

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 7-139, 7-175, and 7-175.1 and by adding Section  
6 7-111.5 as follows:

7 (40 ILCS 5/7-111.5 new)

8 Sec. 7-111.5. "Omitted service": The period of service  
9 with a participating municipality or participating  
10 instrumentality during which an employee was required to  
11 participate in the Fund, but was not actually enrolled.

12 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

13 (Text of Section before amendment by P.A. 98-599)

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

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

19 1. For prior service: Each participating employee who  
20 is an employee of a participating municipality or  
21 participating instrumentality on the effective date shall  
22 be granted creditable service, but no credits under

1 paragraph 2 of this subsection (a), for periods of prior  
2 service for which credit has not been received under any  
3 other pension fund or retirement system established under  
4 this Code, as follows:

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

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

1           may be made at any time while the employee is still in  
2           service.

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

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

1 effective date of participation.

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

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

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

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

20 d. Survivor credits equal to each payment of  
21 survivor contributions received from the participating  
22 employee as of the date the corresponding payment of  
23 earnings is payable, and survivor contributions made  
24 for the purpose of establishing out-of-state service  
25 credits.

26 3. For periods of temporary and total and permanent

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

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

12 a. An application for credits and creditable  
13 service is submitted to the board while the employee is  
14 in a status of active employment.

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

19 c. Credits and creditable service shall be granted  
20 for leave of absence only if such leave is approved by  
21 the governing body of the municipality, including  
22 approval of the estimated cost thereof to the  
23 municipality as determined by the fund, and employee  
24 contributions, plus interest at the effective rate  
25 applicable for each year from the end of the period of  
26 leave to date of payment, have been paid to the fund in

1           accordance with Section 7-173. The contributions shall  
2           be computed upon the assumption earnings continued  
3           during the period of leave at the rate in effect when  
4           the leave began.

5           d. Benefits under the provisions of Sections  
6           7-141, 7-146, 7-150 and 7-163 shall become payable to  
7           employees on authorized leave of absence, or their  
8           designated beneficiary, only if such leave of absence  
9           is creditable hereunder, and if the employee has at  
10          least one year of creditable service other than the  
11          service granted for leave of absence. Any employee  
12          contributions due may be deducted from any benefits  
13          payable.

14          e. No credits or creditable service shall be  
15          allowed for leave of absence without pay during any  
16          period of prior service.

17          5. For military service: The governing body of a  
18          municipality or participating instrumentality may elect to  
19          allow creditable service to participating employees who  
20          leave their employment to serve in the armed forces of the  
21          United States for all periods of such service, provided  
22          that the person returns to active employment within 90 days  
23          after completion of full time active duty, but no  
24          creditable service shall be allowed such person for any  
25          period that can be used in the computation of a pension or  
26          any other pay or benefit, other than pay for active duty,

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

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

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

11          5.1. In addition to any creditable service established  
12          under paragraph 5 of this subsection (a), creditable  
13          service may be granted for up to 48 months of service in  
14          the armed forces of the United States.

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



1 payment. The required interest shall be calculated at the  
2 regular interest rate.

3 The changes made to this paragraph 5.1 by Public Acts  
4 95-483 and 95-486 apply only to participating employees in  
5 service on or after August 28, 2007 (the effective date of  
6 those Public Acts).

7 6. For out-of-state service: Creditable service shall  
8 be granted for service rendered to an out-of-state local  
9 governmental body under the following conditions: The  
10 employee had participated and has irrevocably forfeited  
11 all rights to benefits in the out-of-state public employees  
12 pension system; the governing body of his participating  
13 municipality or instrumentality authorizes the employee to  
14 establish such service; the employee has 2 years current  
15 service with this municipality or participating  
16 instrumentality; the employee makes a payment of  
17 contributions, which shall be computed at 8% (normal) plus  
18 2% (survivor) times length of service purchased times the  
19 average rate of earnings for the first 2 years of service  
20 with the municipality or participating instrumentality  
21 whose governing body authorizes the service established  
22 plus interest at the effective rate on the date such  
23 credits are established, payable from the date the employee  
24 completes the required 2 years of current service to date  
25 of payment. In no case shall more than 120 months of  
26 creditable service be granted under this provision.

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

13           Any employee who is a participating employee on or  
14 after September 24, 1981 and who was excluded from  
15 participation by the age restrictions removed by Public Act  
16 82-596 may receive creditable service for the period, on or  
17 after January 1, 1979, excluded by the age restriction and,  
18 in addition, if the governing body of the participating  
19 municipality or participating instrumentality elects to  
20 allow creditable service for all employees excluded by the  
21 age restriction prior to January 1, 1979, for service  
22 during the period prior to that date excluded by the age  
23 restriction. Any employee who was excluded from  
24 participation by the age restriction removed by Public Act  
25 82-596 and who is not a participating employee on or after  
26 September 24, 1981 may receive creditable service for

1 service after January 1, 1979. Creditable service under  
2 this paragraph shall be granted upon payment of the  
3 employee contributions which would have been required had  
4 he participated, with interest at the effective rate for  
5 each year from the end of the period of service established  
6 to date of payment.

7 8. For accumulated unused sick leave: A participating  
8 employee who is applying for a retirement annuity shall be  
9 entitled to creditable service for that portion of the  
10 employee's accumulated unused sick leave for which payment  
11 is not received, as follows:

12 a. Sick leave days shall be limited to those  
13 accumulated under a sick leave plan established by a  
14 participating municipality or participating  
15 instrumentality which is available to all employees or  
16 a class of employees.

17 b. Except as provided in item b-1, only sick leave  
18 days accumulated with a participating municipality or  
19 participating instrumentality with which the employee  
20 was in service within 60 days of the effective date of  
21 his retirement annuity shall be credited; If the  
22 employee was in service with more than one employer  
23 during this period only the sick leave days with the  
24 employer with which the employee has the greatest  
25 number of unpaid sick leave days shall be considered.

26 b-1. If the employee was in the service of more

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

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

20           d. The creditable service shall be at the rate of  
21          1/20 of a month for each full sick day, provided that  
22          no more than 12 months may be credited under this  
23          subdivision 8.

24           e. Employee contributions shall not be required  
25          for creditable service under this subdivision 8.

26           f. Each participating municipality and

1 participating instrumentality with which an employee  
2 has service within 60 days of the effective date of his  
3 retirement annuity shall certify to the board the  
4 number of accumulated unpaid sick leave days credited  
5 to the employee at the time of termination of service.

6 9. For service transferred from another system:  
7 Credits and creditable service shall be granted for service  
8 under Article 4, 5, 8, 14, or 16 of this Act, to any active  
9 member of this Fund, and to any inactive member who has  
10 been a county sheriff, upon transfer of such credits  
11 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or  
12 16-131.4, and payment by the member of the amount by which  
13 (1) the employer and employee contributions that would have  
14 been required if he had participated in this Fund as a  
15 sheriff's law enforcement employee during the period for  
16 which credit is being transferred, plus interest thereon at  
17 the effective rate for each year, compounded annually, from  
18 the date of termination of the service for which credit is  
19 being transferred to the date of payment, exceeds (2) the  
20 amount actually transferred to the Fund. Such transferred  
21 service shall be deemed to be service as a sheriff's law  
22 enforcement employee for the purposes of Section 7-142.1.

23 10. (Blank). ~~For service transferred from an Article 3~~  
24 ~~system under Section 3-110.8: Credits and creditable~~  
25 ~~service shall be granted for service under Article 3 of~~  
26 ~~this Act as provided in Section 3-110.8, to any active~~

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

14 ~~The board shall establish by rule the manner of making~~  
15 ~~the calculation required under this paragraph 10, taking~~  
16 ~~into account the appropriate actuarial assumptions; the~~  
17 ~~member's service, age, and salary history; the level of~~  
18 ~~funding of the employer; and any other factors that the~~  
19 ~~board determines to be relevant.~~

20 ~~Until January 1, 2010, members who transferred service~~  
21 ~~from an Article 3 system under the provisions of Public Act~~  
22 ~~94-356 may establish additional credit in this Fund, but~~  
23 ~~only up to the amount of the service credit reduction in~~  
24 ~~that transfer, as calculated under the actuarial~~  
25 ~~assumptions. This credit may be established upon payment by~~  
26 ~~the member of an amount to be determined by the board,~~

1 ~~equal to (1) the amount that would have been contributed as~~  
2 ~~employee and employer contributions had all the service~~  
3 ~~been as an employee under this Article, plus interest~~  
4 ~~thereon compounded annually from the date of service to the~~  
5 ~~date of transfer, less (2) the total amount transferred~~  
6 ~~from the Article 3 system, plus (3) interest on the~~  
7 ~~difference at the effective rate for each year, compounded~~  
8 ~~annually, from the date of the transfer to the date of~~  
9 ~~payment. The additional service credit is allowed under~~  
10 ~~this amendatory Act of the 95th General Assembly~~  
11 ~~notwithstanding the provisions of Article 3 terminating~~  
12 ~~all transferred credits on the date of transfer.~~

13 11. For service transferred from an Article 3 system  
14 under Section 3-110.3: Credits and creditable service  
15 shall be granted for service under Article 3 of this Act as  
16 provided in Section 3-110.3, to any active member of this  
17 Fund, upon transfer of such credits pursuant to Section  
18 3-110.3. If the board determines that the amount  
19 transferred is less than the true cost to the Fund of  
20 allowing that creditable service to be established, then in  
21 order to establish that creditable service, the member must  
22 pay to the Fund an additional contribution equal to the  
23 difference, as determined by the board in accordance with  
24 the rules and procedures adopted under this paragraph. If  
25 the member does not make the full additional payment as  
26 required by this paragraph prior to termination of his

1 participation with that employer, then his or her  
2 creditable service shall be reduced by an amount equal to  
3 the difference between the amount transferred under  
4 Section 3-110.3, including any payments made by the member  
5 under this paragraph prior to termination, and the true  
6 cost to the Fund of allowing that creditable service to be  
7 established, as determined by the board in accordance with  
8 the rules and procedures adopted under this paragraph.

9 The board shall establish by rule the manner of making  
10 the calculation required under this paragraph 11, taking  
11 into account the appropriate actuarial assumptions; the  
12 member's service, age, and salary history, and any other  
13 factors that the board determines to be relevant.

14 12. For omitted service: Any employee who was employed  
15 by a participating employer in a position that required  
16 participation, but who was not enrolled in the Fund, may  
17 establish such credits under the following conditions:

18 a. Application for such credits is received by the  
19 Board while the employee is an active participant of  
20 the Fund or a reciprocal retirement system.

21 b. Eligibility for participation and earnings are  
22 verified by the Authorized Agent of the participating  
23 employer for which the service was rendered.

24 Creditable service under this paragraph shall be  
25 granted upon payment of the employee contributions that  
26 would have been required had he participated, which shall



1 be calculated by the Fund using the member contribution  
2 rate in effect during the period that the service was  
3 rendered.

4 (b) Creditable service - amount:

5 1. One month of creditable service shall be allowed for  
6 each month for which a participating employee made  
7 contributions as required under Section 7-173, or for which  
8 creditable service is otherwise granted hereunder. Not  
9 more than 1 month of service shall be credited and counted  
10 for 1 calendar month, and not more than 1 year of service  
11 shall be credited and counted for any calendar year. A  
12 calendar month means a nominal month beginning on the first  
13 day thereof, and a calendar year means a year beginning  
14 January 1 and ending December 31.

15 2. A seasonal employee shall be given 12 months of  
16 creditable service if he renders the number of months of  
17 service normally required by the position in a 12-month  
18 period and he remains in service for the entire 12-month  
19 period. Otherwise a fractional year of service in the  
20 number of months of service rendered shall be credited.

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

24 (c) No application for correction of credits or creditable  
25 service shall be considered unless the board receives an  
26 application for correction while (1) the applicant is a

1 participating employee and in active employment with a  
2 participating municipality or instrumentality, or (2) while  
3 the applicant is actively participating in a pension fund or  
4 retirement system which is a participating system under the  
5 Retirement Systems Reciprocal Act. A participating employee or  
6 other applicant shall not be entitled to credits or creditable  
7 service unless the required employee contributions are made in  
8 a lump sum or in installments made in accordance with board  
9 rule.

10 (d) Upon the granting of a retirement, surviving spouse or  
11 child annuity, a death benefit or a separation benefit, on  
12 account of any employee, all individual accumulated credits  
13 shall thereupon terminate. Upon the withdrawal of additional  
14 contributions, the credits applicable thereto shall thereupon  
15 terminate. Terminated credits shall not be applied to increase  
16 the benefits any remaining employee would otherwise receive  
17 under this Article.

18 (Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13.)

19 (Text of Section after amendment by P.A. 98-599)

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

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

25 1. For prior service: Each participating employee who

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

10 8. For accumulated unused sick leave: A participating  
11 employee who first becomes a participating employee before  
12 the effective date of this amendatory Act of the 98th  
13 General Assembly and who is applying for a retirement  
14 annuity shall be entitled to creditable service for that  
15 portion of the employee's accumulated unused sick leave for  
16 which payment is not received, as follows:

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

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

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

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

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

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

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

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

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

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

1 enforcement employee for the purposes of Section 7-142.1.

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

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

25 ~~Until January 1, 2010, members who transferred service~~  
26 ~~from an Article 3 system under the provisions of Public Act~~

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

18       11. For service transferred from an Article 3 system  
19       under Section 3-110.3: Credits and creditable service  
20       shall be granted for service under Article 3 of this Act as  
21       provided in Section 3-110.3, to any active member of this  
22       Fund, upon transfer of such credits pursuant to Section  
23       3-110.3. If the board determines that the amount  
24       transferred is less than the true cost to the Fund of  
25       allowing that creditable service to be established, then in  
26       order to establish that creditable service, the member must



1 pay to the Fund an additional contribution equal to the  
2 difference, as determined by the board in accordance with  
3 the rules and procedures adopted under this paragraph. If  
4 the member does not make the full additional payment as  
5 required by this paragraph prior to termination of his  
6 participation with that employer, then his or her  
7 creditable service shall be reduced by an amount equal to  
8 the difference between the amount transferred under  
9 Section 3-110.3, including any payments made by the member  
10 under this paragraph prior to termination, and the true  
11 cost to the Fund of allowing that creditable service to be  
12 established, as determined by the board in accordance with  
13 the rules and procedures adopted under this paragraph.

14 The board shall establish by rule the manner of making  
15 the calculation required under this paragraph 11, taking  
16 into account the appropriate actuarial assumptions; the  
17 member's service, age, and salary history, and any other  
18 factors that the board determines to be relevant.

19 12. For omitted service: Any employee who was employed  
20 by a participating employer in a position that required  
21 participation, but who was not enrolled in the Fund, may  
22 establish such credits under the following conditions:

23 a. Application for such credits is received by the  
24 Board while the employee is an active participant of  
25 the Fund or a reciprocal retirement system.

26 b. Eligibility for participation and earnings are

1           verified by the Authorized Agent of the participating  
2           employer for which the service was rendered.

3           Creditable service under this paragraph shall be  
4           granted upon payment of the employee contributions that  
5           would have been required had he participated, which shall  
6           be calculated by the Fund using the member contribution  
7           rate in effect during the period that the service was  
8           rendered.

9           (b) Creditable service - amount:

10           1. One month of creditable service shall be allowed for  
11           each month for which a participating employee made  
12           contributions as required under Section 7-173, or for which  
13           creditable service is otherwise granted hereunder. Not  
14           more than 1 month of service shall be credited and counted  
15           for 1 calendar month, and not more than 1 year of service  
16           shall be credited and counted for any calendar year. A  
17           calendar month means a nominal month beginning on the first  
18           day thereof, and a calendar year means a year beginning  
19           January 1 and ending December 31.

20           2. A seasonal employee shall be given 12 months of  
21           creditable service if he renders the number of months of  
22           service normally required by the position in a 12-month  
23           period and he remains in service for the entire 12-month  
24           period. Otherwise a fractional year of service in the  
25           number of months of service rendered shall be credited.

26           3. An intermittent employee shall be given creditable

1 service for only those months in which a contribution is  
2 made under Section 7-173.

3 (c) No application for correction of credits or creditable  
4 service shall be considered unless the board receives an  
5 application for correction while (1) the applicant is a  
6 participating employee and in active employment with a  
7 participating municipality or instrumentality, or (2) while  
8 the applicant is actively participating in a pension fund or  
9 retirement system which is a participating system under the  
10 Retirement Systems Reciprocal Act. A participating employee or  
11 other applicant shall not be entitled to credits or creditable  
12 service unless the required employee contributions are made in  
13 a lump sum or in installments made in accordance with board  
14 rule.

15 (d) Upon the granting of a retirement, surviving spouse or  
16 child annuity, a death benefit or a separation benefit, on  
17 account of any employee, all individual accumulated credits  
18 shall thereupon terminate. Upon the withdrawal of additional  
19 contributions, the credits applicable thereto shall thereupon  
20 terminate. Terminated credits shall not be applied to increase  
21 the benefits any remaining employee would otherwise receive  
22 under this Article.

23 (Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13;  
24 98-599, eff. 6-1-14.)

25 (40 ILCS 5/7-175) (from Ch. 108 1/2, par. 7-175)

1           Sec. 7-175. Board elections.

2           (a) During the period beginning on August 1 and ending on  
3           September 15 of each year the board shall accept nominations of  
4           candidates for election to the trusteeships for terms beginning  
5           the next January 1, new trusteeships or vacancies to be filled  
6           by election.

7           (b) All nominations shall be by petition. Three petitions  
8           for an executive trustee shall be signed by governing bodies of  
9           contributing           participating           municipalities           or  
10          instrumentalities.

11          A petition for an employee trustee shall be signed by at  
12          least 350 participating employees who were participants during  
13          July of the current year and who, if their employment status  
14          remained unchanged, would be eligible to vote for such  
15          candidate at the following election.

16          A petition for an annuitant trustee shall be signed by at  
17          least 100 persons who were annuitants of the Fund during July  
18          of the current year and who, if their annuitant status remains  
19          unchanged, would be eligible to vote for the candidate at the  
20          following election.

21          (c) A separate ballot shall be used for each class of  
22          trustee and the names of all candidates properly nominated in  
23          petitions received by the board shall be placed in alphabetical  
24          order upon the proper ballot. Where two employee trustees are  
25          elected to a full term in the same year, there shall be one  
26          election for the two trusteeships and the two candidates

1 getting the highest number of votes shall be elected.

2 (d) At any election, each contributing participating  
3 municipality and participating instrumentality and each  
4 contributing participating employee employed by such  
5 participating municipality or participating instrumentality  
6 during September of any year, shall be entitled to vote as  
7 follows:

8 1. The governing body of each such participating  
9 municipality and participating instrumentality shall have  
10 one vote at any election in which an executive trustee is  
11 to be elected, and may cast such vote for any candidate on  
12 the executive trustee ballot.

13 2. Each participating employee shall have one vote at  
14 any election in which an employee trustee is to be elected,  
15 and may cast such vote for any candidate on the employee  
16 trustee ballot.

17 3. Each annuitant of the Fund shall have one vote at  
18 any election in which an annuitant trustee is to be  
19 elected, and may cast that vote for any candidate on the  
20 annuitant trustee ballot.

21 4. A vote may be cast for a person not on the ballot by  
22 writing in his or her name.

23 (e) The election shall be by ballot pursuant to the rules  
24 and regulations established by the board and shall be completed  
25 by December 31 of the year. The results shall be entered in the  
26 minutes of the meeting of the board following the tally of

1 votes.

2 (f) In case of a tie vote, the candidate employed by or  
3 retired from the participating municipality or participating  
4 instrumentality having the greatest number of participating  
5 employees at the time shall be elected.

6 (g) Notwithstanding any other provision of this Article, if  
7 only one candidate is properly nominated in petitions received  
8 by the Board, that candidate shall be deemed the winner. In the  
9 case of 2 employee trustees elected to a full term in the same  
10 year, if only 2 candidates are properly nominated in petitions  
11 received by the Board, those 2 candidates shall both be deemed  
12 winners. If a candidate is deemed a winner under this  
13 paragraph, no election under this Section or Section 7-175.1  
14 shall be required.

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

16 (40 ILCS 5/7-175.1) (from Ch. 108 1/2, par. 7-175.1)

17 Sec. 7-175.1. Election of employee and annuitant trustees.

18 (a) The board shall prepare and send ballots and ballot  
19 envelopes to the employees and annuitants eligible to vote as  
20 of September of that year. The ballots shall contain the names  
21 of all candidates in alphabetical order and an appropriate  
22 place where a name may be written in on the ballot. The ballot  
23 envelope shall have on the outside a form of certificate  
24 stating that the person voting the ballot is a participating  
25 employee or annuitant entitled to vote.

1 (b) Employees and annuitants, upon receipt of the ballot,  
2 shall vote the ballot and place it in the ballot envelope, seal  
3 the envelope, execute the certificate thereon and return the  
4 ballot to the Fund.

5 (c) The board shall set a final date for ballot return, and  
6 ballots received prior to that date in a ballot envelope with a  
7 properly executed certificate and properly voted, shall be  
8 valid ballots.

9 (d) The board shall set a day for counting the ballots and  
10 name judges and clerks of election to conduct the count of  
11 ballots, and shall make any rules and regulations necessary for  
12 the conduct of the count.

13 (e) No election under this Section shall be required if a  
14 candidate is deemed the winner under subsection (g) of Section  
15 7-175.

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

17 (40 ILCS 5/7-139.7 rep.)

18 (40 ILCS 5/7-139.9 rep.)

19 (40 ILCS 5/7-139.11 rep.)

20 (40 ILCS 5/7-139.13 rep.)

21 Section 10. The Illinois Pension Code is amended by  
22 repealing Sections 7-139.7, 7-139.9, 7-139.11, and 7-139.13.

23 Section 95. No acceleration or delay. Where this Act makes  
24 changes in a statute that is represented in this Act by text

1 that is not yet or no longer in effect (for example, a Section  
2 represented by multiple versions), the use of that text does  
3 not accelerate or delay the taking effect of (i) the changes  
4 made by this Act or (ii) provisions derived from any other  
5 Public Act.

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