



Rep. Dan Brady

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09800HB5914ham001

LRB098 17311 EFG 57267 a

1 AMENDMENT TO HOUSE BILL 5914

2 AMENDMENT NO. _____. Amend House Bill 5914 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 7-139 as follows:

6 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

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

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

13 1. For prior service: Each participating employee who
14 is an employee of a participating municipality or
15 participating instrumentality on the effective date shall
16 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. For service transferred from an Article 3 system
24 under Section 3-110.8: Credits and creditable service
25 shall be granted for service under Article 3 of this Act as
26 provided in Section 3-110.8, to any active member of this

1 Fund upon transfer of such credits pursuant to Section
2 3-110.8. If the amount by which (1) the employer and
3 employee contributions that would have been required if he
4 had participated in this Fund during the period for which
5 credit is being transferred, plus interest thereon at the
6 effective rate for each year, compounded annually, from the
7 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 (b) Creditable service - amount:

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

25 2. A seasonal employee shall be given 12 months of
26 creditable service if he renders the number of months of

1 service normally required by the position in a 12-month
2 period and he remains in service for the entire 12-month
3 period. Otherwise a fractional year of service in the
4 number of months of service rendered shall be credited.

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

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

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

1 under this Article.

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

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

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

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

9 1. For prior service: Each participating employee who
10 is an employee of a participating municipality or
11 participating instrumentality on the effective date shall
12 be granted creditable service, but no credits under
13 paragraph 2 of this subsection (a), for periods of prior
14 service for which credit has not been received under any
15 other pension fund or retirement system established under
16 this Code, as follows:

17 If the effective date of participation for the
18 participating municipality or participating
19 instrumentality is on or before January 1, 1998, creditable
20 service shall be granted for the entire period of prior
21 service with that employer without any employee
22 contribution.

23 If the effective date of participation for the
24 participating municipality or participating
25 instrumentality is after January 1, 1998 and before the

1 effective date of this amendatory Act of the 98th General
2 Assembly, creditable service shall be granted for the last
3 20% of the period of prior service with that employer, but
4 no more than 5 years, without any employee contribution. A
5 participating employee may establish creditable service
6 for the remainder of the period of prior service with that
7 employer by making employee contributions as provided in
8 this paragraph 1.

9 If the effective date of participation for the
10 participating municipality or participating
11 instrumentality is on or after the effective date of this
12 amendatory Act of the 98th General Assembly, then that
13 employer shall determine (i) the portion or amount, if any,
14 of prior service with that employer for which creditable
15 service will be granted without payment of employee
16 contributions, and (ii) the portion or amount, if any, of
17 prior service with that employer for which creditable
18 service will be granted only upon payment of employee
19 contributions as provided in this paragraph 1. This
20 determination shall be subject to the standards and
21 procedures adopted by the Board under this paragraph and
22 shall be made through an irrevocable resolution adopted by
23 the governing body of the participating municipality or
24 participating instrumentality, which must be filed with
25 the Board before the effective date of participation. The
26 determination shall apply the same standard to all

1 employees of the employer and may not provide different
2 standards for different classes of employee.

3 To the extent authorized under this paragraph 1, a
4 participating employee may establish creditable service
5 for a period of prior service for which employee
6 contributions are required by making an application in
7 writing, accompanied by payment of an employee
8 contribution in an amount determined by the Fund, based on
9 the employee contribution rates in effect at the time of
10 application for the creditable service and the employee's
11 salary rate on the effective date of participation for that
12 employer, plus interest at the effective rate from the date
13 of the prior service to the date of payment. Application
14 for this creditable service may be made at any time while
15 the employee is still in service.

16 A municipality that (i) has at least 35 employees; (ii)
17 is located in a county with at least 2,000,000 inhabitants;
18 and (iii) maintains an independent defined benefit pension
19 plan for the benefit of its eligible employees may restrict
20 creditable service in whole or in part for periods of prior
21 service with the employer if the governing body of the
22 municipality adopts an irrevocable resolution to restrict
23 that creditable service and files the resolution with the
24 board before the municipality's effective date of
25 participation.

26 Any person who has withdrawn from the service of a

1 participating municipality or participating
2 instrumentality prior to the effective date, who reenters
3 the service of the same municipality or participating
4 instrumentality after the effective date and becomes a
5 participating employee is entitled to creditable service
6 for prior service as otherwise provided in this subdivision
7 (a)(1) only if he or she renders 2 years of service as a
8 participating employee after the effective date.
9 Application for such service must be made while in a
10 participating status. The salary rate to be used in the
11 calculation of the required employee contribution, if any,
12 shall be the employee's salary rate at the time of first
13 reentering service with the employer after the employer's
14 effective date of participation.

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

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

21 b. Normal credits of amounts equal to each payment
22 of normal contributions received from him, as of the
23 date the corresponding payment of earnings is payable
24 to him, and normal contributions made for the purpose
25 of establishing out-of-state service credits as
26 permitted under the conditions set forth in paragraph 6

1 of this subsection (a).

2 c. Municipality credits in an amount equal to 1.4
3 times the normal credits, except those established by
4 out-of-state service credits, as of the date of
5 computation of any benefit if these credits would
6 increase the benefit.

7 d. Survivor credits equal to each payment of
8 survivor contributions received from the participating
9 employee as of the date the corresponding payment of
10 earnings is payable, and survivor contributions made
11 for the purpose of establishing out-of-state service
12 credits.

13 3. For periods of temporary and total and permanent
14 disability benefits, each employee receiving disability
15 benefits shall be granted creditable service for the period
16 during which disability benefits are payable. Normal and
17 survivor credits, based upon the rate of earnings applied
18 for disability benefits, shall also be granted if such
19 credits would result in a higher benefit to any such
20 employee or his beneficiary.

21 4. For authorized leave of absence without pay: A
22 participating employee shall be granted credits and
23 creditable service for periods of authorized leave of
24 absence without pay under the following conditions:

25 a. An application for credits and creditable
26 service is submitted to the board while the employee is

1 in a status of active employment.

2 b. Not more than 12 complete months of creditable
3 service for authorized leave of absence without pay
4 shall be counted for purposes of determining any
5 benefits payable under this Article.

6 c. Credits and creditable service shall be granted
7 for leave of absence only if such leave is approved by
8 the governing body of the municipality, including
9 approval of the estimated cost thereof to the
10 municipality as determined by the fund, and employee
11 contributions, plus interest at the effective rate
12 applicable for each year from the end of the period of
13 leave to date of payment, have been paid to the fund in
14 accordance with Section 7-173. The contributions shall
15 be computed upon the assumption earnings continued
16 during the period of leave at the rate in effect when
17 the leave began.

18 d. Benefits under the provisions of Sections
19 7-141, 7-146, 7-150 and 7-163 shall become payable to
20 employees on authorized leave of absence, or their
21 designated beneficiary, only if such leave of absence
22 is creditable hereunder, and if the employee has at
23 least one year of creditable service other than the
24 service granted for leave of absence. Any employee
25 contributions due may be deducted from any benefits
26 payable.

1 e. No credits or creditable service shall be
2 allowed for leave of absence without pay during any
3 period of prior service.

4 5. For military service: The governing body of a
5 municipality or participating instrumentality may elect to
6 allow creditable service to participating employees who
7 leave their employment to serve in the armed forces of the
8 United States for all periods of such service, provided
9 that the person returns to active employment within 90 days
10 after completion of full time active duty, but no
11 creditable service shall be allowed such person for any
12 period that can be used in the computation of a pension or
13 any other pay or benefit, other than pay for active duty,
14 for service in any branch of the armed forces of the United
15 States. If necessary to the computation of any benefit, the
16 board shall establish municipality credits for
17 participating employees under this paragraph on the
18 assumption that the employee received earnings at the rate
19 received at the time he left the employment to enter the
20 armed forces. A participating employee in the armed forces
21 shall not be considered an employee during such period of
22 service and no additional death and no disability benefits
23 are payable for death or disability during such period.

24 Any participating employee who left his employment
25 with a municipality or participating instrumentality to
26 serve in the armed forces of the United States and who

1 again became a participating employee within 90 days after
2 completion of full time active duty by entering the service
3 of a different municipality or participating
4 instrumentality, which has elected to allow creditable
5 service for periods of military service under the preceding
6 paragraph, shall also be allowed creditable service for his
7 period of military service on the same terms that would
8 apply if he had been employed, before entering military
9 service, by the municipality or instrumentality which
10 employed him after he left the military service and the
11 employer costs arising in relation to such grant of
12 creditable service shall be charged to and paid by that
13 municipality or instrumentality.

14 Notwithstanding the foregoing, any participating
15 employee shall be entitled to creditable service as
16 required by any federal law relating to re-employment
17 rights of persons who served in the United States Armed
18 Services. Such creditable service shall be granted upon
19 payment by the member of an amount equal to the employee
20 contributions which would have been required had the
21 employee continued in service at the same rate of earnings
22 during the military leave period, plus interest at the
23 effective rate.

24 5.1. In addition to any creditable service established
25 under paragraph 5 of this subsection (a), creditable
26 service may be granted for up to 48 months of service in

1 the armed forces of the United States.

2 In order to receive creditable service for military
3 service under this paragraph 5.1, a participating employee
4 must (1) apply to the Fund in writing and provide evidence
5 of the military service that is satisfactory to the Board;
6 (2) obtain the written approval of the current employer;
7 and (3) make contributions to the Fund equal to (i) the
8 employee contributions that would have been required had
9 the service been rendered as a member, plus (ii) an amount
10 determined by the board to be equal to the employer's
11 normal cost of the benefits accrued for that military
12 service, plus (iii) interest on items (i) and (ii) from the
13 date of first membership in the Fund to the date of
14 payment. The required interest shall be calculated at the
15 regular interest rate.

16 The changes made to this paragraph 5.1 by Public Acts
17 95-483 and 95-486 apply only to participating employees in
18 service on or after August 28, 2007 (the effective date of
19 those Public Acts).

20 6. For out-of-state service: Creditable service shall
21 be granted for service rendered to an out-of-state local
22 governmental body under the following conditions: The
23 employee had participated and has irrevocably forfeited
24 all rights to benefits in the out-of-state public employees
25 pension system; the governing body of his participating
26 municipality or instrumentality authorizes the employee to

1 establish such service; the employee has 2 years current
2 service with this municipality or participating
3 instrumentality; the employee makes a payment of
4 contributions, which shall be computed at 8% (normal) plus
5 2% (survivor) times length of service purchased times the
6 average rate of earnings for the first 2 years of service
7 with the municipality or participating instrumentality
8 whose governing body authorizes the service established
9 plus interest at the effective rate on the date such
10 credits are established, payable from the date the employee
11 completes the required 2 years of current service to date
12 of payment. In no case shall more than 120 months of
13 creditable service be granted under this provision.

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

26 Any employee who is a participating employee on or

1 after September 24, 1981 and who was excluded from
2 participation by the age restrictions removed by Public Act
3 82-596 may receive creditable service for the period, on or
4 after January 1, 1979, excluded by the age restriction and,
5 in addition, if the governing body of the participating
6 municipality or participating instrumentality elects to
7 allow creditable service for all employees excluded by the
8 age restriction prior to January 1, 1979, for service
9 during the period prior to that date excluded by the age
10 restriction. Any employee who was excluded from
11 participation by the age restriction removed by Public Act
12 82-596 and who is not a participating employee on or after
13 September 24, 1981 may receive creditable service for
14 service after January 1, 1979. Creditable service under
15 this paragraph shall be granted upon payment of the
16 employee contributions which would have been required had
17 he participated, with interest at the effective rate for
18 each year from the end of the period of service established
19 to date of payment.

20 8. For accumulated unused sick leave: A participating
21 employee who first becomes a participating employee before
22 the effective date of this amendatory Act of the 98th
23 General Assembly and who is applying for a retirement
24 annuity shall be entitled to creditable service for that
25 portion of the employee's accumulated unused sick leave for
26 which payment is not received, as follows:

1 a. Sick leave days shall be limited to those
2 accumulated under a sick leave plan established by a
3 participating municipality or participating
4 instrumentality which is available to all employees or
5 a class of employees.

6 b. Except as provided in item b-1, only sick leave
7 days accumulated with a participating municipality or
8 participating instrumentality with which the employee
9 was in service within 60 days of the effective date of
10 his retirement annuity shall be credited; If the
11 employee was in service with more than one employer
12 during this period only the sick leave days with the
13 employer with which the employee has the greatest
14 number of unpaid sick leave days shall be considered.

15 b-1. If the employee was in the service of more
16 than one employer as defined in item (2) of paragraph
17 (a) of subsection (A) of Section 7-132, then the sick
18 leave days from all such employers shall be credited,
19 as long as the creditable service attributed to those
20 sick leave days does not exceed the limitation in item
21 f of this paragraph 8. In calculating the creditable
22 service under this item b-1, the sick leave days from
23 the last employer shall be considered first, then the
24 remaining sick leave days shall be considered until
25 there are no more days or the maximum creditable sick
26 leave threshold under item f of this paragraph 8 has

1 been reached.

2 c. The creditable service granted shall be
3 considered solely for the purpose of computing the
4 amount of the retirement annuity and shall not be used
5 to establish any minimum service period required by any
6 provision of the Illinois Pension Code, the effective
7 date of the retirement annuity, or the final rate of
8 earnings.

9 d. The creditable service shall be at the rate of
10 1/20 of a month for each full sick day, provided that
11 no more than 12 months may be credited under this
12 subdivision 8.

13 e. Employee contributions shall not be required
14 for creditable service under this subdivision 8.

15 f. Each participating municipality and
16 participating instrumentality with which an employee
17 has service within 60 days of the effective date of his
18 retirement annuity shall certify to the board the
19 number of accumulated unpaid sick leave days credited
20 to the employee at the time of termination of service.

21 9. For service transferred from another system:
22 Credits and creditable service shall be granted for service
23 under Article 4, 5, 8, 14, or 16 of this Act, to any active
24 member of this Fund, and to any inactive member who has
25 been a county sheriff, upon transfer of such credits
26 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or

1 16-131.4, and payment by the member of the amount by which
2 (1) the employer and employee contributions that would have
3 been required if he had participated in this Fund as a
4 sheriff's law enforcement employee 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. Such transferred
10 service shall be deemed to be service as a sheriff's law
11 enforcement employee for the purposes of Section 7-142.1.

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

1 with the rules and procedures established under this
2 paragraph 10.

3 The board shall establish by rule the manner of making
4 the calculation required under this paragraph 10, taking
5 into account the appropriate actuarial assumptions; the
6 member's service, age, and salary history; the level of
7 funding of the employer; and any other factors that the
8 board determines to be relevant.

9 Until January 1, 2010, members who transferred service
10 from an Article 3 system under the provisions of Public Act
11 94-356 may establish additional credit in this Fund, but
12 only up to the amount of the service credit reduction in
13 that transfer, as calculated under the actuarial
14 assumptions. This credit may be established upon payment by
15 the member of an amount to be determined by the board,
16 equal to (1) the amount that would have been contributed as
17 employee and employer contributions had all the service
18 been as an employee under this Article, plus interest
19 thereon compounded annually from the date of service to the
20 date of transfer, less (2) the total amount transferred
21 from the Article 3 system, plus (3) interest on the
22 difference at the effective rate for each year, compounded
23 annually, from the date of the transfer to the date of
24 payment. The additional service credit is allowed under
25 this amendatory Act of the 95th General Assembly
26 notwithstanding the provisions of Article 3 terminating

1 all transferred credits on the date of transfer.

2 11. For service transferred from an Article 3 system
3 under Section 3-110.3: Credits and creditable service
4 shall be granted for service under Article 3 of this Act as
5 provided in Section 3-110.3, to any active member of this
6 Fund, upon transfer of such credits pursuant to Section
7 3-110.3. If the board determines that the amount
8 transferred is less than the true cost to the Fund of
9 allowing that creditable service to be established, then in
10 order to establish that creditable service, the member must
11 pay to the Fund an additional contribution equal to the
12 difference, as determined by the board in accordance with
13 the rules and procedures adopted under this paragraph. If
14 the member does not make the full additional payment as
15 required by this paragraph prior to termination of his
16 participation with that employer, then his or her
17 creditable service shall be reduced by an amount equal to
18 the difference between the amount transferred under
19 Section 3-110.3, including any payments made by the member
20 under this paragraph prior to termination, and the true
21 cost to the Fund of allowing that creditable service to be
22 established, as determined by the board in accordance with
23 the rules and procedures adopted under this paragraph.

24 The board shall establish by rule the manner of making
25 the calculation required under this paragraph 11, taking
26 into account the appropriate actuarial assumptions; the

1 member's service, age, and salary history, and any other
2 factors that the board determines to be relevant.

3 (b) Creditable service - amount:

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

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

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

23 (c) No application for correction of credits or creditable
24 service shall be considered unless the board receives an
25 application for correction while (1) the applicant is a
26 participating employee and in active employment with a

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

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

17 (Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13;
18 98-599, eff. 6-1-14.)

19 Section 95. No acceleration or delay. Where this Act makes
20 changes in a statute that is represented in this Act by text
21 that is not yet or no longer in effect (for example, a Section
22 represented by multiple versions), the use of that text does
23 not accelerate or delay the taking effect of (i) the changes
24 made by this Act or (ii) provisions derived from any other
25 Public Act.

1 Section 99. Effective date. This Act takes effect January
2 1, 2015.".