

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~~

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

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