

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 7-154, 7-159, 15-139, 15-145, 15-154, and 16-143.2 as
6 follows:

7 (40 ILCS 5/7-154) (from Ch. 108 1/2, par. 7-154)

8 Sec. 7-154. Surviving spouse annuities - Eligibility.

9 (a) A surviving spouse annuity shall be payable to the
10 eligible surviving spouse of a participating employee, an
11 employee annuitant, or a person who on the date of death would
12 have been entitled to a retirement annuity, had he applied for
13 such annuity, and who dies at any time when a surviving spouse
14 annuity equals at least \$5 per month, provided:

15 (1) The surviving spouse (i) was married to the
16 participating employee for at least one year on the date of
17 death, or (ii) was married to the annuitant or person
18 entitled to a retirement annuity for at least one year
19 prior to the date of termination of service, or (iii) was
20 married to the deceased annuitant for at least one year on
21 the date of the deceased annuitant's death, if at the time
22 of termination of service the deceased annuitant was
23 married for at least one year to a spouse who does not

1 survive the deceased annuitant. (Item (iii) applies to the
2 spouses of annuitants who die on or after the effective
3 date of this amendatory Act of the 99th General Assembly,
4 notwithstanding whether the annuitant was in service on or
5 after that effective date or the effective date of Public
6 Act 87-850.)

7 (2) The male deceased employee annuitant or such other
8 person entitled to a retirement annuity had contributed to
9 this fund for surviving spouse annuity purposes for at
10 least 1 year or continuously since the effective date of
11 the participating municipality or participating
12 instrumentality.

13 (3) The female deceased employee annuitant or such
14 other person entitled to a retirement annuity was in
15 service on or after July 27, 1972, provided that the
16 annuity shall not be computed on the basis of any
17 retirement annuity effective before that date.

18 (4) If the employee dies before termination of service,
19 the employee did not exclude the spouse from any death
20 benefit or surviving spouse annuity pursuant to subsection
21 (b) of Section 7-118. A designation of beneficiary naming a
22 spouse and children jointly or a trust pursuant to
23 subsection (b) of Section 7-118 shall preclude payment of a
24 surviving spouse annuity.

25 (b) If a person is the spouse of a retiring participating
26 employee on the date of the initial payment of a retirement

1 annuity and is qualified to receive a surviving spouse annuity
2 upon the death of the employee and the surviving spouse
3 contributions are not refunded to the employee, then a
4 surviving spouse annuity shall be payable to that person even
5 if the marriage to the employee is dissolved after that date.

6 (c) Eligibility of a surviving spouse shall be determined
7 as of the date of death. Only one surviving spouse annuity
8 shall be paid on account of the death of any employee.

9 (Source: P.A. 87-740; 87-850.)

10 (40 ILCS 5/7-159) (from Ch. 108 1/2, par. 7-159)

11 Sec. 7-159. Surviving spouse annuity - refund of survivor
12 credits.

13 (a) Any employee annuitant who (1) upon the date a
14 retirement annuity begins is not then married, or (2) is
15 married to a person who would not qualify for surviving spouse
16 annuity if the person died on such date, is entitled to a
17 refund of the survivor credits including interest accumulated
18 on the date the annuity begins, excluding survivor credits and
19 interest thereon credited during periods of disability, and no
20 spouse shall have a right to any surviving spouse annuity from
21 this Fund. If the employee annuitant reenters service and upon
22 subsequent retirement has a spouse who would qualify for a
23 surviving spouse annuity, the employee annuitant may pay the
24 fund the amount of the refund plus interest at the effective
25 rate at the date of payment. The payment shall qualify the

1 spouse for a surviving spouse annuity and the amount paid shall
2 be considered as survivor contributions.

3 (b) Instead of a refund under subsection (a), the retiring
4 employee may elect to convert the amount of the refund into an
5 annuity, payable separately from the retirement annuity. If the
6 annuitant dies before the guaranteed amount has been
7 distributed, the remainder shall be paid in a lump sum to the
8 designated beneficiary of the annuitant. The Board shall adopt
9 any rules necessary for the implementation of this subsection.

10 (c) An annuitant who retired prior to June 1, 2011 and
11 received a refund of survivor credits under subsection (a), and
12 who thereafter became, and remains, either:

13 (1) a party to a civil union or a party to a legal
14 relationship that is recognized as a civil union or
15 marriage under the Illinois Religious Freedom Protection
16 and Civil Union Act on or after June 1, 2011; or

17 (2) a party to a marriage under the Illinois Marriage
18 and Dissolution of Marriage Act on or after February 26,
19 2014; or

20 (3) a party to a marriage, civil union or other legal
21 relationship that, at the time it was formed, was not
22 legally recognized in Illinois but was subsequently
23 recognized as a civil union or marriage under the Illinois
24 Religious Freedom Protection and Civil Union Act on or
25 after June 1, 2011, a marriage under the Illinois Marriage
26 and Dissolution of Marriage Act on or after February 26,

1 2014, or both;
2 may, within a period of one year beginning 5 months after the
3 effective date of this amendatory Act of the 99th General
4 Assembly, make an election to re-establish rights to a
5 surviving spouse annuity under Sections 7-154 through 7-158
6 (notwithstanding the eligibility requirements of paragraph
7 (a) (1) of Section 7-154), by paying to the Fund: (1) the total
8 amount of the refund received for survivor credits; and (2)
9 interest thereon at the actuarially assumed rate of return from
10 the date of the refund to the date of payment. Such election
11 must be made prior to the date of death of the annuitant.

12 The Fund may allow the annuitant to repay this refund over
13 a period of not more than 24 months. To the extent permitted by
14 the Internal Revenue Code of 1986, as amended, for federal and
15 State tax purposes, if a member pays in monthly installments by
16 reducing the monthly benefit by the amount of the otherwise
17 applicable contribution, the monthly amount by which the
18 annuitant's benefit is reduced shall not be treated as a
19 contribution by the annuitant but rather as a reduction of the
20 annuitant's monthly benefit.

21 If an annuitant makes an election under this subsection (c)
22 and the contributions required are not paid in full, an
23 otherwise qualifying spouse shall be given the option to make
24 an additional lump sum payment of the remaining contributions
25 and qualify for a surviving spouse annuity. Otherwise, an
26 additional refund representing contributions made hereunder

1 shall be paid at the annuitant's death and there shall be no
2 surviving spouse annuity paid.

3 (Source: P.A. 90-766, eff. 8-14-98.)

4 (40 ILCS 5/15-139) (from Ch. 108 1/2, par. 15-139)

5 Sec. 15-139. Retirement annuities; cancellation; suspended
6 during employment.

7 (a) If an annuitant returns to employment for an employer
8 within 60 days after the beginning of the retirement annuity
9 payment period, the retirement annuity shall be cancelled, and
10 the annuitant shall refund to the System the total amount of
11 the retirement annuity payments which he or she received. If
12 the retirement annuity is cancelled, the participant shall
13 continue to participate in the System.

14 (b) If an annuitant retires prior to age 60 and receives or
15 becomes entitled to receive during any month compensation in
16 excess of the monthly retirement annuity (including any
17 automatic annual increases) for services performed after the
18 date of retirement for any employer under this System, that
19 portion of the monthly retirement annuity provided by employer
20 contributions shall not be payable.

21 If an annuitant retires at age 60 or over and receives or
22 becomes entitled to receive during any academic year
23 compensation in excess of the difference between his or her
24 highest annual earnings prior to retirement and his or her
25 annual retirement annuity computed under Rule 1, Rule 2, Rule

1 3, or Rule 4 of Section 15-136, or under Section 15-136.4, for
2 services performed after the date of retirement for any
3 employer under this System, that portion of the monthly
4 retirement annuity provided by employer contributions shall be
5 reduced by an amount equal to the compensation that exceeds
6 such difference.

7 However, any remuneration received for serving as a member
8 of the Illinois Educational Labor Relations Board shall be
9 excluded from "compensation" for the purposes of this
10 subsection (b), and serving as a member of the Illinois
11 Educational Labor Relations Board shall not be deemed to be a
12 return to employment for the purposes of this Section. This
13 provision applies without regard to whether service was
14 terminated prior to the effective date of this amendatory Act
15 of 1991.

16 "Academic year", as used in this subsection (b), means the
17 12-month period beginning September 1.

18 (c) If an employer certifies that an annuitant has been
19 reemployed on a permanent and continuous basis or in a position
20 in which the annuitant is expected to serve for at least 9
21 months, the annuitant shall resume his or her status as a
22 participating employee and shall be entitled to all rights
23 applicable to participating employees upon filing with the
24 board an election to forgo all annuity payments during the
25 period of reemployment. Upon subsequent retirement, the
26 retirement annuity shall consist of the annuity which was

1 terminated by the reemployment, plus the additional retirement
2 annuity based upon service granted during the period of
3 reemployment, but the combined retirement annuity shall not
4 exceed the maximum annuity applicable on the date of the last
5 retirement.

6 The total service and earnings credited before and after
7 the initial date of retirement shall be considered in
8 determining eligibility of the employee or the employee's
9 beneficiary to benefits under this Article, and in calculating
10 final rate of earnings.

11 In determining the death benefit payable to a beneficiary
12 of an annuitant who again becomes a participating employee
13 under this Section, accumulated normal and additional
14 contributions shall be considered as the sum of the accumulated
15 normal and additional contributions at the date of initial
16 retirement and the accumulated normal and additional
17 contributions credited after that date, less the sum of the
18 annuity payments received by the annuitant.

19 The survivors insurance benefits provided under Section
20 15-145 shall not be applicable to an annuitant who resumes his
21 or her status as a participating employee, unless the
22 annuitant, at the time of initial retirement, has a survivors
23 insurance beneficiary who could qualify for such benefits or
24 the annuitant repaid the survivors insurance contribution
25 refund or additional annuity under subsection (c-5) of Section
26 15-154.

1 If the participant's employment is terminated because of
2 circumstances other than death before 9 months from the date of
3 reemployment, the provisions of this Section regarding
4 resumption of status as a participating employee shall not
5 apply. The normal and survivors insurance contributions which
6 are deducted during this period shall be refunded to the
7 annuitant without interest, and subsequent benefits under this
8 Article shall be the same as those which were applicable prior
9 to the date the annuitant resumed employment.

10 The amendments made to this Section by this amendatory Act
11 of the 91st General Assembly apply without regard to whether
12 the annuitant was in service on or after the effective date of
13 this amendatory Act.

14 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12;
15 98-92, eff. 7-16-13; 98-596, eff. 11-19-13.)

16 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

17 Sec. 15-145. Survivors insurance benefits; conditions and
18 amounts.

19 (a) The survivors insurance benefits provided under this
20 Section shall be payable to the eligible survivors of a Tier 1
21 member covered under the traditional benefit package upon the
22 death of (1) a participating employee with at least 1 1/2 years
23 of service, (2) a participant who terminated employment with at
24 least 10 years of service, and (3) an annuitant in receipt of a
25 retirement annuity or disability retirement annuity under this

1 Article.

2 Service under the State Employees' Retirement System of
3 Illinois, the Teachers' Retirement System of the State of
4 Illinois and the Public School Teachers' Pension and Retirement
5 Fund of Chicago shall be considered in determining eligibility
6 for survivors benefits under this Section.

7 If by law, a function of a governmental unit, as defined by
8 Section 20-107, is transferred in whole or in part to an
9 employer, and an employee transfers employment from this
10 governmental unit to such employer within 6 months after the
11 transfer of this function, the service credits in the
12 governmental unit's retirement system which have been
13 validated under Section 20-109 shall be considered in
14 determining eligibility for survivors benefits under this
15 Section.

16 (b) A surviving spouse of a deceased participant, or of a
17 deceased annuitant who did not take a refund or additional
18 annuity consisting of accumulated survivors insurance
19 contributions or who repaid the refund or additional annuity,
20 shall receive a survivors annuity of 30% of the final rate of
21 earnings. Payments shall begin on the day following the
22 participant's or annuitant's death or the date the surviving
23 spouse attains age 50, whichever is later, and continue until
24 the death of the surviving spouse. The annuity shall be payable
25 to the surviving spouse prior to attainment of age 50 if the
26 surviving spouse has in his or her care a deceased

1 participant's or annuitant's dependent unmarried child under
2 age 18 (under age 22 if a full-time student) who is eligible
3 for a survivors annuity.

4 Remarriage of a surviving spouse prior to attainment of age
5 55 that occurs before the effective date of this amendatory Act
6 of the 91st General Assembly shall disqualify him or her for
7 the receipt of a survivors annuity until July 6, 2000.

8 A surviving spouse whose survivors annuity has been
9 terminated due to remarriage may apply for reinstatement of
10 that annuity. The reinstated annuity shall begin to accrue on
11 July 6, 2000, except that if, on July 6, 2000, the annuity is
12 payable to an eligible surviving child or parent, payment of
13 the annuity to the surviving spouse shall not be reinstated
14 until the annuity is no longer payable to any eligible
15 surviving child or parent. The reinstated annuity shall include
16 any one-time or annual increases received prior to the date of
17 termination, as well as any increases that would otherwise have
18 accrued from the date of termination to the date of
19 reinstatement. An eligible surviving spouse whose expectation
20 of receiving a survivors annuity was lost due to remarriage
21 before attainment of age 50 shall also be entitled to
22 reinstatement under this subsection, but the resulting
23 survivors annuity shall not begin to accrue sooner than upon
24 the surviving spouse's attainment of age 50.

25 The changes made to this subsection by this amendatory Act
26 of the 92nd General Assembly (pertaining to remarriage prior to

1 age 55 or 50) apply without regard to whether the deceased
2 participant or annuitant was in service on or after the
3 effective date of this amendatory Act.

4 (c) Each dependent unmarried child under age 18 (under age
5 22 if a full-time student) of a deceased participant, or of a
6 deceased annuitant who did not take a refund or additional
7 annuity consisting of accumulated survivors insurance
8 contributions or who repaid the refund or additional annuity,
9 shall receive a survivors annuity equal to the sum of (1) 20%
10 of the final rate of earnings, and (2) 10% of the final rate of
11 earnings divided by the number of children entitled to this
12 benefit. Payments shall begin on the day following the
13 participant's or annuitant's death and continue until the child
14 marries, dies, or attains age 18 (age 22 if a full-time
15 student). If the child is in the care of a surviving spouse who
16 is eligible for survivors insurance benefits, the child's
17 benefit shall be paid to the surviving spouse.

18 Each unmarried child over age 18 of a deceased participant
19 or of a deceased annuitant who had a survivor's insurance
20 beneficiary at the time of his or her retirement, and who was
21 dependent upon the participant or annuitant by reason of a
22 physical or mental disability which began prior to the date the
23 child attained age 18 (age 22 if a full-time student), shall
24 receive a survivor's annuity equal to the sum of (1) 20% of the
25 final rate of earnings, and (2) 10% of the final rate of
26 earnings divided by the number of children entitled to

1 survivors benefits. Payments shall begin on the day following
2 the participant's or annuitant's death and continue until the
3 child marries, dies, or is no longer disabled. If the child is
4 in the care of a surviving spouse who is eligible for survivors
5 insurance benefits, the child's benefit may be paid to the
6 surviving spouse. For the purposes of this Section, disability
7 means inability to engage in any substantial gainful activity
8 by reason of any medically determinable physical or mental
9 impairment that can be expected to result in death or that has
10 lasted or can be expected to last for a continuous period of at
11 least one year.

12 (d) Each dependent parent of a deceased participant, or of
13 a deceased annuitant who did not take a refund or additional
14 annuity consisting of accumulated survivors insurance
15 contributions or who repaid the refund or additional annuity,
16 shall receive a survivors annuity equal to the sum of (1) 20%
17 of final rate of earnings, and (2) 10% of final rate of
18 earnings divided by the number of parents who qualify for the
19 benefit. Payments shall begin when the parent reaches age 55 or
20 the day following the participant's or annuitant's death,
21 whichever is later, and continue until the parent dies.
22 Remarriage of a parent prior to attainment of age 55 shall
23 disqualify the parent for the receipt of a survivors annuity.

24 (e) In addition to the survivors annuity provided above,
25 each survivors insurance beneficiary shall, upon death of the
26 participant or annuitant, receive a lump sum payment of \$1,000

1 divided by the number of such beneficiaries.

2 (f) The changes made in this Section by Public Act 81-712
3 pertaining to survivors annuities in cases of remarriage prior
4 to age 55 shall apply to each survivors insurance beneficiary
5 who remarries after June 30, 1979, regardless of the date that
6 the participant or annuitant terminated his employment or died.

7 The change made to this Section by this amendatory Act of
8 the 91st General Assembly, pertaining to remarriage prior to
9 age 55, applies without regard to whether the deceased
10 participant or annuitant was in service on or after the
11 effective date of this amendatory Act of the 91st General
12 Assembly.

13 (g) On January 1, 1981, any person who was receiving a
14 survivors annuity on or before January 1, 1971 shall have the
15 survivors annuity then being paid increased by 1% for each full
16 year which has elapsed from the date the annuity began. On
17 January 1, 1982, any survivor whose annuity began after January
18 1, 1971, but before January 1, 1981, shall have the survivor's
19 annuity then being paid increased by 1% for each year which has
20 elapsed from the date the survivor's annuity began. On January
21 1, 1987, any survivor who began receiving a survivor's annuity
22 on or before January 1, 1977, shall have the monthly survivor's
23 annuity increased by \$1 for each full year which has elapsed
24 since the date the survivor's annuity began.

25 (h) If the sum of the lump sum and total monthly survivor
26 benefits payable under this Section upon the death of a

1 participant amounts to less than the sum of the death benefits
2 payable under items (2) and (3) of Section 15-141, the
3 difference shall be paid in a lump sum to the beneficiary of
4 the participant who is living on the date that this additional
5 amount becomes payable.

6 (i) If the sum of the lump sum and total monthly survivor
7 benefits payable under this Section upon the death of an
8 annuitant receiving a retirement annuity or disability
9 retirement annuity amounts to less than the death benefit
10 payable under Section 15-142, the difference shall be paid to
11 the beneficiary of the annuitant who is living on the date that
12 this additional amount becomes payable.

13 (j) Effective on the later of (1) January 1, 1990, or (2)
14 the January 1 on or next after the date on which the survivor
15 annuity begins, if the deceased member died while receiving a
16 retirement annuity, or in all other cases the January 1 nearest
17 the first anniversary of the date the survivor annuity payments
18 begin, every survivors insurance beneficiary shall receive an
19 increase in his or her monthly survivors annuity of 3%. On each
20 January 1 after the initial increase, the monthly survivors
21 annuity shall be increased by 3% of the total survivors annuity
22 provided under this Article, including previous increases
23 provided by this subsection. Such increases shall apply to the
24 survivors insurance beneficiaries of each participant and
25 annuitant, whether or not the employment status of the
26 participant or annuitant terminates before the effective date

1 of this amendatory Act of 1990. This subsection (j) also
2 applies to persons receiving a survivor annuity under the
3 portable benefit package.

4 (k) If the Internal Revenue Code of 1986, as amended,
5 requires that the survivors benefits be payable at an age
6 earlier than that specified in this Section the benefits shall
7 begin at the earlier age, in which event, the survivor's
8 beneficiary shall be entitled only to that amount which is
9 equal to the actuarial equivalent of the benefits provided by
10 this Section.

11 (l) The changes made to this Section and Section 15-131 by
12 this amendatory Act of 1997, relating to benefits for certain
13 unmarried children who are full-time students under age 22,
14 apply without regard to whether the deceased member was in
15 service on or after the effective date of this amendatory Act
16 of 1997. These changes do not authorize the repayment of a
17 refund or a re-election of benefits, and any benefit or
18 increase in benefits resulting from these changes is not
19 payable retroactively for any period before the effective date
20 of this amendatory Act of 1997.

21 (Source: P.A. 98-92, eff. 7-16-13.)

22 (40 ILCS 5/15-154) (from Ch. 108 1/2, par. 15-154)
23 Sec. 15-154. Refunds.

24 (a) A participant whose status as an employee is
25 terminated, regardless of cause, or who has been on lay off

1 status for more than 120 days, and who is not on leave of
2 absence, is entitled to a refund of contributions upon
3 application; except that not more than one such refund
4 application may be made during any academic year.

5 Except as set forth in subsections (a-1) and (a-2), the
6 refund shall be the sum of the accumulated normal, additional,
7 and survivors insurance contributions, plus the entire
8 contribution made by the participant under Section 15-113.3,
9 less the amount of interest credited on these contributions
10 each year in excess of 4 1/2% of the amount on which interest
11 was calculated.

12 (a-1) A person who elects, in accordance with the
13 requirements of Section 15-134.5, to participate in the
14 portable benefit package and who becomes a participating
15 employee under that retirement program upon the conclusion of
16 the one-year waiting period applicable to the portable benefit
17 package election shall have his or her refund calculated in
18 accordance with the provisions of subsection (a-2).

19 (a-2) The refund payable to a participant described in
20 subsection (a-1) shall be the sum of the participant's
21 accumulated normal and additional contributions, as defined in
22 Sections 15-116 and 15-117, plus the entire contribution made
23 by the participant under Section 15-113.3. If the participant
24 terminates with 5 or more years of service for employment as
25 defined in Section 15-113.1, he or she shall also be entitled
26 to a distribution of employer contributions in an amount equal

1 to the sum of the accumulated normal and additional
2 contributions, as defined in Sections 15-116 and 15-117.

3 (b) Upon acceptance of a refund, the participant forfeits
4 all accrued rights and credits in the System, and if
5 subsequently reemployed, the participant shall be considered a
6 new employee subject to all the qualifying conditions for
7 participation and eligibility for benefits applicable to new
8 employees. If such person again becomes a participating
9 employee and continues as such for 2 years, or is employed by
10 an employer and participates for at least 2 years in the
11 Federal Civil Service Retirement System, all such rights,
12 credits, and previous status as a participant shall be restored
13 upon repayment of the amount of the refund, together with
14 compound interest thereon from the date the refund was issued
15 to the date of repayment at the rate of 6% per annum through
16 August 31, 1982, and at the effective rates after that date.
17 When a participant in the portable benefit package who received
18 a refund which included a distribution of employer
19 contributions repays a refund pursuant to this Section,
20 one-half of the amount repaid shall be deemed the member's
21 reinstated accumulated normal and additional contributions and
22 the other half shall be allocated as an employer contribution
23 to the System, except that any amount repaid for previously
24 purchased military service credit under Section 15-113.3 shall
25 be accounted for as such.

26 (c) Except as otherwise provided under subsection (c-5), if

1 ~~If~~ a participant covered under the traditional benefit package
2 has made survivors insurance contributions, but has no
3 survivors insurance beneficiary upon retirement, he or she
4 shall be entitled to elect a refund of the accumulated
5 survivors insurance contributions, or to elect an additional
6 annuity the value of which is equal to the accumulated
7 survivors insurance contributions. This election must be made
8 prior to the date the person's retirement annuity is approved
9 by the System.

10 (c-5) Notwithstanding subsection (c), an annuitant who
11 retired prior to June 1, 2011 and made the election under
12 subsection (c), and who thereafter became, and remains, either:

13 (1) a party to a civil union or a party to a legal
14 relationship that is recognized as a civil union or
15 marriage under the Illinois Religious Freedom Protection
16 and Civil Union Act on or after June 1, 2011; or

17 (2) a party to a marriage under the Illinois Marriage
18 and Dissolution of Marriage Act on or after February 26,
19 2014; or

20 (3) a party to a marriage, civil union or other legal
21 relationship that, at the time it was formed, was not
22 legally recognized in Illinois but was subsequently
23 recognized as a civil union or marriage under the Illinois
24 Religious Freedom Protection and Civil Union Act on or
25 after June 1, 2011, a marriage under the Illinois Marriage
26 and Dissolution of Marriage Act on or after February 26,

1 2014, or both;
2 may make a one-time, irrevocable election to repay the refund
3 or additional annuity payments received under subsection (c),
4 together with compound interest thereon at the actuarially
5 assumed rate of return from the date the refund was issued or
6 the date each additional annuity payment was issued to the date
7 of repayment. The annuitant shall submit proof of party status
8 for item (1), (2), or (3) in the form of a valid marriage
9 certificate or a civil union certificate with any additional
10 requirements the Board prescribes by rulemaking. The election
11 must be received by the System (i) within a period of one year
12 beginning 5 months after the effective date of this amendatory
13 Act of the 99th General Assembly and (ii) prior to the date of
14 death of the annuitant.

15 To the extent permitted under the Internal Revenue Code of
16 1986, as amended, the full repayment shall be made within a
17 period beginning on the date of the election and ending on the
18 earlier of the 24th month thereafter or the date of the
19 annuitant's death. If an annuitant fails to make the repayment
20 within the required period, any payments made shall be
21 returned, without interest, to the annuitant (or to the
22 annuitant's estate if the payments ceased due to death), and
23 survivors insurance benefits under Section 15-145 shall not be
24 payable upon the annuitant's death.

25 Upon such repayment, all forfeited survivors insurance
26 benefit rights and credits under Section 15-145 shall be

1 restored. This repayment right shall not alter or modify any
2 eligibility requirement for survivors insurance beneficiaries
3 under this Article applicable upon the annuitant's death. The
4 repayment shall be irrevocable. No person shall have a claim or
5 right to the repaid amounts in a manner not otherwise provided
6 for under this Article in the event that: the marriage, civil
7 union, or other legal relationship described in this subsection
8 is dissolved, annulled, or declared invalid by a court of
9 competent jurisdiction; or the other party to the marriage,
10 civil union, or other legal relationship predeceases the
11 annuitant or otherwise fails to qualify as a survivors
12 insurance beneficiary upon the annuitant's death.

13 For purposes of this subsection (c-5), the term "annuitant"
14 shall include an annuitant who resumed his or her status as a
15 participating employee under Section 15-139(c).

16 (d) A participant, upon application, is entitled to a
17 refund of his or her accumulated additional contributions
18 attributable to the additional contributions described in the
19 last sentence of subsection (c) of Section 15-157. Upon the
20 acceptance of such a refund of accumulated additional
21 contributions, the participant forfeits all rights and credits
22 which may have accrued because of such contributions.

23 (e) A participant who terminates his or her employee status
24 and elects to waive service credit under Section 15-154.2, is
25 entitled to a refund of the accumulated normal, additional and
26 survivors insurance contributions, if any, which were credited

1 the participant for this service, or to an additional annuity
2 the value of which is equal to the accumulated normal,
3 additional and survivors insurance contributions, if any;
4 except that not more than one such refund application may be
5 made during any academic year. Upon acceptance of this refund,
6 the participant forfeits all rights and credits accrued because
7 of this service.

8 (f) If a police officer or firefighter receives a
9 retirement annuity under Rule 1 or 3 of Section 15-136, he or
10 she shall be entitled at retirement to a refund of the
11 difference between his or her accumulated normal contributions
12 and the normal contributions which would have accumulated had
13 such person filed a waiver of the retirement formula provided
14 by Rule 4 of Section 15-136.

15 (g) If, at the time of retirement, a participant would be
16 entitled to a retirement annuity under Rule 1, 2, 3, 4, or 5 of
17 Section 15-136, or under Section 15-136.4, that exceeds the
18 maximum specified in clause (1) of subsection (c) of Section
19 15-136, he or she shall be entitled to a refund of the employee
20 contributions, if any, paid under Section 15-157 after the date
21 upon which continuance of such contributions would have
22 otherwise caused the retirement annuity to exceed this maximum,
23 plus compound interest at the effective rates.

24 (Source: P.A. 99-450, eff. 8-24-15.)

25 (40 ILCS 5/16-143.2) (from Ch. 108 1/2, par. 16-143.2)

1 Sec. 16-143.2. Refund of contributions for survivor
2 benefits at retirement.

3 (a) If at the time of applying for a retirement annuity
4 under Section 16-132, or while in receipt of such a retirement
5 annuity, a member does not have a dependent beneficiary as
6 defined in paragraph (3) of Section 16-140, such member may be
7 granted, upon written request, a refund of actual contributions
8 for survivor benefits, without interest. Members will be
9 eligible for a refund of contributions for survivor benefits as
10 provided in the previous sentence notwithstanding the fact that
11 they began receiving retirement benefits prior to this
12 amendatory Act of 1985. Acceptance of the refund will forfeit
13 all rights to survivor benefits under Sections 16-140 through
14 16-143.

15 (b) Except as provided under subsection (c), an An
16 annuitant who reestablishes membership following acceptance of
17 refund of contributions for survivor benefits under subsection
18 (a) of this Section may reinstate eligibility for benefits
19 provided under Sections 16-140 through 16-143 only through: (1)
20 repayment of such refund together with regular interest thereon
21 from the date of the refund to the date of repayment, and (2)
22 completion of one year of creditable service following
23 acceptance of such refund. If membership is reestablished and
24 the above conditions (1) and (2) are not met, an additional
25 refund, representing contributions made following the previous
26 refund will be provided upon the member's death or retirement,

1 whichever is applicable.

2 (c) Notwithstanding subsection (b), an annuitant who has
3 received a refund under subsection (a) may, during a period of
4 one year beginning 5 months after the effective date of this
5 amendatory Act of the 99th General Assembly, make an election
6 to reestablish rights to survivor benefits under Sections
7 16-140 through 16-143 by paying to the System:

8 (1) the total amount of the refund received for actual
9 contributions; and

10 (2) interest on the amount of the refund at the
11 actuarially assumed rate of return for the period starting
12 on the date of receipt of the refund and ending when the
13 annuitant has made an election under this subsection (c).

14 The System may allow an individual to repay this refund
15 through: a tax-deferred lump sum payment in full; substantially
16 equal monthly installments over a period of at least one but
17 not more than 24 months by reducing the annuitant's monthly
18 benefit over the established number of months by the amount of
19 the otherwise applicable contribution; or a combination
20 thereof. To the extent permitted under the Internal Revenue
21 Code of 1986, as amended, for federal and State tax purposes,
22 the monthly amount by which the annuitant's benefit is reduced
23 shall not be treated as a contribution by the annuitant, but
24 rather as a reduction of the annuitant's monthly benefit.

25 If a member makes an election under this subsection (c) and
26 the contributions required in items (1) and (2) of this

1 subsection (c) are not paid in full, an additional one-time
2 lump sum refund representing contributions made following the
3 previous refund shall be provided to the named beneficiary or
4 beneficiaries on file with the System or, if none, to the
5 member's estate, when the member dies.

6 (Source: P.A. 87-794.)

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