



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB0104

Introduced 1/28/2015, by Sen. Matt Murphy

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-114	from Ch. 108 1/2, par. 7-114
40 ILCS 5/7-116	from Ch. 108 1/2, par. 7-116
40 ILCS 5/7-139	from Ch. 108 1/2, par. 7-139
40 ILCS 5/9-219	from Ch. 108 1/2, par. 9-219
40 ILCS 5/9-220	from Ch. 108 1/2, par. 9-220
40 ILCS 5/14-104.3	from Ch. 108 1/2, par. 14-104.3
40 ILCS 5/14-106	from Ch. 108 1/2, par. 14-106
40 ILCS 5/15-112	from Ch. 108 1/2, par. 15-112
40 ILCS 5/15-113.4	from Ch. 108 1/2, par. 15-113.4
40 ILCS 5/16-121	from Ch. 108 1/2, par. 16-121
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/17-116	from Ch. 108 1/2, par. 17-116
40 ILCS 5/17-134	from Ch. 108 1/2, par. 17-134

Amends the Illinois Municipal Retirement Fund (IMRF), Cook County, State Employees, State Universities, Downstate Teachers, and Chicago Teachers Articles of the Illinois Pension Code. For participants who first become participants on or after the effective date of the amendatory Act, prohibits (i) payments for unused sick or vacation time from being used to calculate pensionable earnings and salary and (ii) unused sick or vacation time from being used to establish service credit. Effective immediately.

LRB099 06046 EFG 26100 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 99th General Assembly,

1 payments for unused sick or vacation time ~~or, in the case~~
2 ~~of a person who first becomes a participant on or after the~~
3 ~~effective date of this amendatory Act of the 98th General~~
4 ~~Assembly, payments for unused sick or vacation time)~~ and,
5 for fee offices, the fees or earnings of the offices to the
6 extent such fees are paid out of funds controlled by the
7 municipality, or instrumentality or participating
8 instrumentality; and

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

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

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

1 Compensation payments. These payments shall be subject to
2 employee contributions and allocated as if paid to the
3 participating employee when the regular payroll amounts would
4 have been paid if the participating employee had continued
5 working, and creditable service shall be awarded for this
6 period.

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

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

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

1 (Source: P.A. 98-599, eff. 6-1-14.)

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

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

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

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

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

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

1 service period for which creditable service is received under
2 Section 7-139; (2) for out of state service and authorized
3 leave, the earnings rate shall be the rate upon which service
4 credits are granted; (3) periods of military leave shall not be
5 considered; (4) the earnings rate for all periods of disability
6 shall be considered equal to the rate of earnings upon which
7 the employee's disability benefits are computed for such
8 periods; (5) the earnings to be considered for each of the
9 final three months of the final earnings period for persons who
10 first became participants before January 1, 2012 and the
11 earnings to be considered for each of the final 24 months for
12 participants who first become participants on or after January
13 1, 2012 shall not exceed 125% of the highest earnings of any
14 other month in the final earnings period; (6) the annual amount
15 of final rate of earnings shall be the monthly amount
16 multiplied by the number of months of service normally required
17 by the position in a year; and (7) in the case of a person who
18 first becomes a participant on or after the effective date of
19 this amendatory Act of the 99th General Assembly, payments for
20 unused sick or vacation time shall not be considered; ~~and (7)~~
21 ~~in the case of a person who first becomes a participant on or~~
22 ~~after the effective date of this amendatory Act of the 98th~~
23 ~~General Assembly, payments for unused sick or vacation time~~
24 ~~shall not be considered.~~

25 (Source: P.A. 97-609, eff. 1-1-12; 98-599, eff. 6-1-14.)

1 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)
2 Sec. 7-139. Credits and creditable service to employees.

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

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

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

21 If the effective date of participation for the
22 participating municipality or participating
23 instrumentality is after January 1, 1998, creditable
24 service shall be granted for the last 20% of the period of
25 prior service with that employer, but no more than 5 years,
26 without any employee contribution. A participating

1 employee may establish creditable service for the
2 remainder of the period of prior service with that employer
3 by making an application in writing, accompanied by payment
4 of an employee contribution in an amount determined by the
5 Fund, based on the employee contribution rates in effect at
6 the time of application for the creditable service and the
7 employee's salary rate on the effective date of
8 participation for that employer, plus interest at the
9 effective rate from the date of the prior service to the
10 date of payment. Application for this creditable service
11 may be made at any time while the employee is still in
12 service.

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

23 Any person who has withdrawn from the service of a
24 participating municipality or participating
25 instrumentality prior to the effective date, who reenters
26 the service of the same municipality or participating

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

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

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

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

25 c. Municipality credits in an amount equal to 1.4
26 times the normal credits, except those established by

1 out-of-state service credits, as of the date of
2 computation of any benefit if these credits would
3 increase the benefit.

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

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

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

22 a. An application for credits and creditable
23 service is submitted to the board while the employee is
24 in a status of active employment.

25 b. Not more than 12 complete months of creditable
26 service for authorized leave of absence without pay

1 shall be counted for purposes of determining any
2 benefits payable under this Article.

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

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

24 e. No credits or creditable service shall be
25 allowed for leave of absence without pay during any
26 period of prior service.

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

21 Any participating employee who left his employment
22 with a municipality or participating instrumentality to
23 serve in the armed forces of the United States and who
24 again became a participating employee within 90 days after
25 completion of full time active duty by entering the service
26 of a different municipality or participating

1 instrumentality, which has elected to allow creditable
2 service for periods of military service under the preceding
3 paragraph, shall also be allowed creditable service for his
4 period of military service on the same terms that would
5 apply if he had been employed, before entering military
6 service, by the municipality or instrumentality which
7 employed him after he left the military service and the
8 employer costs arising in relation to such grant of
9 creditable service shall be charged to and paid by that
10 municipality or instrumentality.

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

21 5.1. In addition to any creditable service established
22 under paragraph 5 of this subsection (a), creditable
23 service may be granted for up to 48 months of service in
24 the armed forces of the United States.

25 In order to receive creditable service for military
26 service under this paragraph 5.1, a participating employee

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

13 The changes made to this paragraph 5.1 by Public Acts
14 95-483 and 95-486 apply only to participating employees in
15 service on or after August 28, 2007 (the effective date of
16 those Public Acts).

17 6. For out-of-state service: Creditable service shall
18 be granted for service rendered to an out-of-state local
19 governmental body under the following conditions: The
20 employee had participated and has irrevocably forfeited
21 all rights to benefits in the out-of-state public employees
22 pension system; the governing body of his participating
23 municipality or instrumentality authorizes the employee to
24 establish such service; the employee has 2 years current
25 service with this municipality or participating
26 instrumentality; the employee makes a payment of

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

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

23 Any employee who is a participating employee on or
24 after September 24, 1981 and who was excluded from
25 participation by the age restrictions removed by Public Act
26 82-596 may receive creditable service for the period, on or

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

17 8. For accumulated unused sick leave: A participating
18 employee who first becomes a participating employee before
19 the effective date of this amendatory Act of the 99th
20 General Assembly and ~~who first becomes a participating~~
21 ~~employee before the effective date of this amendatory Act~~
22 ~~of the 98th General Assembly and~~ who is applying for a
23 retirement annuity shall be entitled to creditable service
24 for that portion of the employee's accumulated unused sick
25 leave for which payment is not received, as follows:

26 a. Sick leave days shall be limited to those

1 accumulated under a sick leave plan established by a
2 participating municipality or participating
3 instrumentality which is available to all employees or
4 a class of employees.

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

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

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

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

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

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

20 9. For service transferred from another system:
21 Credits and creditable service shall be granted for service
22 under Article 4, 5, 8, 14, or 16 of this Act, to any active
23 member of this Fund, and to any inactive member who has
24 been a county sheriff, upon transfer of such credits
25 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or
26 16-131.4, and payment by the member of the amount by which

1 (1) the employer and employee contributions that would have
2 been required if he had participated in this Fund as a
3 sheriff's law enforcement employee during the period for
4 which credit is being transferred, plus interest thereon at
5 the effective rate for each year, compounded annually, from
6 the date of termination of the service for which credit is
7 being transferred to the date of payment, exceeds (2) the
8 amount actually transferred to the Fund. Such transferred
9 service shall be deemed to be service as a sheriff's law
10 enforcement employee for the purposes of Section 7-142.1.

11 10. (Blank).

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

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

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

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

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

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

23 Creditable service under this paragraph shall be
24 granted upon payment of the employee contributions that
25 would have been required had he participated, which shall
26 be calculated by the Fund using the member contribution

1 rate in effect during the period that the service was
2 rendered.

3 (b) Creditable service - amount:

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

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

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

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

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

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

17 (Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13;
18 98-599, eff. 6-1-14; 98-932, eff. 8-15-14.)

19 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

20 Sec. 9-219. Computation of service.

21 (1) In computing the term of service of an employee prior
22 to the effective date, the entire period beginning on the date
23 he was first appointed and ending on the day before the
24 effective date, except any intervening period during which he
25 was separated by withdrawal from service, shall be counted for

1 all purposes of this Article.

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

6 (a) The time during which he performed the duties of
7 his position.

8 (b) Vacations, leaves of absence with whole or part
9 pay, and leaves of absence without pay not longer than 90
10 days.

11 (c) For an employee who is a member of a county police
12 department or a correctional officer with the county
13 department of corrections, approved leaves of absence
14 without pay during which the employee serves as a full-time
15 officer or employee of an employee association, the
16 membership of which consists of other participants in the
17 Fund, provided that the employee contributes to the Fund
18 (1) the amount that he would have contributed had he
19 remained an active employee in the position he occupied at
20 the time the leave of absence was granted, (2) an amount
21 calculated by the Board representing employer
22 contributions, and (3) regular interest thereon from the
23 date of service to the date of payment. However, if the
24 employee's application to establish credit under this
25 subsection is received by the Fund on or after July 1, 2002
26 and before July 1, 2003, the amount representing employer

1 contributions specified in item (2) shall be waived.

2 For a former member of a county police department who
3 has received a refund under Section 9-164, periods during
4 which the employee serves as head of an employee
5 association, the membership of which consists of other
6 police officers, provided that the employee contributes to
7 the Fund (1) the amount that he would have contributed had
8 he remained an active member of the county police
9 department in the position he occupied at the time he left
10 service, (2) an amount calculated by the Board representing
11 employer contributions, and (3) regular interest thereon
12 from the date of service to the date of payment. However,
13 if the former member of the county police department
14 retires on or after January 1, 1993 but no later than March
15 1, 1993, the amount representing employer contributions
16 specified in item (2) shall be waived.

17 For leaves of absence to which this item (c) applies
18 and for other periods to which this item (c) applies,
19 including those leaves of absence and other periods of
20 service beginning before January 5, 2012 (the effective
21 date of Public Act 97-651), the employee or former member
22 must continue to remain in sworn status, subject to the
23 professional standards of the public employer or those
24 terms established in statute.

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

1 (e) For a person who first becomes an employee before
2 the effective date of this amendatory Act of the 99th
3 General Assembly, accumulated ~~For a person who first~~
4 ~~becomes an employee before the effective date of this~~
5 ~~amendatory Act of the 98th General Assembly, accumulated~~
6 vacation or other time for which an employee who retires on
7 or after November 1, 1990 receives a lump sum payment at
8 the time of retirement, provided that contributions were
9 made to the fund at the time such lump sum payment was
10 received. The service granted for the lump sum payment
11 shall not change the employee's date of withdrawal for
12 computing the effective date of the annuity.

13 (f) An employee who first becomes an employee before
14 the effective date of this amendatory Act of the 99th
15 General Assembly ~~who first becomes an employee before the~~
16 ~~effective date of this amendatory Act of the 98th General~~
17 ~~Assembly~~ may receive service credit for annuity purposes
18 for accumulated sick leave as of the date of the employee's
19 withdrawal from service, not to exceed a total of 180 days,
20 provided that the amount of such accumulated sick leave is
21 certified by the County Comptroller to the Board and the
22 employee pays an amount equal to 8.5% (9% for members of
23 the County Police Department who are eligible to receive an
24 annuity under Section 9-128.1) of the amount that would
25 have been paid had such accumulated sick leave been paid at
26 the employee's final rate of salary. Such payment shall be

1 made within 30 days after the date of withdrawal and prior
2 to receipt of the first annuity check. The service credit
3 granted for such accumulated sick leave shall not change
4 the employee's date of withdrawal for the purpose of
5 computing the effective date of the annuity.

6 (3) In computing the term of service of an employee on or
7 after the effective date for ordinary disability benefit
8 purposes, the following periods of time shall be counted as
9 periods of service:

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

12 (b) Paid vacations and leaves of absence with whole or
13 part pay.

14 (c) Any period for which he received duty disability
15 benefit.

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

18 (4) For an employee who on January 1, 1958, was transferred
19 by Act of the 70th General Assembly from his position in a
20 department of welfare of any city located in the county in
21 which this Article is in force and effect to a similar position
22 in a department of such county, service shall also be credited
23 for ordinary disability benefit and child's annuity for such
24 period of department of welfare service during which period he
25 was a contributor to a statutory annuity and benefit fund in
26 such city and for which purposes service credit would otherwise

1 not be credited by virtue of such involuntary transfer.

2 (5) An employee described in subsection (e) of Section
3 9-108 shall receive credit for child's annuity and ordinary
4 disability benefit for the period of time for which he was
5 credited with service in the fund from which he was
6 involuntarily separated through class or group transfer;
7 provided, that no such credit shall be allowed to the extent
8 that it results in a duplication of credits or benefits, and
9 neither shall such credit be allowed to the extent that it was
10 or may be forfeited by the application for and acceptance of a
11 refund from the fund from which the employee was transferred.

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

15 (7) Unused sick or vacation time shall not be used to
16 compute the service of an employee who first becomes an
17 employee on or after the effective date of this amendatory Act
18 of the 99th General Assembly. ~~(7) Unused sick or vacation time~~
19 ~~shall not be used to compute the service of an employee who~~
20 ~~first becomes an employee on or after the effective date of~~
21 ~~this amendatory Act of the 98th General Assembly.~~

22 (Source: P.A. 97-651, eff. 1-5-12; 98-599, eff. 6-1-14.)

23 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

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

25 (a) In computing the period of service of any employee for

1 annuity purposes under Section 9-134, the following provisions
2 shall govern:

3 (1) All periods prior to the effective date shall be
4 computed in accordance with the provisions governing the
5 computation of such service.

6 (2) Service on or after the effective date shall
7 include:

8 (i) The actual period of time the employee
9 contributes or has contributed to the fund for service
10 rendered to age 65 plus the actual period of time after
11 age 65 for which the employee performs the duties of
12 his position or performs such duties and is given a
13 county contribution for age and service annuity or
14 minimum annuity purposes.

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

17 (iii) For a person who first becomes an employee
18 before the effective date of this amendatory Act of the
19 99th General Assembly, accumulated ~~For a person who~~
20 ~~first becomes an employee before the effective date of~~
21 ~~this amendatory Act of the 98th General Assembly,~~
22 ~~accumulated~~ vacation or other time for which an
23 employee who retires on or after November 1, 1990
24 receives a lump sum payment at the time of retirement,
25 provided that contributions were made to the fund at
26 the time such lump sum payment was received. The

1 service granted for the lump sum payment shall not
2 change the employee's date of withdrawal for computing
3 the effective date of the annuity.

4 (iv) For a person who first becomes an employee
5 before the effective date of this amendatory Act of the
6 99th General Assembly, accumulated ~~For a person who~~
7 ~~first becomes an employee before the effective date of~~
8 ~~this amendatory Act of the 98th General Assembly,~~
9 ~~accumulated~~ sick leave as of the date of the employee's
10 withdrawal from service, not to exceed a total of 180
11 days, provided that the amount of such accumulated sick
12 leave is certified by the County Comptroller to the
13 Board and the employee pays an amount equal to 8.5% (9%
14 for members of the County Police Department who are
15 eligible to receive an annuity under Section 9-128.1)
16 of the amount that would have been paid had such
17 accumulated sick leave been paid at the employee's
18 final rate of salary. Such payment shall be made within
19 30 days after the date of withdrawal and prior to
20 receipt of the first annuity check. The service credit
21 granted for such accumulated sick leave shall not
22 change the employee's date of withdrawal for the
23 purpose of computing the effective date of the annuity.

24 (v) Periods during which the employee has had
25 contributions for annuity purposes made for him in
26 accordance with law while on military leave of absence

1 during World War II.

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

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

13 (3) The right to have certain periods of time
14 considered as service as stated in paragraph (2) of Section
15 9-164 shall not apply for annuity purposes unless the
16 refunds shall have been repaid in accordance with this
17 Article.

18 (4) All service shall be computed in whole calendar
19 months, and at least 15 days of service in any one calendar
20 month shall constitute one calendar month of service, and 1
21 year of service shall be equal to the number of months,
22 days or hours for which an appropriation was made in the
23 annual appropriation ordinance for the position held by the
24 employee.

25 (5) Unused sick or vacation time shall not be used to
26 compute the service of an employee who first becomes an

1 employee on or after the effective date of this amendatory
2 Act of the 99th General Assembly. ~~(5) Unused sick or~~
3 ~~vacation time shall not be used to compute the service of~~
4 ~~an employee who first becomes an employee on or after the~~
5 ~~effective date of this amendatory Act of the 98th General~~
6 ~~Assembly.~~

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

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

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

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

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

23 (Source: P.A. 98-599, eff. 6-1-14.)

24 (40 ILCS 5/14-104.3) (from Ch. 108 1/2, par. 14-104.3)

25 Sec. 14-104.3. Notwithstanding provisions contained in

1 Section 14-103.10, any person who first becomes a member before
2 the effective date of this amendatory Act of the 99th General
3 Assembly and ~~who first becomes a member before the effective~~
4 ~~date of this amendatory Act of the 98th General Assembly and~~
5 who at the time of retirement and after December 6, 1983
6 receives compensation in a lump sum for accumulated vacation,
7 sickness, or personal business may receive service credit for
8 such periods by making contributions within 90 days of
9 withdrawal, based on the rate of compensation in effect
10 immediately prior to retirement and the contribution rate then
11 in effect. Any person who first becomes a member on or after
12 the effective date of this amendatory Act of the 99th General
13 Assembly and who receives compensation in a lump sum for
14 accumulated vacation, sickness, or personal business may not
15 receive service credit for such periods. ~~Any person who first~~
16 ~~becomes a member on or after the effective date of this~~
17 ~~amendatory Act of the 98th General Assembly and who receives~~
18 ~~compensation in a lump sum for accumulated vacation, sickness,~~
19 ~~or personal business may not receive service credit for such~~
20 ~~periods.~~ Exercising the option provided in this Section shall
21 not change a member's date of withdrawal or final average
22 compensation for purposes of computing the amount or effective
23 date of a retirement annuity. Any annuitant who establishes
24 service credit as herein provided shall have his retirement
25 annuity adjusted retroactively to the date of retirement.
26 (Source: P.A. 98-599, eff. 6-1-14.)

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

2 Sec. 14-106. Membership service credit.

3 (a) After January 1, 1944, all service of a member since he
4 last became a member with respect to which contributions are
5 made shall count as membership service; provided, that for
6 service on and after July 1, 1950, 12 months of service shall
7 constitute a year of membership service, the completion of 15
8 days or more of service during any month shall constitute 1
9 month of membership service, 8 to 15 days shall constitute 1/2
10 month of membership service and less than 8 days shall
11 constitute 1/4 month of membership service. The payroll record
12 of each department shall constitute conclusive evidence of the
13 record of service rendered by a member.

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

23 (c) A person who first becomes a member before the
24 effective date of this amendatory Act of the 99th General
25 Assembly ~~person who first becomes a member before the effective~~

1 ~~date of this amendatory Act of the 98th General Assembly~~ shall
2 be entitled to additional service credit, under rules
3 prescribed by the Board, for accumulated unused sick leave
4 credited to his account in the last Department on the date of
5 withdrawal from service or for any period for which he would
6 have been eligible to receive benefits under a sick pay plan
7 authorized by law, if he had suffered a sickness or accident on
8 the date of withdrawal from service. It shall be the
9 responsibility of the last Department to certify to the Board
10 the length of time salary or benefits would have been paid to
11 the member based upon the accumulated unused sick leave or the
12 applicable sick pay plan if he had become entitled thereto
13 because of sickness on the date that his status as an employee
14 terminated. This period of service credit granted under this
15 paragraph shall not be considered in determining the date the
16 retirement annuity is to begin, or final average compensation.

17 (d) A person who first becomes a member on or after the
18 effective date of this amendatory Act of the 99th General
19 Assembly shall not be entitled to additional service credit for
20 accumulated unused sick leave. ~~(d) A person who first becomes a~~
21 ~~member on or after the effective date of this amendatory Act of~~
22 ~~the 98th General Assembly shall not be entitled to additional~~
23 ~~service credit for accumulated unused sick leave.~~

24 (Source: P.A. 98-599, eff. 6-1-14.)

25 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

1 Sec. 15-112. Final rate of earnings. "Final rate of
2 earnings":

3 (a) This subsection (a) applies only to a Tier 1 member.

4 For an employee who is paid on an hourly basis or who
5 receives an annual salary in installments during 12 months of
6 each academic year, the average annual earnings during the 48
7 consecutive calendar month period ending with the last day of
8 final termination of employment or the 4 consecutive academic
9 years of service in which the employee's earnings were the
10 highest, whichever is greater. For any other employee, the
11 average annual earnings during the 4 consecutive academic years
12 of service in which his or her earnings were the highest. For
13 an employee with less than 48 months or 4 consecutive academic
14 years of service, the average earnings during his or her entire
15 period of service. The earnings of an employee with more than
16 36 months of service prior to the date of becoming a
17 participant are, for such period, considered equal to the
18 average earnings during the last 36 months of such service.

19 (b) This subsection (b) applies to a Tier 2 member.

20 For an employee who is paid on an hourly basis or who
21 receives an annual salary in installments during 12 months of
22 each academic year, the average annual earnings obtained by
23 dividing by 8 the total earnings of the employee during the 96
24 consecutive months in which the total earnings were the highest
25 within the last 120 months prior to termination.

26 For any other employee, the average annual earnings during

1 the 8 consecutive academic years within the 10 years prior to
2 termination in which the employee's earnings were the highest.
3 For an employee with less than 96 consecutive months or 8
4 consecutive academic years of service, whichever is necessary,
5 the average earnings during his or her entire period of
6 service.

7 (c) For an employee on leave of absence with pay, or on
8 leave of absence without pay who makes contributions during
9 such leave, earnings are assumed to be equal to the basic
10 compensation on the date the leave began.

11 (d) For an employee on disability leave, earnings are
12 assumed to be equal to the basic compensation on the date
13 disability occurs or the average earnings during the 24 months
14 immediately preceding the month in which disability occurs,
15 whichever is greater.

16 (e) For a Tier 1 member who retires on or after the
17 effective date of this amendatory Act of 1997 with at least 20
18 years of service as a firefighter or police officer under this
19 Article, the final rate of earnings shall be the annual rate of
20 earnings received by the participant on his or her last day as
21 a firefighter or police officer under this Article, if that is
22 greater than the final rate of earnings as calculated under the
23 other provisions of this Section.

24 (f) If a Tier 1 member is an employee for at least 6 months
25 during the academic year in which his or her employment is
26 terminated, the annual final rate of earnings shall be 25% of

1 the sum of (1) the annual basic compensation for that year, and
2 (2) the amount earned during the 36 months immediately
3 preceding that year, if this is greater than the final rate of
4 earnings as calculated under the other provisions of this
5 Section.

6 (g) In the determination of the final rate of earnings for
7 an employee, that part of an employee's earnings for any
8 academic year beginning after June 30, 1997, which exceeds the
9 employee's earnings with that employer for the preceding year
10 by more than 20 percent shall be excluded; in the event that an
11 employee has more than one employer this limitation shall be
12 calculated separately for the earnings with each employer. In
13 making such calculation, only the basic compensation of
14 employees shall be considered, without regard to vacation or
15 overtime or to contracts for summer employment.

16 (h) The following are not considered as earnings in
17 determining final rate of earnings: (1) severance or separation
18 pay, (2) retirement pay, (3) payment for unused sick leave, and
19 (4) payments from an employer for the period used in
20 determining final rate of earnings for any purpose other than
21 (i) services rendered, (ii) leave of absence or vacation
22 granted during that period, and (iii) vacation of up to 56 work
23 days allowed upon termination of employment; except that, if
24 the benefit has been collectively bargained between the
25 employer and the recognized collective bargaining agent
26 pursuant to the Illinois Educational Labor Relations Act,

1 payment received during a period of up to 2 academic years for
2 unused sick leave may be considered as earnings in accordance
3 with the applicable collective bargaining agreement, subject
4 to the 20% increase limitation of this Section, and if the
5 person first becomes a participant on or after the effective
6 date of this amendatory Act of the 99th General Assembly,
7 payments for unused sick or vacation time shall not be
8 considered as earnings. ~~, and if the person first becomes a~~
9 ~~participant on or after the effective date of this amendatory~~
10 ~~Act of the 98th General Assembly, payments for unused sick or~~
11 ~~vacation time shall not be considered as earnings.~~ Any unused
12 sick leave considered as earnings under this Section shall not
13 be taken into account in calculating service credit under
14 Section 15-113.4.

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

17 (Source: P.A. 98-92, eff. 7-16-13; 98-599, eff. 6-1-14.)

18 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

19 Sec. 15-113.4. Service for unused sick leave. "Service for
20 unused sick leave": A person who first becomes a participant
21 before the effective date of this amendatory Act of the 99th
22 General Assembly and ~~person who first becomes a participant~~
23 ~~before the effective date of this amendatory Act of the 98th~~
24 ~~General Assembly and~~ who is an employee under this System or
25 one of the other systems subject to Article 20 of this Code

1 within 60 days immediately preceding the date on which his or
2 her retirement annuity begins, is entitled to credit for
3 service for that portion of unused sick leave earned in the
4 course of employment with an employer and credited on the date
5 of termination of employment by an employer for which payment
6 is not received, in accordance with the following schedule: 30
7 through 90 full calendar days and 20 through 59 full work days
8 of unused sick leave, 1/4 of a year of service; 91 through 180
9 full calendar days and 60 through 119 full work days, 1/2 of a
10 year of service; 181 through 270 full calendar days and 120
11 through 179 full work days, 3/4 of a year of service; 271
12 through 360 full calendar days and 180 through 240 full work
13 days, one year of service. Only uncompensated, unused sick
14 leave earned in accordance with an employer's sick leave
15 accrual policy generally applicable to employees or a class of
16 employees shall be taken into account in calculating service
17 credit under this Section. Any uncompensated, unused sick leave
18 granted by an employer to facilitate the hiring, retirement,
19 termination, or other special circumstances of an employee
20 shall not be taken into account in calculating service credit
21 under this Section. If a participant transfers from one
22 employer to another, the unused sick leave credited by the
23 previous employer shall be considered in determining service to
24 be credited under this Section, even if the participant
25 terminated service prior to the effective date of P.A. 86-272
26 (August 23, 1989); if necessary, the retirement annuity shall

1 be recalculated to reflect such sick leave credit. Each
2 employer shall certify to the board the number of days of
3 unused sick leave accrued to the participant's credit on the
4 date that the participant's status as an employee terminated.
5 This period of unused sick leave shall not be considered in
6 determining the date the retirement annuity begins. A person
7 who first becomes a participant on or after the effective date
8 of this amendatory Act of the 99th General Assembly shall not
9 receive service credit for unused sick leave. ~~A person who~~
10 ~~first becomes a participant on or after the effective date of~~
11 ~~this amendatory Act of the 98th General Assembly shall not~~
12 ~~receive service credit for unused sick leave.~~

13 (Source: P.A. 98-599, eff. 6-1-14.)

14 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

15 Sec. 16-121. Salary. "Salary": The actual compensation
16 received by a teacher during any school year and recognized by
17 the system in accordance with rules of the board. For purposes
18 of this Section, "school year" includes the regular school term
19 plus any additional period for which a teacher is compensated
20 and such compensation is recognized by the rules of the board.

21 In the case of a person who first becomes a member on or
22 after the effective date of this amendatory Act of the 99th
23 General Assembly, "salary" shall not include any payment for
24 unused sick or vacation time. ~~In the case of a person who first~~
25 ~~becomes a member on or after the effective date of this~~

1 ~~amendatory Act of the 98th General Assembly, "salary" shall not~~
2 ~~include any payment for unused sick or vacation time.~~

3 Notwithstanding any other provision of this Code, the
4 annual salary of a Tier 1 member for the purposes of this Code
5 shall not exceed, for periods of service on or after the
6 effective date of this amendatory Act of the 98th General
7 Assembly, the greater of (i) the annual limitation determined
8 from time to time under subsection (b-5) of Section 1-160 of
9 this Code, (ii) the annualized salary of the Tier 1 member on
10 that effective date, or (iii) the annualized salary of the Tier
11 1 member immediately preceding the expiration, renewal, or
12 amendment of an employment contract or collective bargaining
13 agreement in effect on that effective date.

14 (Source: P.A. 98-599, eff. 6-1-14.)

15 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

17 (a) Each member shall receive regular credit for all
18 service as a teacher from the date membership begins, for which
19 satisfactory evidence is supplied and all contributions have
20 been paid.

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

25 (1) Prior service as a teacher.

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

1 Teachers' Pension and Retirement Fund of Chicago. Whenever
2 such service credit exceeds the maximum allowed for all
3 purposes of this Article, the first service rendered in
4 point of time shall be considered. The changes to this
5 subdivision (b)(2) made by Public Act 86-272 shall apply
6 not only to persons who on or after its effective date
7 (August 23, 1989) are in service as a teacher under the
8 System, but also to persons whose status as such a teacher
9 terminated prior to such effective date, whether or not
10 such person is an annuitant on that date.

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

1 The changes to this Section and Section 16-128 relating
2 to military service made by P.A. 87-794 shall apply not
3 only to persons who on or after its effective date are in
4 service as a teacher under the System, but also to persons
5 whose status as a teacher terminated prior to that date,
6 whether or not the person is an annuitant on that date. In
7 the case of an annuitant who applies for credit allowable
8 under this Section for a period of military service that
9 did not immediately follow employment, and who has made the
10 required contributions for such credit, the annuity shall
11 be recalculated to include the additional service credit,
12 with the increase taking effect on the date the System
13 received written notification of the annuitant's intent to
14 purchase the credit, if payment of all the required
15 contributions is made within 60 days of such notice, or
16 else on the first annuity payment date following the date
17 of payment of the required contributions. In calculating
18 the automatic annual increase for an annuity that has been
19 recalculated under this Section, the increase attributable
20 to the additional service allowable under P.A. 87-794 shall
21 be included in the calculation of automatic annual
22 increases accruing after the effective date of the
23 recalculation.

24 Credit for military service shall be determined as
25 follows: if entry occurs during the months of July, August,
26 or September and the member was a teacher at the end of the

1 immediately preceding school term, credit shall be granted
2 from July 1 of the year in which he or she entered service;
3 if entry occurs during the school term and the teacher was
4 in teaching service at the beginning of the school term,
5 credit shall be granted from July 1 of such year. In all
6 other cases where credit for military service is allowed,
7 credit shall be granted from the date of entry into the
8 service.

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

24 (4) Any periods served as a member of the General
25 Assembly.

26 (5)(i) Any periods for which a teacher, as defined in

1 Section 16-106, is granted a leave of absence, provided he
2 or she returns to teaching service creditable under this
3 System or the State Universities Retirement System
4 following the leave; (ii) periods during which a teacher is
5 involuntarily laid off from teaching, provided he or she
6 returns to teaching following the lay-off; (iii) periods
7 prior to July 1, 1983 during which a teacher ceased covered
8 employment due to pregnancy, provided that the teacher
9 returned to teaching service creditable under this System
10 or the State Universities Retirement System following the
11 pregnancy and submits evidence satisfactory to the Board
12 documenting that the employment ceased due to pregnancy;
13 and (iv) periods prior to July 1, 1983 during which a
14 teacher ceased covered employment for the purpose of
15 adopting an infant under 3 years of age or caring for a
16 newly adopted infant under 3 years of age, provided that
17 the teacher returned to teaching service creditable under
18 this System or the State Universities Retirement System
19 following the adoption and submits evidence satisfactory
20 to the Board documenting that the employment ceased for the
21 purpose of adopting an infant under 3 years of age or
22 caring for a newly adopted infant under 3 years of age.
23 However, total credit under this paragraph (5) may not
24 exceed 3 years.

25 Any qualified member or annuitant may apply for credit
26 under item (iii) or (iv) of this paragraph (5) without

1 regard to whether service was terminated before the
2 effective date of this amendatory Act of 1997. In the case
3 of an annuitant who establishes credit under item (iii) or
4 (iv), the annuity shall be recalculated to include the
5 additional service credit. The increase in annuity shall
6 take effect on the date the System receives written
7 notification of the annuitant's intent to purchase the
8 credit, if the required evidence is submitted and the
9 required contribution paid within 60 days of that
10 notification, otherwise on the first annuity payment date
11 following the System's receipt of the required evidence and
12 contribution. The increase in an annuity recalculated
13 under this provision shall be included in the calculation
14 of automatic annual increases in the annuity accruing after
15 the effective date of the recalculation.

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

1 be credited to the purchase of the optional credit. The
2 remainder of the purchase cost of the optional credit shall
3 be paid on or before April 1, 1992.

4 The change in this paragraph made by Public Act 86-273
5 shall be applicable to teachers who retire after June 1,
6 1989, as well as to teachers who are in service on that
7 date.

8 (6) For a person who first becomes a member before the
9 effective date of this amendatory Act of the 99th General
10 Assembly, any ~~For a person who first becomes a member~~
11 ~~before the effective date of this amendatory Act of the~~
12 ~~98th General Assembly, any~~ days of unused and uncompensated
13 accumulated sick leave earned by a teacher. The service
14 credit granted under this paragraph shall be the ratio of
15 the number of unused and uncompensated accumulated sick
16 leave days to 170 days, subject to a maximum of 2 years of
17 service credit. Prior to the member's retirement, each
18 former employer shall certify to the System the number of
19 unused and uncompensated accumulated sick leave days
20 credited to the member at the time of termination of
21 service. The period of unused sick leave shall not be
22 considered in determining the effective date of
23 retirement. A member is not required to make contributions
24 in order to obtain service credit for unused sick leave.

25 Credit for sick leave shall, at retirement, be granted
26 by the System for any retiring regional or assistant

1 regional superintendent of schools who first becomes a
2 member before the effective date of this amendatory Act of
3 the 99th General Assembly ~~who first becomes a member before~~
4 ~~the effective date of this amendatory Act of the 98th~~
5 ~~General Assembly~~ at the rate of 6 days per year of
6 creditable service or portion thereof established while
7 serving as such superintendent or assistant
8 superintendent.

9 (7) Periods prior to February 1, 1987 served as an
10 employee of the Illinois Mathematics and Science Academy
11 for which credit has not been terminated under Section
12 15-113.9 of this Code.

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

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

17 (10) Up to 2 years of employment with Southern Illinois
18 University - Carbondale from September 1, 1959 to August
19 31, 1961, or with Governors State University from September
20 1, 1972 to August 31, 1974, for which the teacher has no
21 credit under Article 15. To receive credit under this item
22 (10), a teacher must apply in writing to the Board and pay
23 the required contributions before May 1, 1993 and have at
24 least 12 years of service credit under this Article.

25 (b-1) A member may establish optional credit for up to 2
26 years of service as a teacher or administrator employed by a

1 private school recognized by the Illinois State Board of
2 Education, provided that the teacher (i) was certified under
3 the law governing the certification of teachers at the time the
4 service was rendered, (ii) applies in writing on or after
5 August 1, 2009 and on or before August 1, 2012, (iii) supplies
6 satisfactory evidence of the employment, (iv) completes at
7 least 10 years of contributing service as a teacher as defined
8 in Section 16-106, and (v) pays the contribution required in
9 subsection (d-5) of Section 16-128. The member may apply for
10 credit under this subsection and pay the required contribution
11 before completing the 10 years of contributing service required
12 under item (iv), but the credit may not be used until the item
13 (iv) contributing service requirement has been met.

14 (c) The service credits specified in this Section shall be
15 granted only if: (1) such service credits are not used for
16 credit in any other statutory tax-supported public employee
17 retirement system other than the federal Social Security
18 program; and (2) the member makes the required contributions as
19 specified in Section 16-128. Except as provided in subsection
20 (b-1) of this Section, the service credit shall be effective as
21 of the date the required contributions are completed.

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

24 Credit may not be granted under this Section covering any
25 period for which an age retirement or disability retirement
26 allowance has been paid.

1 (Source: P.A. 98-599, eff. 6-1-14.)

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

3 Sec. 17-116. Service retirement pension.

4 (a) Each teacher having 20 years of service upon attainment
5 of age 55, or who thereafter attains age 55 shall be entitled
6 to a service retirement pension upon or after attainment of age
7 55; and each teacher in service on or after July 1, 1971, with
8 5 or more but less than 20 years of service shall be entitled
9 to receive a service retirement pension upon or after
10 attainment of age 62.

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

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

21 (2) For creditable service earned on or after July 1,
22 1998 by a member who has at least 30 years of creditable
23 service on July 1, 1998 and who does not elect to augment
24 service under Section 17-119.1: 2.3% of average salary for
25 each year of creditable service earned on or after July 1,

1 1998.

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

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

6 1. Average salary shall consist of the average annual
7 rate of salary for the 4 consecutive years of validated
8 service within the last 10 years of service when such
9 average annual rate was highest. In the determination of
10 average salary for retirement allowance purposes, for
11 members who commenced employment after August 31, 1979,
12 that part of the salary for any year shall be excluded
13 which exceeds the annual full-time salary rate for the
14 preceding year by more than 20%. In the case of a member
15 who commenced employment before August 31, 1979 and who
16 receives salary during any year after September 1, 1983
17 which exceeds the annual full time salary rate for the
18 preceding year by more than 20%, an Employer and other
19 employers of eligible contributors as defined in Section
20 17-106 shall pay to the Fund an amount equal to the present
21 value of the additional service retirement pension
22 resulting from such excess salary. The present value of the
23 additional service retirement pension shall be computed by
24 the Board on the basis of actuarial tables adopted by the
25 Board. If a member elects to receive a pension from this
26 Fund provided by Section 20-121, his salary under the State

1 Universities Retirement System and the Teachers'
2 Retirement System of the State of Illinois shall be
3 considered in determining such average salary. Amounts
4 paid after the effective date of this amendatory Act of
5 1991 for unused vacation time earned after that effective
6 date shall not under any circumstances be included in the
7 calculation of average salary or the annual rate of salary
8 for the purposes of this Article.

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

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

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

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

26 6. Service retirement pensions shall begin on the

1 effective date of resignation, retirement, the day
2 following the close of the payroll period for which service
3 credit was validated, or the time the person resigning or
4 retiring attains age 55, or on a date elected by the
5 teacher, whichever shall be latest.

6 7. A member who is eligible to receive a retirement
7 pension of at least 74.6% of average salary and will attain
8 age 55 on or before December 31 during the year which
9 commences on July 1 shall be deemed to attain age 55 on the
10 preceding June 1.

11 8. A member retiring after the effective date of this
12 amendatory Act of 1998 shall receive a pension equal to 75%
13 of average salary if the member is qualified to receive a
14 retirement pension equal to at least 74.6% of average
15 salary under this Article or as proportional annuities
16 under Article 20 of this Code.

17 9. In the case of a person who first becomes a
18 participant on or after the effective date of this
19 amendatory Act of the 99th General Assembly, payments for
20 unused sick or vacation time shall not be used in the
21 calculation of average salary. ~~9. In the case of a person~~
22 ~~who first becomes a participant on or after the effective~~
23 ~~date of this amendatory Act of the 98th General Assembly,~~
24 ~~payments for unused sick or vacation time shall not be used~~
25 ~~in the calculation of average salary.~~

26 (Source: P.A. 98-599, eff. 6-1-14.)

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

2 Sec. 17-134. Contributions for leaves of absence; military
3 service; computing service. In computing service for pension
4 purposes the following periods of service shall stand in lieu
5 of a like number of years of teaching service upon payment
6 therefor in the manner hereinafter provided: (a) time spent on
7 a leave of absence granted by the employer; (b) service with
8 teacher or labor organizations based upon special leaves of
9 absence therefor granted by an Employer; (c) a maximum of 5
10 years spent in the military service of the United States, of
11 which up to 2 years may have been served outside the pension
12 period; (d) unused sick days at termination of service to a
13 maximum of 244 days; (e) time lost due to layoff and
14 curtailment of the school term from June 6 through June 21,
15 1976; and (f) time spent after June 30, 1982 as a member of the
16 Board of Education, if required to resign from an
17 administrative or teaching position in order to qualify as a
18 member of the Board of Education.

19 (1) For time spent on or after September 6, 1948 on
20 sabbatical leaves of absence or sick leaves, for which
21 salaries are paid, an Employer shall make payroll
22 deductions at the applicable rates in effect during such
23 periods.

24 (2) For time spent on a leave of absence granted by the
25 employer for which no salaries are paid, teachers desiring

1 credit therefor shall pay the required contributions at the
2 rates in effect during such periods as though they were in
3 teaching service. If an Employer pays salary for vacations
4 which occur during a teacher's sick leave or maternity or
5 paternity leave without salary, vacation pay for which the
6 teacher would have qualified while in active service shall
7 be considered part of the teacher's total salary for
8 pension purposes. No more than 36 months of leave credit
9 may be allowed any person during the entire term of
10 service. Sabbatical leave credit shall be limited to the
11 time the person on leave without salary under an Employer's
12 rules is allowed to engage in an activity for which he
13 receives salary or compensation.

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

19 (4) For service with teacher or labor organizations
20 authorized by special leaves of absence, for which no
21 payroll deductions are made by an Employer, teachers
22 desiring service credit therefor shall contribute to the
23 Fund upon the basis of the actual salary received from such
24 organizations at the percentage rates in effect during such
25 periods for certified positions with such Employer. To the
26 extent the actual salary exceeds the regular salary, which

1 shall be defined as the salary rate, as calculated by the
2 Board, in effect for the teacher's regular position in
3 teaching service on September 1, 1983 or on the effective
4 date of the leave with the organization, whichever is
5 later, the organization shall pay to the Fund the
6 employer's normal cost as set by the Board on the
7 increment. Notwithstanding any other provision of this
8 subdivision (4), teachers are only eligible for credit for
9 service under this subdivision (4) if the special leave of
10 absence begins before January 5, 2012 (the effective date
11 of Public Act 97-651).

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

1 year, compounded annually, from the date of appointment to
2 the date of payment.

3 The changes to this Section made by Public Act 87-795
4 shall apply not only to persons who on or after its
5 effective date are in service under the Fund, but also to
6 persons whose status as a teacher terminated prior to that
7 date, whether or not the person is an annuitant on that
8 date. In the case of an annuitant who applies for credit
9 allowable under this Section for a period of military
10 service that did not immediately follow employment, and who
11 has made the required contributions for such credit, the
12 annuity shall be recalculated to include the additional
13 service credit, with the increase taking effect on the date
14 the Fund received written notification of the annuitant's
15 intent to purchase the credit, if payment of all the
16 required contributions is made within 60 days of such
17 notice, or else on the first annuity payment date following
18 the date of payment of the required contributions. In
19 calculating the automatic annual increase for an annuity
20 that has been recalculated under this Section, the increase
21 attributable to the additional service allowable under
22 this amendatory Act of 1991 shall be included in the
23 calculation of automatic annual increases accruing after
24 the effective date of the recalculation.

25 The total credit for military service shall not exceed
26 5 years, except that any teacher who on July 1, 1963, had

1 validated credit for more than 5 years of military service
2 shall be entitled to the total amount of such credit.

3 (6) For persons who first become teachers before the
4 effective date of this amendatory Act of the 99th General
5 Assembly, a ~~For persons who first become teachers before~~
6 ~~the effective date of this amendatory Act of the 98th~~
7 ~~General Assembly,~~ a maximum of 244 unused sick days
8 credited to his account by an Employer on the date of
9 termination of employment. Members, upon verification of
10 unused sick days, may add this service time to total
11 creditable service.

12 (7) In all cases where time spent on leave is
13 creditable and no payroll deductions therefor are made by
14 an Employer, persons desiring service credit shall make the
15 required contributions directly to the Fund.

16 (8) For time lost without pay due to layoff and
17 curtailment of the school term from June 6 through June 21,
18 1976, as provided in item (e) of the first paragraph of
19 this Section, persons who were contributors on the days
20 immediately preceding such layoff shall receive credit
21 upon paying to the Fund a contribution based on the rates
22 of compensation and employee contributions in effect at the
23 time of such layoff, together with an additional amount
24 equal to 12.2% of the compensation computed for such period
25 of layoff, plus interest on the entire amount at 5% per
26 annum from January 1, 1978 to the date of payment. If such

1 contribution is paid, salary for pension purposes for any
2 year in which such a layoff occurred shall include the
3 compensation recognized for purposes of computing that
4 contribution.

5 (9) For time spent after June 30, 1982, as a
6 nonsalaried member of the Board of Education, if required
7 to resign from an administrative or teaching position in
8 order to qualify as a member of the Board of Education, an
9 administrator or teacher desiring credit therefor shall
10 pay the required contributions at the rates and salaries in
11 effect during such periods as though the member were in
12 service.

13 Effective September 1, 1974, the interest charged for
14 validation of service described in paragraphs (2) through (5)
15 of this Section shall be compounded annually at a rate of 5%
16 commencing one year after the termination of the leave or
17 return to service.

18 (Source: P.A. 97-651, eff. 1-5-12; 98-599, eff. 6-1-14.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.