25 and 62 in subsection (a) of this Section remain unchanged.

26 (2) If the Tier I participant is at least 40 but less

1       than 45 years old on the effective date of this amendatory  
2       Act of the 98th General Assembly, then the reference to  
3       retirement with 30 years of service as well as the  
4       references to age 50, 55, and 62 in subsection (a) of this  
5       Section shall be increased by one year.

6           (3) If the Tier I participant is at least 35 but less  
7       than 40 years old on the effective date of this amendatory  
8       Act of the 98th General Assembly, then the reference to  
9       retirement with 30 years of service as well as the  
10       references to age 50, 55, and 62 in subsection (a) of this  
11       Section shall be increased by 3 years.

12           (4) If the Tier I participant is less than 35 years old  
13       on the effective date of this amendatory Act of the 98th  
14       General Assembly, then the reference to retirement with 30  
15       years of service as well as the references to age 50, 55,  
16       and 62 in subsection (a) of this Section shall be increased  
17       by 5 years.

18       Notwithstanding Section 1-103.1, this subsection (a-5)  
19       applies without regard to whether or not the Tier I participant  
20       is in active service under this Article on or after the  
21       effective date of this amendatory Act of the 98th General  
22       Assembly.

23           (b) The annuity payment period shall begin on the date  
24       specified by the participant or the recipient of a disability  
25       retirement annuity submitting a written application, which  
26       date shall not be prior to termination of employment or more

1 than one year before the application is received by the board;  
2 however, if the participant is not an employee of an employer  
3 participating in this System or in a participating system as  
4 defined in Article 20 of this Code on April 1 of the calendar  
5 year next following the calendar year in which the participant  
6 attains age 70 1/2, the annuity payment period shall begin on  
7 that date regardless of whether an application has been filed.

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

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

11 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

12 Sec. 15-136. Retirement annuities - Amount. The provisions  
13 of this Section 15-136 apply only to those participants who are  
14 participating in the traditional benefit package or the  
15 portable benefit package and do not apply to participants who  
16 are participating in the self-managed plan.

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

21 Rule 1: The retirement annuity shall be 1.67% of final rate  
22 of earnings for each of the first 10 years of service, 1.90%  
23 for each of the next 10 years of service, 2.10% for each year  
24 of service in excess of 20 but not exceeding 30, and 2.30% for  
25 each year in excess of 30; or for persons who retire on or

1 after January 1, 1998, 2.2% of the final rate of earnings for  
2 each year of service.

3 Rule 2: The retirement annuity shall be the sum of the  
4 following, determined from amounts credited to the participant  
5 in accordance with the actuarial tables and the effective rate  
6 of interest in effect at the time the retirement annuity  
7 begins:

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

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

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

21 With respect to a police officer or firefighter who retires  
22 on or after August 14, 1998, the accumulated normal  
23 contributions taken into account under clauses (i) and (ii) of  
24 this Rule 2 shall include the additional normal contributions  
25 made by the police officer or firefighter under Section  
26 15-157(a).

1           The amount of a retirement annuity calculated under this  
2 Rule 2 shall be computed solely on the basis of the  
3 participant's accumulated normal contributions, as specified  
4 in this Rule and defined in Section 15-116. Neither an employee  
5 or employer contribution for early retirement under Section  
6 15-136.2 nor any other employer contribution shall be used in  
7 the calculation of the amount of a retirement annuity under  
8 this Rule 2.

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

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

15           Rule 3: The retirement annuity of a participant who is  
16 employed at least one-half time during the period on which his  
17 or her final rate of earnings is based, shall be equal to the  
18 participant's years of service not to exceed 30, multiplied by  
19 (1) \$96 if the participant's final rate of earnings is less  
20 than \$3,500, (2) \$108 if the final rate of earnings is at least  
21 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
22 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
23 the final rate of earnings is at least \$5,500 but less than  
24 \$6,500, (5) \$144 if the final rate of earnings is at least  
25 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
26 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if

1 the final rate of earnings is at least \$8,500 but less than  
2 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
3 more, except that the annuity for those persons having made an  
4 election under Section 15-154(a-1) shall be calculated and  
5 payable under the portable retirement benefit program pursuant  
6 to the provisions of Section 15-136.4.

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

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

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

22 (ii) in the case of an individual who was a  
23 participating employee employed in the fire department of  
24 the University of Illinois's Champaign-Urbana campus  
25 immediately prior to the elimination of that fire  
26 department and who immediately after the elimination of

1           that fire department transferred to another job with the  
2           University of Illinois, service performed as an employee of  
3           the University of Illinois in a position other than police  
4           officer or firefighter, from the date of that transfer  
5           until the employee's next termination of service with the  
6           University of Illinois.

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

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

19                 (ii) an annuity from employer contributions of an  
20                 amount equal to that which can be provided on an  
21                 actuarially equivalent basis from the accumulated normal  
22                 contributions made by the participant under Section  
23                 15-113.6 and Section 15-113.7 plus 1.4 times all other  
24                 accumulated normal contributions made by the participant;  
25                 and

26                 (iii) an annuity which can be provided on an



1        actuarially equivalent basis from the employee  
2        contribution for early retirement under Section 15-136.2,  
3        and an annuity from employer contributions of an amount  
4        equal to that which can be provided on an actuarially  
5        equivalent basis from the employee contribution for early  
6        retirement under Section 15-136.2.

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

16       With respect to a participant who is qualified for a  
17       retirement annuity under this Rule 5 whose retirement annuity  
18       began before the effective date of this amendatory Act of the  
19       91st General Assembly, and for whom an employee contribution  
20       was made under Section 15-136.2, the System shall recalculate  
21       the retirement annuity under this Rule 5 and shall pay any  
22       additional amounts due in the manner provided in Section  
23       15-186.1 for benefits mistakenly set too low.

24       The amount of a retirement annuity calculated under this  
25       Rule 5 shall be computed solely on the basis of those  
26       contributions specifically set forth in this Rule 5. Except as

1 provided in clause (iii) of this Rule 5, neither an employee  
2 nor employer contribution for early retirement under Section  
3 15-136.2, nor any other employer contribution, shall be used in  
4 the calculation of the amount of a retirement annuity under  
5 this Rule 5.

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

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

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

24 (1) For a disabled participant whose disability  
25 benefits have been discontinued because he or she has  
26 exhausted eligibility for disability benefits under clause

1 (6) of Section 15-152;

2 (2) For a participant who has at least the number of  
3 years of service required to retire at any age under  
4 subsection (a) of Section 15-135; or

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

11 (c) The maximum retirement annuity provided under Rules 1,  
12 2, 4, and 5 shall be the lesser of (1) the annual limit of  
13 benefits as specified in Section 415 of the Internal Revenue  
14 Code of 1986, as such Section may be amended from time to time  
15 and as such benefit limits shall be adjusted by the  
16 Commissioner of Internal Revenue, and (2) 80% of final rate of  
17 earnings.

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

21 Effective January 1 immediately following the date the  
22 retirement annuity begins, the annuitant shall receive an  
23 increase in his or her monthly retirement annuity of 0.125% of  
24 the monthly retirement annuity provided under Rule 1, Rule 2,  
25 Rule 3, Rule 4, or Rule 5, contained in this Section,  
26 multiplied by the number of full months which elapsed from the

1 date the retirement annuity payments began to January 1, 1972,  
2 plus 0.1667% of such annuity, multiplied by the number of full  
3 months which elapsed from January 1, 1972, or the date the  
4 retirement annuity payments began, whichever is later, to  
5 January 1, 1978, plus 0.25% of such annuity multiplied by the  
6 number of full months which elapsed from January 1, 1978, or  
7 the date the retirement annuity payments began, whichever is  
8 later, to the effective date of the increase.

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

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

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

24 (e) If, on January 1, 1987, or the date the retirement  
25 annuity payment period begins, whichever is later, the sum of  
26 the retirement annuity provided under Rule 1 or Rule 2 of this

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

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

22 (g) If, (1) by law, a function of a governmental unit, as  
23 defined by Section 20-107 of this Code, is transferred in whole  
24 or in part to an employer, and (2) a participant transfers  
25 employment from such governmental unit to such employer within  
26 6 months after the transfer of the function, and (3) the sum of

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

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

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

24 (j) For participants to whom subsection (a-5) of Section  
25 15-135 applies, the references to age 50, 55, and 62 in this  
26 Section are increased as provided in subsection (a-5) of

1 Section 15-135.

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

3 (40 ILCS 5/16-106.4 new)

4 Sec. 16-106.4. Tier I member. "Tier I member": A member  
5 under this Article who first became a member or participant  
6 before January 1, 2011 under any reciprocal retirement system  
7 or pension fund established under this Code other than a  
8 retirement system or pension fund established under Article 2,  
9 3, 4, 5, 6, or 18 of this Code.

10 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

11 Sec. 16-132. Retirement annuity eligibility.

12 (a) A member who has at least 20 years of creditable  
13 service is entitled to a retirement annuity upon or after  
14 attainment of age 55. A member who has at least 10 but less  
15 than 20 years of creditable service is entitled to a retirement  
16 annuity upon or after attainment of age 60. A member who has at  
17 least 5 but less than 10 years of creditable service is  
18 entitled to a retirement annuity upon or after attainment of  
19 age 62. A member who (i) has earned during the period  
20 immediately preceding the last day of service at least one year  
21 of contributing creditable service as an employee of a  
22 department as defined in Section 14-103.04, (ii) has earned at  
23 least 5 years of contributing creditable service as an employee  
24 of a department as defined in Section 14-103.04, and (iii)

1 retires on or after January 1, 2001 is entitled to a retirement  
2 annuity upon or after attainment of an age which, when added to  
3 the number of years of his or her total creditable service,  
4 equals at least 85. Portions of years shall be counted as  
5 decimal equivalents.

6 A member who is eligible to receive a retirement annuity of  
7 at least 74.6% of final average salary and will attain age 55  
8 on or before December 31 during the year which commences on  
9 July 1 shall be deemed to attain age 55 on the preceding June  
10 1.

11 (b) Notwithstanding subsection (a) of this Section, for a  
12 Tier I member who begins receiving a retirement annuity under  
13 this Article after July 1, 2013:

14 (1) If the Tier I member is at least 45 years old on  
15 the effective date of this amendatory Act of the 98th  
16 General Assembly, then the references to age 55, 60, and 62  
17 in subsection (a) of this Section remain unchanged and the  
18 reference to 85 in subsection (a) of this Section remains  
19 unchanged.

20 (2) If the Tier I member is at least 40 but less than  
21 45 years old on the effective date of this amendatory Act  
22 of the 98th General Assembly, then the references to age  
23 55, 60, and 62 in subsection (a) of this Section are  
24 increased by one year and the reference to 85 in subsection  
25 (a) is increased to 87.

26 (3) If the Tier I member is at least 35 but less than



1       40 years old on the effective date of this amendatory Act  
2       of the 98th General Assembly, then the references to age  
3       55, 60, and 62 in subsection (a) of this Section are  
4       increased by 3 years and the reference to 85 in subsection  
5       (a) is increased to 91.

6       (4) If the Tier I member is less than 35 years old on  
7       the effective date of this amendatory Act of the 98th  
8       General Assembly, then the references to age 55, 60, and 62  
9       in subsection (a) of this Section are increased by 5 years  
10       and the reference to 85 in subsection (a) is increased to  
11       95.

12       Notwithstanding Section 1-103.1, this subsection (b)  
13       applies without regard to whether or not the Tier I member is  
14       in active service under this Article on or after the effective  
15       date of this amendatory Act of the 98th General Assembly.

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

23       (d) To be eligible for a retirement annuity, a member shall  
24       not be employed as a teacher in the schools included under this  
25       System or under Article 17, except (i) as provided in Section  
26       16-118 or 16-150.1, (ii) if the member is disabled (in which

1 event, eligibility for salary must cease), or (iii) if the  
2 System is required by federal law to commence payment due to  
3 the member's age; the changes to this sentence made by Public  
4 Act 93-320 ~~this amendatory Act of the 93rd General Assembly~~  
5 apply without regard to whether the member terminated  
6 employment before or after its effective date.

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

8 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

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

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

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

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

22 (2) The sum of (i) the amount that can be provided  
23 on an actuarially equivalent basis by the member's  
24 accumulated contributions representing service prior  
25 to July 1, 1947, and (ii) the amount that can be

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

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

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

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

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

25 For creditable service earned on or after July 1,  
26 1998 by a member who has at least 24 years of

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

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

12           (2) 1.5% of final average salary for each year of  
13           creditable service plus the sum \$7.50 for each of the  
14           first 20 years of creditable service.

15           The amount of the retirement annuity determined under this  
16           paragraph (B) shall be reduced by 1/2 of 1% for each month  
17           that the member is less than age 60 at the time the  
18           retirement annuity begins. However, this reduction shall  
19           not apply (i) if the member has at least 35 years of  
20           creditable service, or (ii) if the member retires on  
21           account of disability under Section 16-149.2 of this  
22           Article with at least 20 years of creditable service, or  
23           (iii) if the member (1) has earned during the period  
24           immediately preceding the last day of service at least one  
25           year of contributing creditable service as an employee of a  
26           department as defined in Section 14-103.04, (2) has earned

1 at least 5 years of contributing creditable service as an  
2 employee of a department as defined in Section 14-103.04,  
3 (3) retires on or after January 1, 2001, and (4) retires  
4 having attained an age which, when added to the number of  
5 years of his or her total creditable service, equals at  
6 least 85. Portions of years shall be counted as decimal  
7 equivalents. For participants to whom subsection (b) of  
8 Section 16-132 applies, the reference to age 60 in this  
9 paragraph and the reference to 85 in this paragraph are  
10 increased as provided in subsection (b) of Section 16-132.

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

16 In the determination of final average salary for members  
17 other than elected officials and their appointees when such  
18 appointees are allowed by statute, that part of a member's  
19 salary for any year beginning after June 30, 1979 which exceeds  
20 the member's annual full-time salary rate with the same  
21 employer for the preceding year by more than 20% shall be  
22 excluded. The exclusion shall not apply in any year in which  
23 the member's creditable earnings are less than 50% of the  
24 preceding year's mean salary for downstate teachers as  
25 determined by the survey of school district salaries provided  
26 in Section 2-3.103 of the School Code.

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

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

9           (e) The maximum retirement annuity provided under  
10 paragraph (B) of this Section shall be 75% of final average  
11 salary.

12           (f) A member retiring after the effective date of this  
13 amendatory Act of 1998 shall receive a pension equal to 75% of  
14 final average salary if the member is qualified to receive a  
15 retirement annuity equal to at least 74.6% of final average  
16 salary under this Article or as proportional annuities under  
17 Article 20 of this Code.

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