

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 7-114, 7-116, 7-139, 9-219, 9-220, 14-104.3, 14-106,
6 15-112, 15-113.4, 16-121, 16-127, 17-116, and 17-134 as
7 follows:

8 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

9 Sec. 7-114. Earnings. "Earnings":

10 (a) An amount to be determined by the board, equal to the
11 sum of:

12 1. The total amount of money paid to an employee for
13 personal services or official duties as an employee (except
14 those employed as independent contractors) paid out of the
15 general fund, or out of any special funds controlled by the
16 municipality, or by any instrumentality thereof, or
17 participating instrumentality, including compensation,
18 fees, allowances, or other emolument paid for official
19 duties (but not including automobile maintenance, travel
20 expense, ~~or~~ reimbursements for expenditures incurred in
21 the performance of duties, or, in the case of a person who
22 first becomes a participant on or after the effective date
23 of this amendatory Act of the 98th General Assembly,

1 payments for unused sick or vacation time) and, for fee
2 offices, the fees or earnings of the offices to the extent
3 such fees are paid out of funds controlled by the
4 municipality, or instrumentality or participating
5 instrumentality; and

6 2. The money value, as determined by rules prescribed
7 by the governing body of the municipality, or
8 instrumentality thereof, of any board, lodging, fuel,
9 laundry, and other allowances provided an employee in lieu
10 of money.

11 (b) For purposes of determining benefits payable under this
12 fund payments to a person who is engaged in an independently
13 established trade, occupation, profession or business and who
14 is paid for his service on a basis other than a monthly or
15 other regular salary, are not earnings.

16 (c) If a disabled participating employee is eligible to
17 receive Workers' Compensation for an accidental injury and the
18 participating municipality or instrumentality which employed
19 the participating employee when injured continues to pay the
20 participating employee regular salary or other compensation or
21 pays the employee an amount in excess of the Workers'
22 Compensation amount, then earnings shall be deemed to be the
23 total payments, including an amount equal to the Workers'
24 Compensation payments. These payments shall be subject to
25 employee contributions and allocated as if paid to the
26 participating employee when the regular payroll amounts would

1 have been paid if the participating employee had continued
2 working, and creditable service shall be awarded for this
3 period.

4 (d) If an elected official who is a participating employee
5 becomes disabled but does not resign and is not removed from
6 office, then earnings shall include all salary payments made
7 for the remainder of that term of office and the official shall
8 be awarded creditable service for the term of office.

9 (e) If a participating employee is paid pursuant to "An Act
10 to provide for the continuation of compensation for law
11 enforcement officers, correctional officers and firemen who
12 suffer disabling injury in the line of duty", approved
13 September 6, 1973, as amended, the payments shall be deemed
14 earnings, and the participating employee shall be awarded
15 creditable service for this period.

16 (f) Additional compensation received by a person while
17 serving as a supervisor of assessments, assessor, deputy
18 assessor or member of a board of review from the State of
19 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
20 Code shall not be earnings for purposes of this Article and
21 shall not be included in the contribution formula or
22 calculation of benefits for such person pursuant to this
23 Article.

24 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

25 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

1 Sec. 7-116. "Final rate of earnings":

2 (a) For retirement and survivor annuities, the monthly
3 earnings obtained by dividing the total earnings received by
4 the employee during the period of either (1) the 48 consecutive
5 months of service within the last 120 months of service in
6 which his total earnings were the highest or (2) the employee's
7 total period of service, by the number of months of service in
8 such period.

9 (b) For death benefits, the higher of the rate determined
10 under paragraph (a) of this Section or total earnings received
11 in the last 12 months of service divided by twelve. If the
12 deceased employee has less than 12 months of service, the
13 monthly final rate shall be the monthly rate of pay the
14 employee was receiving when he began service.

15 (c) For disability benefits, the total earnings of a
16 participating employee in the last 12 calendar months of
17 service prior to the date he becomes disabled divided by 12.

18 (d) In computing the final rate of earnings: (1) the
19 earnings rate for all periods of prior service shall be
20 considered equal to the average earnings rate for the last 3
21 calendar years of prior service for which creditable service is
22 received under Section 7-139 or, if there is less than 3 years
23 of creditable prior service, the average for the total prior
24 service period for which creditable service is received under
25 Section 7-139; (2) for out of state service and authorized
26 leave, the earnings rate shall be the rate upon which service

1 credits are granted; (3) periods of military leave shall not be
2 considered; (4) the earnings rate for all periods of disability
3 shall be considered equal to the rate of earnings upon which
4 the employee's disability benefits are computed for such
5 periods; (5) the earnings to be considered for each of the
6 final three months of the final earnings period for persons who
7 first became participants before January 1, 2012 and the
8 earnings to be considered for each of the final 24 months for
9 participants who first become participants on or after January
10 1, 2012 shall not exceed 125% of the highest earnings of any
11 other month in the final earnings period; ~~and~~ (6) the annual
12 amount of final rate of earnings shall be the monthly amount
13 multiplied by the number of months of service normally required
14 by the position in a year; and (7) in the case of a person who
15 first becomes a participant on or after the effective date of
16 this amendatory Act of the 98th General Assembly, payments for
17 unused sick or vacation time shall not be considered.

18 (Source: P.A. 97-609, eff. 1-1-12.)

19 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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 3, 4, 5, 8, 14, or 16 of this Act, to any
14 active member of this Fund, and to any inactive member who
15 has been a county sheriff, upon transfer of such credits
16 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,
17 14-105.6, or 16-131.4, and payment by the member of the
18 amount by which (1) the employer and employee contributions
19 that would have been required if he had participated in
20 this Fund as a sheriff's law enforcement employee during
21 the period for which credit is being transferred, plus
22 interest thereon at the effective rate for each year,
23 compounded annually, from the date of termination of the
24 service for which credit is being transferred to the date
25 of payment, exceeds (2) the amount actually transferred to
26 the Fund. Such transferred service shall be deemed to be

1 service as a sheriff's law enforcement employee for the
2 purposes of Section 7-142.1.

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

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

26 Until January 1, 2010, members who transferred service

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

19 (b) Creditable service - amount:

20 1. One month of creditable service shall be allowed for
21 each month for which a participating employee made
22 contributions as required under Section 7-173, or for which
23 creditable service is otherwise granted hereunder. Not
24 more than 1 month of service shall be credited and counted
25 for 1 calendar month, and not more than 1 year of service
26 shall be credited and counted for any calendar year. A

1 calendar month means a nominal month beginning on the first
2 day thereof, and a calendar year means a year beginning
3 January 1 and ending December 31.

4 2. A seasonal employee shall be given 12 months of
5 creditable service if he renders the number of months of
6 service normally required by the position in a 12-month
7 period and he remains in service for the entire 12-month
8 period. Otherwise a fractional year of service in the
9 number of months of service rendered shall be credited.

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

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

25 (d) Upon the granting of a retirement, surviving spouse or
26 child annuity, a death benefit or a separation benefit, on

1 account of any employee, all individual accumulated credits
2 shall thereupon terminate. Upon the withdrawal of additional
3 contributions, the credits applicable thereto shall thereupon
4 terminate. Terminated credits shall not be applied to increase
5 the benefits any remaining employee would otherwise receive
6 under this Article.

7 (Source: P.A. 96-299, eff. 8-11-09; 97-415, eff. 8-16-11.)

8 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

9 Sec. 9-219. Computation of service.

10 (1) In computing the term of service of an employee prior
11 to the effective date, the entire period beginning on the date
12 he was first appointed and ending on the day before the
13 effective date, except any intervening period during which he
14 was separated by withdrawal from service, shall be counted for
15 all purposes of this Article.

16 (2) In computing the term of service of any employee on or
17 after the effective date, the following periods of time shall
18 be counted as periods of service for age and service, widow's
19 and child's annuity purposes:

20 (a) The time during which he performed the duties of
21 his position.

22 (b) Vacations, leaves of absence with whole or part
23 pay, and leaves of absence without pay not longer than 90
24 days.

25 (c) For an employee who is a member of a county police

1 department or a correctional officer with the county
2 department of corrections, approved leaves of absence
3 without pay during which the employee serves as a full-time
4 officer or employee of an employee association, the
5 membership of which consists of other participants in the
6 Fund, provided that the employee contributes to the Fund
7 (1) the amount that he would have contributed had he
8 remained an active employee in the position he occupied at
9 the time the leave of absence was granted, (2) an amount
10 calculated by the Board representing employer
11 contributions, and (3) regular interest thereon from the
12 date of service to the date of payment. However, if the
13 employee's application to establish credit under this
14 subsection is received by the Fund on or after July 1, 2002
15 and before July 1, 2003, the amount representing employer
16 contributions specified in item (2) shall be waived.

17 For a former member of a county police department who
18 has received a refund under Section 9-164, periods during
19 which the employee serves as head of an employee
20 association, the membership of which consists of other
21 police officers, provided that the employee contributes to
22 the Fund (1) the amount that he would have contributed had
23 he remained an active member of the county police
24 department in the position he occupied at the time he left
25 service, (2) an amount calculated by the Board representing
26 employer contributions, and (3) regular interest thereon

1 from the date of service to the date of payment. However,
2 if the former member of the county police department
3 retires on or after January 1, 1993 but no later than March
4 1, 1993, the amount representing employer contributions
5 specified in item (2) shall be waived.

6 For leaves of absence to which this item (c) applies
7 and for other periods to which this item (c) applies,
8 including those leaves of absence and other periods of
9 service beginning before January 5, 2012 (the effective
10 date of Public Act 97-651) ~~this amendatory Act of the 97th~~
11 ~~General Assembly~~, the employee or former member must
12 continue to remain in sworn status, subject to the
13 professional standards of the public employer or those
14 terms established in statute.

15 (d) Any period of disability for which he received
16 disability benefit or whole or part pay.

17 (e) For a person who first becomes an employee before
18 the effective date of this amendatory Act of the 98th
19 General Assembly, accumulated ~~Accumulated~~ vacation or
20 other time for which an employee who retires on or after
21 November 1, 1990 receives a lump sum payment at the time of
22 retirement, provided that contributions were made to the
23 fund at the time such lump sum payment was received. The
24 service granted for the lump sum payment shall not change
25 the employee's date of withdrawal for computing the
26 effective date of the annuity.

1 (f) An employee who first becomes an employee before
2 the effective date of this amendatory Act of the 98th
3 General Assembly may receive service credit for annuity
4 purposes for accumulated sick leave as of the date of the
5 employee's withdrawal from service, not to exceed a total
6 of 180 days, provided that the amount of such accumulated
7 sick leave is certified by the County Comptroller to the
8 Board and the employee pays an amount equal to 8.5% (9% for
9 members of the County Police Department who are eligible to
10 receive an annuity under Section 9-128.1) of the amount
11 that would have been paid had such accumulated sick leave
12 been paid at the employee's final rate of salary. Such
13 payment shall be made within 30 days after the date of
14 withdrawal and prior to receipt of the first annuity check.
15 The service credit granted for such accumulated sick leave
16 shall not change the employee's date of withdrawal for the
17 purpose of computing the effective date of the annuity.

18 (3) In computing the term of service of an employee on or
19 after the effective date for ordinary disability benefit
20 purposes, the following periods of time shall be counted as
21 periods of service:

22 (a) Unless otherwise specified in Section 9-157, the
23 time during which he performed the duties of his position.

24 (b) Paid vacations and leaves of absence with whole or
25 part pay.

26 (c) Any period for which he received duty disability

1 benefit.

2 (d) Any period of disability for which he received
3 whole or part pay.

4 (4) For an employee who on January 1, 1958, was transferred
5 by Act of the 70th General Assembly from his position in a
6 department of welfare of any city located in the county in
7 which this Article is in force and effect to a similar position
8 in a department of such county, service shall also be credited
9 for ordinary disability benefit and child's annuity for such
10 period of department of welfare service during which period he
11 was a contributor to a statutory annuity and benefit fund in
12 such city and for which purposes service credit would otherwise
13 not be credited by virtue of such involuntary transfer.

14 (5) An employee described in subsection (e) of Section
15 9-108 shall receive credit for child's annuity and ordinary
16 disability benefit for the period of time for which he was
17 credited with service in the fund from which he was
18 involuntarily separated through class or group transfer;
19 provided, that no such credit shall be allowed to the extent
20 that it results in a duplication of credits or benefits, and
21 neither shall such credit be allowed to the extent that it was
22 or may be forfeited by the application for and acceptance of a
23 refund from the fund from which the employee was transferred.

24 (6) Overtime or extra service shall not be included in
25 computing service. Not more than 1 year of service shall be
26 allowed for service rendered during any calendar year.

1 (7) Unused sick or vacation time shall not be used to
2 compute the service of an employee who first becomes an
3 employee on or after the effective date of this amendatory Act
4 of the 98th General Assembly.

5 (Source: P.A. 97-651, eff. 1-5-12.)

6 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

7 Sec. 9-220. Basis of service credit.

8 (a) In computing the period of service of any employee for
9 annuity purposes under Section 9-134, the following provisions
10 shall govern:

11 (1) All periods prior to the effective date shall be
12 computed in accordance with the provisions governing the
13 computation of such service.

14 (2) Service on or after the effective date shall
15 include:

16 (i) The actual period of time the employee
17 contributes or has contributed to the fund for service
18 rendered to age 65 plus the actual period of time after
19 age 65 for which the employee performs the duties of
20 his position or performs such duties and is given a
21 county contribution for age and service annuity or
22 minimum annuity purposes.

23 (ii) Leaves of absence from duty, or vacation, for
24 which an employee receives all or part of his salary.

25 (iii) For a person who first becomes an employee

1 before the effective date of this amendatory Act of the
2 98th General Assembly, accumulated ~~Accumulated~~
3 vacation or other time for which an employee who
4 retires on or after November 1, 1990 receives a lump
5 sum payment at the time of retirement, provided that
6 contributions were made to the fund at the time such
7 lump sum payment was received. The service granted for
8 the lump sum payment shall not change the employee's
9 date of withdrawal for computing the effective date of
10 the annuity.

11 (iv) For a person who first becomes an employee
12 before the effective date of this amendatory Act of the
13 98th General Assembly, accumulated ~~Accumulated~~ sick
14 leave as of the date of the employee's withdrawal from
15 service, not to exceed a total of 180 days, provided
16 that the amount of such accumulated sick leave is
17 certified by the County Comptroller to the Board and
18 the employee pays an amount equal to 8.5% (9% for
19 members of the County Police Department who are
20 eligible to receive an annuity under Section 9-128.1)
21 of the amount that would have been paid had such
22 accumulated sick leave been paid at the employee's
23 final rate of salary. Such payment shall be made within
24 30 days after the date of withdrawal and prior to
25 receipt of the first annuity check. The service credit
26 granted for such accumulated sick leave shall not

1 change the employee's date of withdrawal for the
2 purpose of computing the effective date of the annuity.

3 (v) Periods during which the employee has had
4 contributions for annuity purposes made for him in
5 accordance with law while on military leave of absence
6 during World War II.

7 (vi) Periods during which the employee receives a
8 disability benefit under this Article.

9 (vii) For any person who first becomes a member on
10 or after January 1, 2011, the actual period of time the
11 employee contributes or has contributed to the fund for
12 service rendered up to the limitation on salary in
13 subsection (b-5) of Section 1-160 plus the actual
14 period of time thereafter for which the employee
15 performs the duties of his position and ceased
16 contributing due to the salary limitation in
17 subsection (b-5) of Section 1-160.

18 (3) The right to have certain periods of time
19 considered as service as stated in paragraph (2) of Section
20 9-164 shall not apply for annuity purposes unless the
21 refunds shall have been repaid in accordance with this
22 Article.

23 (4) All service shall be computed in whole calendar
24 months, and at least 15 days of service in any one calendar
25 month shall constitute one calendar month of service, and 1
26 year of service shall be equal to the number of months,

1 days or hours for which an appropriation was made in the
2 annual appropriation ordinance for the position held by the
3 employee.

4 (5) Unused sick or vacation time shall not be used to
5 compute the service of an employee who first becomes an
6 employee on or after the effective date of this amendatory
7 Act of the 98th General Assembly.

8 (b) For all other annuity purposes of this Article the
9 following schedule shall govern the computation of a year of
10 service of an employee whose salary or wages is on the basis
11 stated, and any fractional part of a year of service shall be
12 determined according to said schedule:

13 Annual or Monthly Basis: Service during 4 months in any 1
14 calendar year;

15 Weekly Basis: Service during any 17 weeks of any 1 calendar
16 year, and service during any week shall constitute a week of
17 service;

18 Daily Basis: Service during 100 days in any 1 calendar
19 year, and service during any day shall constitute a day of
20 service;

21 Hourly Basis: Service during 800 hours in any 1 calendar
22 year, and service during any hour shall constitute an hour of
23 service.

24 (Source: P.A. 96-1490, eff. 1-1-11.)

25 (40 ILCS 5/14-104.3) (from Ch. 108 1/2, par. 14-104.3)

1 Sec. 14-104.3. Notwithstanding provisions contained in
2 Section 14-103.10, any person who first becomes a member before
3 the effective date of this amendatory Act of the 98th General
4 Assembly and who at the time of retirement and after December
5 6, 1983 receives compensation in a lump sum for accumulated
6 vacation, sickness, or personal business may receive service
7 credit for such periods by making contributions within 90 days
8 of withdrawal, based on the rate of compensation in effect
9 immediately prior to retirement and the contribution rate then
10 in effect. Any person who first becomes a member on or after
11 the effective date of this amendatory Act of the 98th General
12 Assembly and who receives compensation in a lump sum for
13 accumulated vacation, sickness, or personal business may not
14 receive service credit for such periods. Exercising the option
15 provided in this Section shall not change a member's date of
16 withdrawal or final average compensation for purposes of
17 computing the amount or effective date of a retirement annuity.
18 Any annuitant who establishes service credit as herein provided
19 shall have his retirement annuity adjusted retroactively to the
20 date of retirement.

21 (Source: P.A. 83-1362.)

22 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

23 Sec. 14-106. Membership service credit.

24 (a) After January 1, 1944, all service of a member since he
25 last became a member with respect to which contributions are

1 made shall count as membership service; provided, that for
2 service on and after July 1, 1950, 12 months of service shall
3 constitute a year of membership service, the completion of 15
4 days or more of service during any month shall constitute 1
5 month of membership service, 8 to 15 days shall constitute 1/2
6 month of membership service and less than 8 days shall
7 constitute 1/4 month of membership service. The payroll record
8 of each department shall constitute conclusive evidence of the
9 record of service rendered by a member.

10 (b) For a member who is employed and paid on an
11 academic-year basis rather than on a 12-month annual basis,
12 employment for a full academic year shall constitute a full
13 year of membership service, except that the member shall not
14 receive more than one year of membership service credit (plus
15 any additional service credit granted for unused sick leave)
16 for service during any 12-month period. This subsection (b)
17 applies to all such service for which the member has not begun
18 to receive a retirement annuity before January 1, 2001.

19 (c) A person who first becomes a member before the
20 effective date of this amendatory Act of the 98th General
21 Assembly shall be entitled to additional service credit, under
22 rules prescribed by the Board, for accumulated unused sick
23 leave credited to his account in the last Department on the
24 date of withdrawal from service or for any period for which he
25 would have been eligible to receive benefits under a sick pay
26 plan authorized by law, if he had suffered a sickness or

1 accident on the date of withdrawal from service. It shall be
2 the responsibility of the last Department to certify to the
3 Board the length of time salary or benefits would have been
4 paid to the member based upon the accumulated unused sick leave
5 or the applicable sick pay plan if he had become entitled
6 thereto because of sickness on the date that his status as an
7 employee terminated. This period of service credit granted
8 under this paragraph shall not be considered in determining the
9 date the retirement annuity is to begin, or final average
10 compensation.

11 (d) A person who first becomes a member on or after the
12 effective date of this amendatory Act of the 98th General
13 Assembly shall not be entitled to additional service credit for
14 accumulated unused sick leave.

15 (Source: P.A. 92-14, eff. 6-28-01.)

16 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

17 Sec. 15-112. Final rate of earnings.

18 "Final rate of earnings":

19 (a) This subsection (a) applies only to a person who first
20 becomes a participant of any system before January 1, 2011.

21 For an employee who is paid on an hourly basis or who
22 receives an annual salary in installments during 12 months of
23 each academic year, the average annual earnings during the 48
24 consecutive calendar month period ending with the last day of
25 final termination of employment or the 4 consecutive academic

1 years of service in which the employee's earnings were the
2 highest, whichever is greater. For any other employee, the
3 average annual earnings during the 4 consecutive academic years
4 of service in which his or her earnings were the highest. For
5 an employee with less than 48 months or 4 consecutive academic
6 years of service, the average earnings during his or her entire
7 period of service. The earnings of an employee with more than
8 36 months of service prior to the date of becoming a
9 participant are, for such period, considered equal to the
10 average earnings during the last 36 months of such service.

11 (b) This subsection (b) applies to a person to whom
12 subsection (a) does not apply.

13 For an employee who is paid on an hourly basis or who
14 receives an annual salary in installments during 12 months of
15 each academic year, the average annual earnings obtained by
16 dividing by 8 the total earnings of the employee during the 96
17 consecutive months in which the total earnings were the highest
18 within the last 120 months prior to termination.

19 For any other employee, the average annual earnings during
20 the 8 consecutive academic years within the 10 years prior to
21 termination in which the employee's earnings were the highest.
22 For an employee with less than 96 consecutive months or 8
23 consecutive academic years of service, whichever is necessary,
24 the average earnings during his or her entire period of
25 service.

26 (c) For an employee on leave of absence with pay, or on

1 leave of absence without pay who makes contributions during
2 such leave, earnings are assumed to be equal to the basic
3 compensation on the date the leave began.

4 (d) For an employee on disability leave, earnings are
5 assumed to be equal to the basic compensation on the date
6 disability occurs or the average earnings during the 24 months
7 immediately preceding the month in which disability occurs,
8 whichever is greater.

9 (e) For a participant who retires on or after the effective
10 date of this amendatory Act of 1997 with at least 20 years of
11 service as a firefighter or police officer under this Article,
12 the final rate of earnings shall be the annual rate of earnings
13 received by the participant on his or her last day as a
14 firefighter or police officer under this Article, if that is
15 greater than the final rate of earnings as calculated under the
16 other provisions of this Section.

17 (f) If a participant to whom subsection (a) of this Section
18 applies is an employee for at least 6 months during the
19 academic year in which his or her employment is terminated, the
20 annual final rate of earnings shall be 25% of the sum of (1)
21 the annual basic compensation for that year, and (2) the amount
22 earned during the 36 months immediately preceding that year, if
23 this is greater than the final rate of earnings as calculated
24 under the other provisions of this Section.

25 (g) In the determination of the final rate of earnings for
26 an employee, that part of an employee's earnings for any

1 academic year beginning after June 30, 1997, which exceeds the
2 employee's earnings with that employer for the preceding year
3 by more than 20 percent shall be excluded; in the event that an
4 employee has more than one employer this limitation shall be
5 calculated separately for the earnings with each employer. In
6 making such calculation, only the basic compensation of
7 employees shall be considered, without regard to vacation or
8 overtime or to contracts for summer employment.

9 (h) The following are not considered as earnings in
10 determining final rate of earnings: (1) severance or separation
11 pay, (2) retirement pay, (3) payment for unused sick leave, and
12 (4) payments from an employer for the period used in
13 determining final rate of earnings for any purpose other than
14 (i) services rendered, (ii) leave of absence or vacation
15 granted during that period, and (iii) vacation of up to 56 work
16 days allowed upon termination of employment; except that, if
17 the benefit has been collectively bargained between the
18 employer and the recognized collective bargaining agent
19 pursuant to the Illinois Educational Labor Relations Act,
20 payment received during a period of up to 2 academic years for
21 unused sick leave may be considered as earnings in accordance
22 with the applicable collective bargaining agreement, subject
23 to the 20% increase limitation of this Section, and if the
24 person first becomes a participant on or after the effective
25 date of this amendatory Act of the 98th General Assembly,
26 payments for unused sick or vacation time shall not be

1 considered as earnings. Any unused sick leave considered as
2 earnings under this Section shall not be taken into account in
3 calculating service credit under Section 15-113.4.

4 (i) Intermittent periods of service shall be considered as
5 consecutive in determining final rate of earnings.

6 (Source: P.A. 96-1490, eff. 1-1-11.)

7 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

8 Sec. 15-113.4. Service for unused sick leave. "Service for
9 unused sick leave": A person who first becomes a participant
10 before the effective date of this amendatory Act of the 98th
11 General Assembly and who is an employee under this System or
12 one of the other systems subject to Article 20 of this Code
13 within 60 days immediately preceding the date on which his or
14 her retirement annuity begins, is entitled to credit for
15 service for that portion of unused sick leave earned in the
16 course of employment with an employer and credited on the date
17 of termination of employment by an employer for which payment
18 is not received, in accordance with the following schedule: 30
19 through 90 full calendar days and 20 through 59 full work days
20 of unused sick leave, 1/4 of a year of service; 91 through 180
21 full calendar days and 60 through 119 full work days, 1/2 of a
22 year of service; 181 through 270 full calendar days and 120
23 through 179 full work days, 3/4 of a year of service; 271
24 through 360 full calendar days and 180 through 240 full work
25 days, one year of service. Only uncompensated, unused sick

1 leave earned in accordance with an employer's sick leave
2 accrual policy generally applicable to employees or a class of
3 employees shall be taken into account in calculating service
4 credit under this Section. Any uncompensated, unused sick leave
5 granted by an employer to facilitate the hiring, retirement,
6 termination, or other special circumstances of an employee
7 shall not be taken into account in calculating service credit
8 under this Section. If a participant transfers from one
9 employer to another, the unused sick leave credited by the
10 previous employer shall be considered in determining service to
11 be credited under this Section, even if the participant
12 terminated service prior to the effective date of P.A. 86-272
13 (August 23, 1989); if necessary, the retirement annuity shall
14 be recalculated to reflect such sick leave credit. Each
15 employer shall certify to the board the number of days of
16 unused sick leave accrued to the participant's credit on the
17 date that the participant's status as an employee terminated.
18 This period of unused sick leave shall not be considered in
19 determining the date the retirement annuity begins. A person
20 who first becomes a participant on or after the effective date
21 of this amendatory Act of the 98th General Assembly shall not
22 receive service credit for unused sick leave.

23 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

24 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

25 Sec. 16-121. Salary. "Salary": The actual compensation

1 received by a teacher during any school year and recognized by
2 the system in accordance with rules of the board. For purposes
3 of this Section, "school year" includes the regular school term
4 plus any additional period for which a teacher is compensated
5 and such compensation is recognized by the rules of the board.
6 In the case of a person who first becomes a member on or after
7 the effective date of this amendatory Act of the 98th General
8 Assembly, "salary" shall not include any payment for unused
9 sick or vacation time.

10 (Source: P.A. 84-1028.)

11 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

12 Sec. 16-127. Computation of creditable service.

13 (a) Each member shall receive regular credit for all
14 service as a teacher from the date membership begins, for which
15 satisfactory evidence is supplied and all contributions have
16 been paid.

17 (b) The following periods of service shall earn optional
18 credit and each member shall receive credit for all such
19 service for which satisfactory evidence is supplied and all
20 contributions have been paid as of the date specified:

21 (1) Prior service as a teacher.

22 (2) Service in a capacity essentially similar or
23 equivalent to that of a teacher, in the public common
24 schools in school districts in this State not included
25 within the provisions of this System, or of any other

1 State, territory, dependency or possession of the United
2 States, or in schools operated by or under the auspices of
3 the United States, or under the auspices of any agency or
4 department of any other State, and service during any
5 period of professional speech correction or special
6 education experience for a public agency within this State
7 or any other State, territory, dependency or possession of
8 the United States, and service prior to February 1, 1951 as
9 a recreation worker for the Illinois Department of Public
10 Safety, for a period not exceeding the lesser of 2/5 of the
11 total creditable service of the member or 10 years. The
12 maximum service of 10 years which is allowable under this
13 paragraph shall be reduced by the service credit which is
14 validated by other retirement systems under paragraph (i)
15 of Section 15-113 and paragraph 1 of Section 17-133. Credit
16 granted under this paragraph may not be used in
17 determination of a retirement annuity or disability
18 benefits unless the member has at least 5 years of
19 creditable service earned subsequent to this employment
20 with one or more of the following systems: Teachers'
21 Retirement System of the State of Illinois, State
22 Universities Retirement System, and the Public School
23 Teachers' Pension and Retirement Fund of Chicago. Whenever
24 such service credit exceeds the maximum allowed for all
25 purposes of this Article, the first service rendered in
26 point of time shall be considered. The changes to this

1 subdivision (b) (2) made by Public Act 86-272 shall apply
2 not only to persons who on or after its effective date
3 (August 23, 1989) are in service as a teacher under the
4 System, but also to persons whose status as such a teacher
5 terminated prior to such effective date, whether or not
6 such person is an annuitant on that date.

7 (3) Any periods immediately following teaching
8 service, under this System or under Article 17, (or
9 immediately following service prior to February 1, 1951 as
10 a recreation worker for the Illinois Department of Public
11 Safety) spent in active service with the military forces of
12 the United States; periods spent in educational programs
13 that prepare for return to teaching sponsored by the
14 federal government following such active military service;
15 if a teacher returns to teaching service within one
16 calendar year after discharge or after the completion of
17 the educational program, a further period, not exceeding
18 one calendar year, between time spent in military service
19 or in such educational programs and the return to
20 employment as a teacher under this System; and a period of
21 up to 2 years of active military service not immediately
22 following employment as a teacher.

23 The changes to this Section and Section 16-128 relating
24 to military service made by P.A. 87-794 shall apply not
25 only to persons who on or after its effective date are in
26 service as a teacher under the System, but also to persons

1 whose status as a teacher terminated prior to that date,
2 whether or not the person is an annuitant on that date. In
3 the case of an annuitant who applies for credit allowable
4 under this Section for a period of military service that
5 did not immediately follow employment, and who has made the
6 required contributions for such credit, the annuity shall
7 be recalculated to include the additional service credit,
8 with the increase taking effect on the date the System
9 received written notification of the annuitant's intent to
10 purchase the credit, if payment of all the required
11 contributions is made within 60 days of such notice, or
12 else on the first annuity payment date following the date
13 of payment of the required contributions. In calculating
14 the automatic annual increase for an annuity that has been
15 recalculated under this Section, the increase attributable
16 to the additional service allowable under P.A. 87-794 shall
17 be included in the calculation of automatic annual
18 increases accruing after the effective date of the
19 recalculation.

20 Credit for military service shall be determined as
21 follows: if entry occurs during the months of July, August,
22 or September and the member was a teacher at the end of the
23 immediately preceding school term, credit shall be granted
24 from July 1 of the year in which he or she entered service;
25 if entry occurs during the school term and the teacher was
26 in teaching service at the beginning of the school term,

1 credit shall be granted from July 1 of such year. In all
2 other cases where credit for military service is allowed,
3 credit shall be granted from the date of entry into the
4 service.

5 The total period of military service for which credit
6 is granted shall not exceed 5 years for any member unless
7 the service: (A) is validated before July 1, 1964, and (B)
8 does not extend beyond July 1, 1963. Credit for military
9 service shall be granted under this Section only if not
10 more than 5 years of the military service for which credit
11 is granted under this Section is used by the member to
12 qualify for a military retirement allotment from any branch
13 of the armed forces of the United States. The changes to
14 this subdivision (b) (3) made by Public Act 86-272 shall
15 apply not only to persons who on or after its effective
16 date (August 23, 1989) are in service as a teacher under
17 the System, but also to persons whose status as such a
18 teacher terminated prior to such effective date, whether or
19 not such person is an annuitant on that date.

20 (4) Any periods served as a member of the General
21 Assembly.

22 (5) (i) Any periods for which a teacher, as defined in
23 Section 16-106, is granted a leave of absence, provided he
24 or she returns to teaching service creditable under this
25 System or the State Universities Retirement System
26 following the leave; (ii) periods during which a teacher is

1 involuntarily laid off from teaching, provided he or she
2 returns to teaching following the lay-off; (iii) periods
3 prior to July 1, 1983 during which a teacher ceased covered
4 employment due to pregnancy, provided that the teacher
5 returned to teaching service creditable under this System
6 or the State Universities Retirement System following the
7 pregnancy and submits evidence satisfactory to the Board
8 documenting that the employment ceased due to pregnancy;
9 and (iv) periods prior to July 1, 1983 during which a
10 teacher ceased covered employment for the purpose of
11 adopting an infant under 3 years of age or caring for a
12 newly adopted infant under 3 years of age, provided that
13 the teacher returned to teaching service creditable under
14 this System or the State Universities Retirement System
15 following the adoption and submits evidence satisfactory
16 to the Board documenting that the employment ceased for the
17 purpose of adopting an infant under 3 years of age or
18 caring for a newly adopted infant under 3 years of age.
19 However, total credit under this paragraph (5) may not
20 exceed 3 years.

21 Any qualified member or annuitant may apply for credit
22 under item (iii) or (iv) of this paragraph (5) without
23 regard to whether service was terminated before the
24 effective date of this amendatory Act of 1997. In the case
25 of an annuitant who establishes credit under item (iii) or
26 (iv), the annuity shall be recalculated to include the

1 additional service credit. The increase in annuity shall
2 take effect on the date the System receives written
3 notification of the annuitant's intent to purchase the
4 credit, if the required evidence is submitted and the
5 required contribution paid within 60 days of that
6 notification, otherwise on the first annuity payment date
7 following the System's receipt of the required evidence and
8 contribution. The increase in an annuity recalculated
9 under this provision shall be included in the calculation
10 of automatic annual increases in the annuity accruing after
11 the effective date of the recalculation.

12 Optional credit may be purchased under this subsection
13 (b) (5) for periods during which a teacher has been granted
14 a leave of absence pursuant to Section 24-13 of the School
15 Code. A teacher whose service under this Article terminated
16 prior to the effective date of P.A. 86-1488 shall be
17 eligible to purchase such optional credit. If a teacher who
18 purchases this optional credit is already receiving a
19 retirement annuity under this Article, the annuity shall be
20 recalculated as if the annuitant had applied for the leave
21 of absence credit at the time of retirement. The difference
22 between the entitled annuity and the actual annuity shall
23 be credited to the purchase of the optional credit. The
24 remainder of the purchase cost of the optional credit shall
25 be paid on or before April 1, 1992.

26 The change in this paragraph made by Public Act 86-273

1 shall be applicable to teachers who retire after June 1,
2 1989, as well as to teachers who are in service on that
3 date.

4 (6) For a person who first becomes a member before the
5 effective date of this amendatory Act of the 98th General
6 Assembly, any ~~Any~~ days of unused and uncompensated
7 accumulated sick leave earned by a teacher. The service
8 credit granted under this paragraph shall be the ratio of
9 the number of unused and uncompensated accumulated sick
10 leave days to 170 days, subject to a maximum of 2 years of
11 service credit. Prior to the member's retirement, each
12 former employer shall certify to the System the number of
13 unused and uncompensated accumulated sick leave days
14 credited to the member at the time of termination of
15 service. The period of unused sick leave shall not be
16 considered in determining the effective date of
17 retirement. A member is not required to make contributions
18 in order to obtain service credit for unused sick leave.

19 Credit for sick leave shall, at retirement, be granted
20 by the System for any retiring regional or assistant
21 regional superintendent of schools who first becomes a
22 member before the effective date of this amendatory Act of
23 the 98th General Assembly at the rate of 6 days per year of
24 creditable service or portion thereof established while
25 serving as such superintendent or assistant
26 superintendent.

1 (7) Periods prior to February 1, 1987 served as an
2 employee of the Illinois Mathematics and Science Academy
3 for which credit has not been terminated under Section
4 15-113.9 of this Code.

5 (8) Service as a substitute teacher for work performed
6 prior to July 1, 1990.

7 (9) Service as a part-time teacher for work performed
8 prior to July 1, 1990.

9 (10) Up to 2 years of employment with Southern Illinois
10 University - Carbondale from September 1, 1959 to August
11 31, 1961, or with Governors State University from September
12 1, 1972 to August 31, 1974, for which the teacher has no
13 credit under Article 15. To receive credit under this item
14 (10), a teacher must apply in writing to the Board and pay
15 the required contributions before May 1, 1993 and have at
16 least 12 years of service credit under this Article.

17 (b-1) A member may establish optional credit for up to 2
18 years of service as a teacher or administrator employed by a
19 private school recognized by the Illinois State Board of
20 Education, provided that the teacher (i) was certified under
21 the law governing the certification of teachers at the time the
22 service was rendered, (ii) applies in writing on or after
23 August 1, 2009 and on or before August 1, 2012, (iii) supplies
24 satisfactory evidence of the employment, (iv) completes at
25 least 10 years of contributing service as a teacher as defined
26 in Section 16-106, and (v) pays the contribution required in

1 subsection (d-5) of Section 16-128. The member may apply for
2 credit under this subsection and pay the required contribution
3 before completing the 10 years of contributing service required
4 under item (iv), but the credit may not be used until the item
5 (iv) contributing service requirement has been met.

6 (c) The service credits specified in this Section shall be
7 granted only if: (1) such service credits are not used for
8 credit in any other statutory tax-supported public employee
9 retirement system other than the federal Social Security
10 program; and (2) the member makes the required contributions as
11 specified in Section 16-128. Except as provided in subsection
12 (b-1) of this Section, the service credit shall be effective as
13 of the date the required contributions are completed.

14 Any service credits granted under this Section shall
15 terminate upon cessation of membership for any cause.

16 Credit may not be granted under this Section covering any
17 period for which an age retirement or disability retirement
18 allowance has been paid.

19 (Source: P.A. 96-546, eff. 8-17-09.)

20 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

21 Sec. 17-116. Service retirement pension.

22 (a) Each teacher having 20 years of service upon attainment
23 of age 55, or who thereafter attains age 55 shall be entitled
24 to a service retirement pension upon or after attainment of age
25 55; and each teacher in service on or after July 1, 1971, with

1 5 or more but less than 20 years of service shall be entitled
2 to receive a service retirement pension upon or after
3 attainment of age 62.

4 (b) The service retirement pension for a teacher who
5 retires on or after June 25, 1971, at age 60 or over, shall be
6 calculated as follows:

7 (1) For creditable service earned before July 1, 1998
8 that has not been augmented under Section 17-119.1: 1.67%
9 for each of the first 10 years of service; 1.90% for each
10 of the next 10 years of service; 2.10% for each year of
11 service in excess of 20 but not exceeding 30; and 2.30% for
12 each year of service in excess of 30, based upon average
13 salary as herein defined.

14 (2) For creditable service earned on or after July 1,
15 1998 by a member who has at least 30 years of creditable
16 service on July 1, 1998 and who does not elect to augment
17 service under Section 17-119.1: 2.3% of average salary for
18 each year of creditable service earned on or after July 1,
19 1998.

20 (3) For all other creditable service: 2.2% of average
21 salary for each year of creditable service.

22 (c) When computing such service retirement pensions, the
23 following conditions shall apply:

24 1. Average salary shall consist of the average annual
25 rate of salary for the 4 consecutive years of validated
26 service within the last 10 years of service when such

1 average annual rate was highest. In the determination of
2 average salary for retirement allowance purposes, for
3 members who commenced employment after August 31, 1979,
4 that part of the salary for any year shall be excluded
5 which exceeds the annual full-time salary rate for the
6 preceding year by more than 20%. In the case of a member
7 who commenced employment before August 31, 1979 and who
8 receives salary during any year after September 1, 1983
9 which exceeds the annual full time salary rate for the
10 preceding year by more than 20%, an Employer and other
11 employers of eligible contributors as defined in Section
12 17-106 shall pay to the Fund an amount equal to the present
13 value of the additional service retirement pension
14 resulting from such excess salary. The present value of the
15 additional service retirement pension shall be computed by
16 the Board on the basis of actuarial tables adopted by the
17 Board. If a member elects to receive a pension from this
18 Fund provided by Section 20-121, his salary under the State
19 Universities Retirement System and the Teachers'
20 Retirement System of the State of Illinois shall be
21 considered in determining such average salary. Amounts
22 paid after the effective date of this amendatory Act of
23 1991 for unused vacation time earned after that effective
24 date shall not under any circumstances be included in the
25 calculation of average salary or the annual rate of salary
26 for the purposes of this Article.

1 2. Proportionate credit shall be given for validated
2 service of less than one year.

3 3. For retirement at age 60 or over the pension shall
4 be payable at the full rate.

5 4. For separation from service below age 60 to a
6 minimum age of 55, the pension shall be discounted at the
7 rate of 1/2 of one per cent for each month that the age of
8 the contributor is less than 60, but a teacher may elect to
9 defer the effective date of pension in order to eliminate
10 or reduce this discount. This discount shall not be
11 applicable to any participant who has at least 34 years of
12 service or a retirement pension of at least 74.6% of
13 average salary on the date the retirement annuity begins.

14 5. No additional pension shall be granted for service
15 exceeding 45 years. Beginning June 26, 1971 no pension
16 shall exceed the greater of \$1,500 per month or 75% of
17 average salary as herein defined.

18 6. Service retirement pensions shall begin on the
19 effective date of resignation, retirement, the day
20 following the close of the payroll period for which service
21 credit was validated, or the time the person resigning or
22 retiring attains age 55, or on a date elected by the
23 teacher, whichever shall be latest.

24 7. A member who is eligible to receive a retirement
25 pension of at least 74.6% of average salary and will attain
26 age 55 on or before December 31 during the year which

1 commences on July 1 shall be deemed to attain age 55 on the
2 preceding June 1.

3 8. A member retiring after the effective date of this
4 amendatory Act of 1998 shall receive a pension equal to 75%
5 of average salary if the member is qualified to receive a
6 retirement pension equal to at least 74.6% of average
7 salary under this Article or as proportional annuities
8 under Article 20 of this Code.

9 9. In the case of a person who first becomes a
10 participant on or after the effective date of this
11 amendatory Act of the 98th General Assembly, payments for
12 unused sick or vacation time shall not be used in the
13 calculation of average salary.

14 (Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

15 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

16 Sec. 17-134. Contributions for leaves of absence; military
17 service; computing service. In computing service for pension
18 purposes the following periods of service shall stand in lieu
19 of a like number of years of teaching service upon payment
20 therefor in the manner hereinafter provided: (a) time spent on
21 a leave of absence granted by the employer; (b) service with
22 teacher or labor organizations based upon special leaves of
23 absence therefor granted by an Employer; (c) a maximum of 5
24 years spent in the military service of the United States, of
25 which up to 2 years may have been served outside the pension

1 period; (d) unused sick days at termination of service to a
2 maximum of 244 days; (e) time lost due to layoff and
3 curtailment of the school term from June 6 through June 21,
4 1976; and (f) time spent after June 30, 1982 as a member of the
5 Board of Education, if required to resign from an
6 administrative or teaching position in order to qualify as a
7 member of the Board of Education.

8 (1) For time spent on or after September 6, 1948 on
9 sabbatical leaves of absence or sick leaves, for which
10 salaries are paid, an Employer shall make payroll
11 deductions at the applicable rates in effect during such
12 periods.

13 (2) For time spent on a leave of absence granted by the
14 employer for which no salaries are paid, teachers desiring
15 credit therefor shall pay the required contributions at the
16 rates in effect during such periods as though they were in
17 teaching service. If an Employer pays salary for vacations
18 which occur during a teacher's sick leave or maternity or
19 paternity leave without salary, vacation pay for which the
20 teacher would have qualified while in active service shall
21 be considered part of the teacher's total salary for
22 pension purposes. No more than 36 months of leave credit
23 may be allowed any person during the entire term of
24 service. Sabbatical leave credit shall be limited to the
25 time the person on leave without salary under an Employer's
26 rules is allowed to engage in an activity for which he

1 receives salary or compensation.

2 (3) For time spent prior to September 6, 1948, on
3 sabbatical leaves of absence or sick leaves for which
4 salaries were paid, teachers desiring service credit
5 therefor shall pay the required contributions at the
6 maximum applicable rates in effect during such periods.

7 (4) For service with teacher or labor organizations
8 authorized by special leaves of absence, for which no
9 payroll deductions are made by an Employer, teachers
10 desiring service credit therefor shall contribute to the
11 Fund upon the basis of the actual salary received from such
12 organizations at the percentage rates in effect during such
13 periods for certified positions with such Employer. To the
14 extent the actual salary exceeds the regular salary, which
15 shall be defined as the salary rate, as calculated by the
16 Board, in effect for the teacher's regular position in
17 teaching service on September 1, 1983 or on the effective
18 date of the leave with the organization, whichever is
19 later, the organization shall pay to the Fund the
20 employer's normal cost as set by the Board on the
21 increment. Notwithstanding any other provision of this
22 subdivision (4), teachers are only eligible for credit for
23 service under this subdivision (4) if the special leave of
24 absence begins before January 5, 2012 (the effective date
25 of Public Act 97-651) ~~this amendatory Act of the 97th~~
26 ~~General Assembly.~~

1 (5) For time spent in the military service, teachers
2 entitled to and desiring credit therefor shall contribute
3 the amount required for each year of service or fraction
4 thereof at the rates in force (a) at the date of
5 appointment, or (b) on return to teaching service as a
6 regularly certified teacher, as the case may be; provided
7 such rates shall not be less than \$450 per year of service.
8 These conditions shall apply unless an Employer elects to
9 and does pay into the Fund the amount which would have been
10 due from such person had he been employed as a teacher
11 during such time. In the case of credit for military
12 service not during the pension period, the teacher must
13 also pay to the Fund an amount determined by the Board to
14 be equal to the employer's normal cost of the benefits
15 accrued from such service, plus interest thereon at 5% per
16 year, compounded annually, from the date of appointment to
17 the date of payment.

18 The changes to this Section made by Public Act 87-795
19 shall apply not only to persons who on or after its
20 effective date are in service under the Fund, but also to
21 persons whose status as a teacher terminated prior to that
22 date, whether or not the person is an annuitant on that
23 date. In the case of an annuitant who applies for credit
24 allowable under this Section for a period of military
25 service that did not immediately follow employment, and who
26 has made the required contributions for such credit, the

1 annuity shall be recalculated to include the additional
2 service credit, with the increase taking effect on the date
3 the Fund received written notification of the annuitant's
4 intent to purchase the credit, if payment of all the
5 required contributions is made within 60 days of such
6 notice, or else on the first annuity payment date following
7 the date of payment of the required contributions. In
8 calculating the automatic annual increase for an annuity
9 that has been recalculated under this Section, the increase
10 attributable to the additional service allowable under
11 this amendatory Act of 1991 shall be included in the
12 calculation of automatic annual increases accruing after
13 the effective date of the recalculation.

14 The total credit for military service shall not exceed
15 5 years, except that any teacher who on July 1, 1963, had
16 validated credit for more than 5 years of military service
17 shall be entitled to the total amount of such credit.

18 (6) For persons who first become teachers before the
19 effective date of this amendatory Act of the 98th General
20 Assembly, a ~~A~~ maximum of 244 unused sick days credited to
21 his account by an Employer on the date of termination of
22 employment. Members, upon verification of unused sick
23 days, may add this service time to total creditable
24 service.

25 (7) In all cases where time spent on leave is
26 creditable and no payroll deductions therefor are made by

1 an Employer, persons desiring service credit shall make the
2 required contributions directly to the Fund.

3 (8) For time lost without pay due to layoff and
4 curtailment of the school term from June 6 through June 21,
5 1976, as provided in item (e) of the first paragraph of
6 this Section, persons who were contributors on the days
7 immediately preceding such layoff shall receive credit
8 upon paying to the Fund a contribution based on the rates
9 of compensation and employee contributions in effect at the
10 time of such layoff, together with an additional amount
11 equal to 12.2% of the compensation computed for such period
12 of layoff, plus interest on the entire amount at 5% per
13 annum from January 1, 1978 to the date of payment. If such
14 contribution is paid, salary for pension purposes for any
15 year in which such a layoff occurred shall include the
16 compensation recognized for purposes of computing that
17 contribution.

18 (9) For time spent after June 30, 1982, as a
19 nonsalaried member of the Board of Education, if required
20 to resign from an administrative or teaching position in
21 order to qualify as a member of the Board of Education, an
22 administrator or teacher desiring credit therefor shall
23 pay the required contributions at the rates and salaries in
24 effect during such periods as though the member were in
25 service.

26 Effective September 1, 1974, the interest charged for

1 validation of service described in paragraphs (2) through (5)
2 of this Section shall be compounded annually at a rate of 5%
3 commencing one year after the termination of the leave or
4 return to service.

5 (Source: P.A. 97-651, eff. 1-5-12.)

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