



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2369

Introduced 1/28/2016, by Sen. Daniel Biss

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-139	from Ch. 108 1/2, par. 7-139
40 ILCS 5/7-139.2	from Ch. 108 1/2, par. 7-139.2
40 ILCS 5/7-142.1	from Ch. 108 1/2, par. 7-142.1
40 ILCS 5/7-145.1	
40 ILCS 5/7-169	from Ch. 108 1/2, par. 7-169

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. With respect to establishing certain types of service credit in the Fund, provides that application and payment must be received by the Board while the applicant is an active participant, except that one payment will be permitted after termination of participation. Effective immediately.

LRB099 18201 EFG 42569 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 7-139, 7-139.2, 7-142.1, 7-145.1, and 7-169 as  
6 follows:

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

8 (Text of Section WITHOUT the changes made by P.A. 98-599,  
9 which has been held unconstitutional)

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

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

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

23 If the effective date of participation for the

1 participating municipality or participating  
2 instrumentality is on or before January 1, 1998, creditable  
3 service shall be granted for the entire period of prior  
4 service with that employer without any employee  
5 contribution.

6 If the effective date of participation for the  
7 participating municipality or participating  
8 instrumentality is after January 1, 1998, creditable  
9 service shall be granted for the last 20% of the period of  
10 prior service with that employer, but no more than 5 years,  
11 without any employee contribution. A participating  
12 employee may establish creditable service for the  
13 remainder of the period of prior service with that employer  
14 by making an application in writing, accompanied by payment  
15 of an employee contribution in an amount determined by the  
16 Fund, based on the employee contribution rates in effect at  
17 the time of application for the creditable service and the  
18 employee's salary rate on the effective date of  
19 participation for that employer, plus interest at the  
20 effective rate from the date of the prior service to the  
21 date of payment. Application for this creditable service  
22 may be made at any time while the employee is still in  
23 service.

24 A municipality that (i) has at least 35 employees; (ii)  
25 is located in a county with at least 2,000,000 inhabitants;  
26 and (iii) maintains an independent defined benefit pension

1 plan for the benefit of its eligible employees may restrict  
2 creditable service in whole or in part for periods of prior  
3 service with the employer if the governing body of the  
4 municipality adopts an irrevocable resolution to restrict  
5 that creditable service and files the resolution with the  
6 board before the municipality's effective date of  
7 participation.

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

23 2. For current service, each participating employee  
24 shall be credited with:

25 a. Additional credits of amounts equal to each  
26 payment of additional contributions received from him

1 under Section 7-173, as of the date the corresponding  
2 payment of earnings is payable to him.

3 b. Normal credits of amounts equal to each payment  
4 of normal contributions received from him, as of the  
5 date the corresponding payment of earnings is payable  
6 to him, and normal contributions made for the purpose  
7 of establishing out-of-state service credits as  
8 permitted under the conditions set forth in paragraph 6  
9 of this subsection (a).

10 c. Municipality credits in an amount equal to 1.4  
11 times the normal credits, except those established by  
12 out-of-state service credits, as of the date of  
13 computation of any benefit if these credits would  
14 increase the benefit.

15 d. Survivor credits equal to each payment of  
16 survivor contributions received from the participating  
17 employee as of the date the corresponding payment of  
18 earnings is payable, and survivor contributions made  
19 for the purpose of establishing out-of-state service  
20 credits.

21 3. For periods of temporary and total and permanent  
22 disability benefits, each employee receiving disability  
23 benefits shall be granted creditable service for the period  
24 during which disability benefits are payable. Normal and  
25 survivor credits, based upon the rate of earnings applied  
26 for disability benefits, shall also be granted if such

1 credits would result in a higher benefit to any such  
2 employee or his beneficiary.

3 4. For authorized leave of absence without pay: A  
4 participating employee shall be granted credits and  
5 creditable service for periods of authorized leave of  
6 absence without pay under the following conditions:

7 a. An application for credits and creditable  
8 service is submitted to the board while the employee is  
9 in a status of active employment.

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

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

26 d. Benefits under the provisions of Sections

1           7-141, 7-146, 7-150 and 7-163 shall become payable to  
2 employees on authorized leave of absence, or their  
3 designated beneficiary, only if such leave of absence  
4 is creditable hereunder, and if the employee has at  
5 least one year of creditable service other than the  
6 service granted for leave of absence. Any employee  
7 contributions due may be deducted from any benefits  
8 payable.

9           e. No credits or creditable service shall be  
10 allowed for leave of absence without pay during any  
11 period of prior service.

12           5. For military service: The governing body of a  
13 municipality or participating instrumentality may elect to  
14 allow creditable service to participating employees who  
15 leave their employment to serve in the armed forces of the  
16 United States for all periods of such service, provided  
17 that the person returns to active employment within 90 days  
18 after completion of full time active duty, but no  
19 creditable service shall be allowed such person for any  
20 period that can be used in the computation of a pension or  
21 any other pay or benefit, other than pay for active duty,  
22 for service in any branch of the armed forces of the United  
23 States. If necessary to the computation of any benefit, the  
24 board shall establish municipality credits for  
25 participating employees under this paragraph on the  
26 assumption that the employee received earnings at the rate

1 received at the time he left the employment to enter the  
2 armed forces. A participating employee in the armed forces  
3 shall not be considered an employee during such period of  
4 service and no additional death and no disability benefits  
5 are payable for death or disability during such period.

6 Any participating employee who left his employment  
7 with a municipality or participating instrumentality to  
8 serve in the armed forces of the United States and who  
9 again became a participating employee within 90 days after  
10 completion of full time active duty by entering the service  
11 of a different municipality or participating  
12 instrumentality, which has elected to allow creditable  
13 service for periods of military service under the preceding  
14 paragraph, shall also be allowed creditable service for his  
15 period of military service on the same terms that would  
16 apply if he had been employed, before entering military  
17 service, by the municipality or instrumentality which  
18 employed him after he left the military service and the  
19 employer costs arising in relation to such grant of  
20 creditable service shall be charged to and paid by that  
21 municipality or instrumentality.

22 Notwithstanding the foregoing, any participating  
23 employee shall be entitled to creditable service as  
24 required by any federal law relating to re-employment  
25 rights of persons who served in the United States Armed  
26 Services. Such creditable service shall be granted upon



1 payment by the member of an amount equal to the employee  
2 contributions which would have been required had the  
3 employee continued in service at the same rate of earnings  
4 during the military leave period, plus interest at the  
5 effective rate.

6 5.1. In addition to any creditable service established  
7 under paragraph 5 of this subsection (a), creditable  
8 service may be granted for up to 48 months of service in  
9 the armed forces of the United States.

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

24 The changes made to this paragraph 5.1 by Public Acts  
25 95-483 and 95-486 apply only to participating employees in  
26 service on or after August 28, 2007 (the effective date of

1 those Public Acts).

2 6. For out-of-state service: Creditable service shall  
3 be granted for service rendered to an out-of-state local  
4 governmental body under the following conditions: The  
5 employee had participated and has irrevocably forfeited  
6 all rights to benefits in the out-of-state public employees  
7 pension system; the governing body of his participating  
8 municipality or instrumentality authorizes the employee to  
9 establish such service; the employee has 2 years current  
10 service with this municipality or participating  
11 instrumentality; the employee makes a payment of  
12 contributions, which shall be computed at 8% (normal) plus  
13 2% (survivor) times length of service purchased times the  
14 average rate of earnings for the first 2 years of service  
15 with the municipality or participating instrumentality  
16 whose governing body authorizes the service established  
17 plus interest at the effective rate on the date such  
18 credits are established, payable from the date the employee  
19 completes the required 2 years of current service to date  
20 of payment. In no case shall more than 120 months of  
21 creditable service be granted under this provision.

22 7. For retroactive service: Any employee who could have  
23 but did not elect to become a participating employee, or  
24 who should have been a participant in the Municipal Public  
25 Utilities Annuity and Benefit Fund before that fund was  
26 superseded, may receive creditable service for the period

1 of service not to exceed 50 months; however, a current or  
2 former elected or appointed official of a participating  
3 municipality may establish credit under this paragraph 7  
4 for more than 50 months of service as an official of that  
5 municipality, if the excess over 50 months is approved by  
6 resolution of the governing body of the affected  
7 municipality filed with the Fund before January 1, 2002.

8 Any employee who is a participating employee on or  
9 after September 24, 1981 and who was excluded from  
10 participation by the age restrictions removed by Public Act  
11 82-596 may receive creditable service for the period, on or  
12 after January 1, 1979, excluded by the age restriction and,  
13 in addition, if the governing body of the participating  
14 municipality or participating instrumentality elects to  
15 allow creditable service for all employees excluded by the  
16 age restriction prior to January 1, 1979, for service  
17 during the period prior to that date excluded by the age  
18 restriction. Any employee who was excluded from  
19 participation by the age restriction removed by Public Act  
20 82-596 and who is not a participating employee on or after  
21 September 24, 1981 may receive creditable service for  
22 service after January 1, 1979. Creditable service under  
23 this paragraph shall be granted upon payment of the  
24 employee contributions which would have been required had  
25 he participated, with interest at the effective rate for  
26 each year from the end of the period of service established

1 to date of payment.

2 8. For accumulated unused sick leave: A participating  
3 employee who is applying for a retirement annuity shall be  
4 entitled to creditable service for that portion of the  
5 employee's accumulated unused sick leave for which payment  
6 is not received, as follows:

7 a. Sick leave days shall be limited to those  
8 accumulated under a sick leave plan established by a  
9 participating municipality or participating  
10 instrumentality which is available to all employees or  
11 a class of employees.

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

21 b-1. If the employee was in the service of more  
22 than one employer as defined in item (2) of paragraph  
23 (a) of subsection (A) of Section 7-132, then the sick  
24 leave days from all such employers shall be credited,  
25 as long as the creditable service attributed to those  
26 sick leave days does not exceed the limitation in item

1 f of this paragraph 8. In calculating the creditable  
2 service under this item b-1, the sick leave days from  
3 the last employer shall be considered first, then the  
4 remaining sick leave days shall be considered until  
5 there are no more days or the maximum creditable sick  
6 leave threshold under item f of this paragraph 8 has  
7 been reached.

8 c. The creditable service granted shall be  
9 considered solely for the purpose of computing the  
10 amount of the retirement annuity and shall not be used  
11 to establish any minimum service period required by any  
12 provision of the Illinois Pension Code, the effective  
13 date of the retirement annuity, or the final rate of  
14 earnings.

15 d. The creditable service shall be at the rate of  
16 1/20 of a month for each full sick day, provided that  
17 no more than 12 months may be credited under this  
18 subdivision 8.

19 e. Employee contributions shall not be required  
20 for creditable service under this subdivision 8.

21 f. Each participating municipality and  
22 participating instrumentality with which an employee  
23 has service within 60 days of the effective date of his  
24 retirement annuity shall certify to the board the  
25 number of accumulated unpaid sick leave days credited  
26 to the employee at the time of termination of service.

1           9. For service transferred from another system:  
2 Credits and creditable service shall be granted for service  
3 under Article 4, 5, 8, 14, or 16 of this Act, to any active  
4 member of this Fund, and to any inactive member who has  
5 been a county sheriff, upon transfer of such credits  
6 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or  
7 16-131.4, and payment by the member of the amount by which  
8 (1) the employer and employee contributions that would have  
9 been required if he had participated in this Fund as a  
10 sheriff's law enforcement employee during the period for  
11 which credit is being transferred, plus interest thereon at  
12 the effective rate for each year, compounded annually, from  
13 the date of termination of the service for which credit is  
14 being transferred to the date of payment, exceeds (2) the  
15 amount actually transferred to the Fund. Such transferred  
16 service shall be deemed to be service as a sheriff's law  
17 enforcement employee for the purposes of Section 7-142.1.

18           10. (Blank).

19           11. For service transferred from an Article 3 system  
20 under Section 3-110.3: Credits and creditable service  
21 shall be granted for service under Article 3 of this Act as  
22 provided in Section 3-110.3, to any active member of this  
23 Fund, upon transfer of such credits pursuant to Section  
24 3-110.3. If the board determines that the amount  
25 transferred is less than the true cost to the Fund of  
26 allowing that creditable service to be established, then in

1 order to establish that creditable service, the member must  
2 pay to the Fund an additional contribution equal to the  
3 difference, as determined by the board in accordance with  
4 the rules and procedures adopted under this paragraph. If  
5 the member does not make the full additional payment as  
6 required by this paragraph prior to termination of his  
7 participation with that employer, then his or her  
8 creditable service shall be reduced by an amount equal to  
9 the difference between the amount transferred under  
10 Section 3-110.3, including any payments made by the member  
11 under this paragraph prior to termination, and the true  
12 cost to the Fund of allowing that creditable service to be  
13 established, as determined by the board in accordance with  
14 the rules and procedures adopted under this paragraph.

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

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

24 a. Application for such credits is received by the  
25 Board while the employee is an active participant of  
26 the Fund or a reciprocal retirement system.

1           b. Eligibility for participation and earnings are  
2           verified by the Authorized Agent of the participating  
3           employer for which the service was rendered.

4           Creditable service under this paragraph shall be  
5           granted upon payment of the employee contributions that  
6           would have been required had he participated, which shall  
7           be calculated by the Fund using the member contribution  
8           rate in effect during the period that the service was  
9           rendered.

10          (b) Creditable service - amount:

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

21           2. A seasonal employee shall be given 12 months of  
22           creditable service if he renders the number of months of  
23           service normally required by the position in a 12-month  
24           period and he remains in service for the entire 12-month  
25           period. Otherwise a fractional year of service in the  
26           number of months of service rendered shall be credited.



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

4           (c) No application for correction of credits or creditable  
5           service shall be considered unless the board receives an  
6           application for correction while (1) the applicant is a  
7           participating employee and in active employment with a  
8           participating municipality or instrumentality, or (2) while  
9           the applicant is actively participating in a pension fund or  
10          retirement system which is a participating system under the  
11          Retirement Systems Reciprocal Act. A participating employee or  
12          other applicant shall not be entitled to credits or creditable  
13          service unless the required employee contributions are made in  
14          a lump sum or in installments made in accordance with board  
15          rule. Payments made to establish service credit under paragraph  
16          1, 4, 5, 5.1, 6, 7, or 12 of subsection (a) of this Section must  
17          be received by the Board while the applicant is an active  
18          participant in the Fund or a reciprocal retirement system,  
19          except that an applicant may make one payment after termination  
20          of active participation in the Fund or a reciprocal retirement  
21          system.

22          (d) Upon the granting of a retirement, surviving spouse or  
23          child annuity, a death benefit or a separation benefit, on  
24          account of any employee, all individual accumulated credits  
25          shall thereupon terminate. Upon the withdrawal of additional  
26          contributions, the credits applicable thereto shall thereupon

1 terminate. Terminated credits shall not be applied to increase  
2 the benefits any remaining employee would otherwise receive  
3 under this Article.

4 (Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13;  
5 98-932, eff. 8-15-14.)

6 (40 ILCS 5/7-139.2) (from Ch. 108 1/2, par. 7-139.2)

7 Sec. 7-139.2. Validation of service credits. An active  
8 member of the General Assembly having no service credits or  
9 creditable service in the Fund, may establish service credit  
10 and creditable service for periods during which he was an  
11 employee of a municipality in an elective office and could have  
12 elected to participate in the Fund but did not so elect.  
13 Service credits and creditable service may be established by  
14 payment to the Fund of an amount equal to the contributions he  
15 would have made if he had elected to participate plus interest  
16 to the date of payment, together with the applicable  
17 municipality credits including interest, but the total period  
18 of such creditable service that may be validated shall not  
19 exceed 8 years. Payments made to establish such service credit  
20 must be received by the Board while the member is an active  
21 participant in the General Assembly Retirement System, except  
22 that one payment will be permitted after the member terminates  
23 such service.

24 (Source: P.A. 81-1536.)

1 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

2 Sec. 7-142.1. Sheriff's law enforcement employees.

3 (a) In lieu of the retirement annuity provided by  
4 subparagraph 1 of paragraph (a) of Section 7-142:

5 Any sheriff's law enforcement employee who has 20 or more  
6 years of service in that capacity and who terminates service  
7 prior to January 1, 1988 shall be entitled at his option to  
8 receive a monthly retirement annuity for his service as a  
9 sheriff's law enforcement employee computed by multiplying 2%  
10 for each year of such service up to 10 years, 2 1/4% for each  
11 year of such service above 10 years and up to 20 years, and 2  
12 1/2% for each year of such service above 20 years, by his  
13 annual final rate of earnings and dividing by 12.

14 Any sheriff's law enforcement employee who has 20 or more  
15 years of service in that capacity and who terminates service on  
16 or after January 1, 1988 and before July 1, 2004 shall be  
17 entitled at his option to receive a monthly retirement annuity  
18 for his service as a sheriff's law enforcement employee  
19 computed by multiplying 2.5% for each year of such service up  
20 to 20 years, 2% for each year of such service above 20 years  
21 and up to 30 years, and 1% for each year of such service above  
22 30 years, by his annual final rate of earnings and dividing by  
23 12.

24 Any sheriff's law enforcement employee who has 20 or more  
25 years of service in that capacity and who terminates service on  
26 or after July 1, 2004 shall be entitled at his or her option to

1 receive a monthly retirement annuity for service as a sheriff's  
2 law enforcement employee computed by multiplying 2.5% for each  
3 year of such service by his annual final rate of earnings and  
4 dividing by 12.

5 If a sheriff's law enforcement employee has service in any  
6 other capacity, his retirement annuity for service as a  
7 sheriff's law enforcement employee may be computed under this  
8 Section and the retirement annuity for his other service under  
9 Section 7-142.

10 In no case shall the total monthly retirement annuity for  
11 persons who retire before July 1, 2004 exceed 75% of the  
12 monthly final rate of earnings. In no case shall the total  
13 monthly retirement annuity for persons who retire on or after  
14 July 1, 2004 exceed 80% of the monthly final rate of earnings.

15 (b) Whenever continued group insurance coverage is elected  
16 in accordance with the provisions of Section 367h of the  
17 Illinois Insurance Code, as now or hereafter amended, the total  
18 monthly premium for such continued group insurance coverage or  
19 such portion thereof as is not paid by the municipality shall,  
20 upon request of the person electing such continued group  
21 insurance coverage, be deducted from any monthly pension  
22 benefit otherwise payable to such person pursuant to this  
23 Section, to be remitted by the Fund to the insurance company or  
24 other entity providing the group insurance coverage.

25 (c) A sheriff's law enforcement employee who began service  
26 in that capacity prior to the effective date of this amendatory

1 Act of the 97th General Assembly and who has service in any  
2 other capacity may convert up to 10 years of that service into  
3 service as a sheriff's law enforcement employee by paying to  
4 the Fund an amount equal to (1) the additional employee  
5 contribution required under Section 7-173.1, plus (2) the  
6 additional employer contribution required under Section 7-172,  
7 plus (3) interest on items (1) and (2) at the prescribed rate  
8 from the date of the service to the date of payment.  
9 Application must be received by the Board while the employee is  
10 an active participant in the Fund. Payment must be received  
11 while the member is an active participant, except that one  
12 payment will be permitted after termination of participation.

13 (d) The changes to subsections (a) and (b) of this Section  
14 made by this amendatory Act of the 94th General Assembly apply  
15 only to persons in service on or after July 1, 2004. In the  
16 case of such a person who begins to receive a retirement  
17 annuity before the effective date of this amendatory Act of the  
18 94th General Assembly, the annuity shall be recalculated  
19 prospectively to reflect those changes, with the resulting  
20 increase beginning to accrue on the first annuity payment date  
21 following the effective date of this amendatory Act.

22 (e) Any elected county officer who was entitled to receive  
23 a stipend from the State on or after July 1, 2009 and on or  
24 before June 30, 2010 may establish earnings credit for the  
25 amount of stipend not received, if the elected county official  
26 applies in writing to the fund within 6 months after the

1 effective date of this amendatory Act of the 96th General  
2 Assembly and pays to the fund an amount equal to (i) employee  
3 contributions on the amount of stipend not received, (ii)  
4 employer contributions determined by the Board equal to the  
5 employer's normal cost of the benefit on the amount of stipend  
6 not received, plus (iii) interest on items (i) and (ii) at the  
7 actuarially assumed rate.

8 (f) Notwithstanding any other provision of this Article,  
9 the provisions of this subsection (f) apply to a person who  
10 first becomes a sheriff's law enforcement employee under this  
11 Article on or after January 1, 2011.

12 A sheriff's law enforcement employee age 55 or more who has  
13 10 or more years of service in that capacity shall be entitled  
14 at his option to receive a monthly retirement annuity for his  
15 or her service as a sheriff's law enforcement employee computed  
16 by multiplying 2.5% for each year of such service by his or her  
17 final rate of earnings.

18 The retirement annuity of a sheriff's law enforcement  
19 employee who is retiring after attaining age 50 with 10 or more  
20 years of creditable service shall be reduced by one-half of 1%  
21 for each month that the sheriff's law enforcement employee's  
22 age is under age 55.

23 The maximum retirement annuity under this subsection (f)  
24 shall be 75% of final rate of earnings.

25 For the purposes of this subsection (f), "final rate of  
26 earnings" means the average monthly earnings obtained by

1 dividing the total salary of the sheriff's law enforcement  
2 employee during the 96 consecutive months of service within the  
3 last 120 months of service in which the total earnings was the  
4 highest by the number of months of service in that period.

5 Notwithstanding any other provision of this Article,  
6 beginning on January 1, 2011, for all purposes under this Code  
7 (including without limitation the calculation of benefits and  
8 employee contributions), the annual earnings of a sheriff's law  
9 enforcement employee to whom this Section applies shall not  
10 include overtime and shall not exceed \$106,800; however, that  
11 amount shall annually thereafter be increased by the lesser of  
12 (i) 3% of that amount, including all previous adjustments, or  
13 (ii) one-half the annual unadjusted percentage increase (but  
14 not less than zero) in the consumer price index-u for the 12  
15 months ending with the September preceding each November 1,  
16 including all previous adjustments.

17 (g) Notwithstanding any other provision of this Article,  
18 the monthly annuity of a person who first becomes a sheriff's  
19 law enforcement employee under this Article on or after January  
20 1, 2011 shall be increased on the January 1 occurring either on  
21 or after the attainment of age 60 or the first anniversary of  
22 the annuity start date, whichever is later. Each annual  
23 increase shall be calculated at 3% or one-half the annual  
24 unadjusted percentage increase (but not less than zero) in the  
25 consumer price index-u for the 12 months ending with the  
26 September preceding each November 1, whichever is less, of the

1 originally granted retirement annuity. If the annual  
2 unadjusted percentage change in the consumer price index-u for  
3 a 12-month period ending in September is zero or, when compared  
4 with the preceding period, decreases, then the annuity shall  
5 not be increased.

6 (h) Notwithstanding any other provision of this Article,  
7 for a person who first becomes a sheriff's law enforcement  
8 employee under this Article on or after January 1, 2011, the  
9 annuity to which the surviving spouse, children, or parents are  
10 entitled under this subsection (h) shall be in the amount of  $66\frac{2}{3}\%$   
11 of the sheriff's law enforcement employee's earned annuity  
12 at the date of death.

13 (i) Notwithstanding any other provision of this Article,  
14 the monthly annuity of a survivor of a person who first becomes  
15 a sheriff's law enforcement employee under this Article on or  
16 after January 1, 2011 shall be increased on the January 1 after  
17 attainment of age 60 by the recipient of the survivor's annuity  
18 and each January 1 thereafter by 3% or one-half the annual  
19 unadjusted percentage increase in the consumer price index-u  
20 for the 12 months ending with the September preceding each  
21 November 1, whichever is less, of the originally granted  
22 pension. If the annual unadjusted percentage change in the  
23 consumer price index-u for a 12-month period ending in  
24 September is zero or, when compared with the preceding period,  
25 decreases, then the annuity shall not be increased.

26 (j) For the purposes of this Section, "consumer price



1 index-u" means the index published by the Bureau of Labor  
2 Statistics of the United States Department of Labor that  
3 measures the average change in prices of goods and services  
4 purchased by all urban consumers, United States city average,  
5 all items, 1982-84 = 100. The new amount resulting from each  
6 annual adjustment shall be determined by the Public Pension  
7 Division of the Department of Insurance and made available to  
8 the boards of the pension funds.

9 (Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11;  
10 97-272, eff. 8-8-11; 97-609, eff. 8-26-11.)

11 (40 ILCS 5/7-145.1)

12 Sec. 7-145.1. Alternative annuity for county officers.

13 (a) The benefits provided in this Section and Section  
14 7-145.2 are available only if, prior to the effective date of  
15 this amendatory Act of the 97th General Assembly, the county  
16 board has filed with the Board of the Fund a resolution or  
17 ordinance expressly consenting to the availability of these  
18 benefits for its elected county officers. The county board's  
19 consent is irrevocable with respect to persons participating in  
20 the program, but may be revoked at any time with respect to  
21 persons who have not paid an additional optional contribution  
22 under this Section before the date of revocation.

23 An elected county officer may elect to establish  
24 alternative credits for an alternative annuity by electing in  
25 writing before the effective date of this amendatory Act of the

1 97th General Assembly to make additional optional  
2 contributions in accordance with this Section and procedures  
3 established by the board. These alternative credits are  
4 available only for periods of service as an elected county  
5 officer. The elected county officer may discontinue making the  
6 additional optional contributions by notifying the Fund in  
7 writing in accordance with this Section and procedures  
8 established by the board.

9 Additional optional contributions for the alternative  
10 annuity shall be as follows:

11 (1) For service as an elected county officer after the  
12 option is elected, an additional contribution of 3% of  
13 salary shall be contributed to the Fund on the same basis  
14 and under the same conditions as contributions required  
15 under Section 7-173.

16 (2) For service as an elected county officer before the  
17 option is elected, an additional contribution of 3% of the  
18 salary for the applicable period of service, plus interest  
19 at the effective rate from the date of service to the date  
20 of payment, plus any additional amount required by the  
21 county board under paragraph (3). All payments for past  
22 service must be paid in full before credit is given.  
23 Payment must be received by the Board while the member is  
24 an active participant, except that one payment will be  
25 permitted after termination of participation.

26 (3) With respect to service as an elected county

1 officer before the option is elected, if payment is made  
2 after the county board has filed with the Board of the Fund  
3 a resolution or ordinance requiring an additional  
4 contribution under this paragraph, then the contribution  
5 required under paragraph (2) shall include an amount to be  
6 determined by the Fund, equal to the actuarial present  
7 value of the additional employer cost that would otherwise  
8 result from the alternative credits being established for  
9 that service. A county board's resolution or ordinance  
10 requiring additional contributions under this paragraph  
11 (3) is irrevocable. Payment must be received by the Board  
12 while the member is an active participant, except that one  
13 payment will be permitted after termination of  
14 participation.

15 No additional optional contributions may be made for any  
16 period of service for which credit has been previously  
17 forfeited by acceptance of a refund, unless the refund is  
18 repaid in full with interest at the effective rate from the  
19 date of refund to the date of repayment.

20 (b) In lieu of the retirement annuity otherwise payable  
21 under this Article, an elected county officer who (1) has  
22 elected to participate in the Fund and make additional optional  
23 contributions in accordance with this Section, (2) has held and  
24 made additional optional contributions with respect to the same  
25 elected county office for at least 8 years, and (3) has  
26 attained age 55 with at least 8 years of service credit (or has

1 attained age 50 with at least 20 years of service as a  
2 sheriff's law enforcement employee) may elect to have his  
3 retirement annuity computed as follows: 3% of the participant's  
4 salary for each of the first 8 years of service credit, plus 4%  
5 of that salary for each of the next 4 years of service credit,  
6 plus 5% of that salary for each year of service credit in  
7 excess of 12 years, subject to a maximum of 80% of that salary.

8 This formula applies only to service in an elected county  
9 office that the officer held for at least 8 years, and only to  
10 service for which additional optional contributions have been  
11 paid under this Section. If an elected county officer qualifies  
12 to have this formula applied to service in more than one  
13 elected county office, the qualifying service shall be  
14 accumulated for purposes of determining the applicable accrual  
15 percentages, but the salary used for each office shall be the  
16 separate salary calculated for that office, as defined in  
17 subsection (g).

18 To the extent that the elected county officer has service  
19 credit that does not qualify for this formula, his retirement  
20 annuity will first be determined in accordance with this  
21 formula with respect to the service to which this formula  
22 applies, and then in accordance with the remaining Sections of  
23 this Article with respect to the service to which this formula  
24 does not apply.

25 (c) In lieu of the disability benefits otherwise payable  
26 under this Article, an elected county officer who (1) has

1 elected to participate in the Fund, and (2) has become  
2 permanently disabled and as a consequence is unable to perform  
3 the duties of his office, and (3) was making optional  
4 contributions in accordance with this Section at the time the  
5 disability was incurred, may elect to receive a disability  
6 annuity calculated in accordance with the formula in subsection  
7 (b). For the purposes of this subsection, an elected county  
8 officer shall be considered permanently disabled only if: (i)  
9 disability occurs while in service as an elected county officer  
10 and is of such a nature as to prevent him from reasonably  
11 performing the duties of his office at the time; and (ii) the  
12 board has received a written certification by at least 2  
13 licensed physicians appointed by it stating that the officer is  
14 disabled and that the disability is likely to be permanent.

15 (d) Refunds of additional optional contributions shall be  
16 made on the same basis and under the same conditions as  
17 provided under Section 7-166, 7-167 and 7-168. Interest shall  
18 be credited at the effective rate on the same basis and under  
19 the same conditions as for other contributions.

20 If an elected county officer fails to hold that same  
21 elected county office for at least 8 years, he or she shall be  
22 entitled after leaving office to receive a refund of the  
23 additional optional contributions made with respect to that  
24 office, plus interest at the effective rate.

25 (e) The plan of optional alternative benefits and  
26 contributions shall be available to persons who are elected

1 county officers and active contributors to the Fund on or after  
2 November 15, 1994 and elected to establish alternative credit  
3 before the effective date of this amendatory Act of the 97th  
4 General Assembly. A person who was an elected county officer  
5 and an active contributor to the Fund on November 15, 1994 but  
6 is no longer an active contributor may apply to make additional  
7 optional contributions under this Section at any time within 90  
8 days after the effective date of this amendatory Act of 1997;  
9 if the person is an annuitant, the resulting increase in  
10 annuity shall begin to accrue on the first day of the month  
11 following the month in which the required payment is received  
12 by the Fund.

13 (f) For the purposes of this Section and Section 7-145.2,  
14 the terms "elected county officer" and "elected county office"  
15 include, but are not limited to: (1) the county clerk,  
16 recorder, treasurer, coroner, assessor (if elected), auditor,  
17 sheriff, and State's Attorney; members of the county board; and  
18 the clerk of the circuit court; and (2) a person who has been  
19 appointed to fill a vacancy in an office that is normally  
20 filled by election on a countywide basis, for the duration of  
21 his or her service in that office. The terms "elected county  
22 officer" and "elected county office" do not include any officer  
23 or office of a county that has not consented to the  
24 availability of benefits under this Section and Section  
25 7-145.2.

26 (g) For the purposes of this Section and Section 7-145.2,

1 the term "salary" means the final rate of earnings for the  
2 elected county office held, calculated in a manner consistent  
3 with Section 7-116, but for that office only. If an elected  
4 county officer qualifies to have the formula in subsection (b)  
5 applied to service in more than one elected county office, a  
6 separate salary shall be calculated and applied with respect to  
7 each such office.

8 (h) The changes to this Section made by this amendatory Act  
9 of the 91st General Assembly apply to persons who first make an  
10 additional optional contribution under this Section on or after  
11 the effective date of this amendatory Act.

12 (i) Any elected county officer who was entitled to receive  
13 a stipend from the State on or after July 1, 2009 and on or  
14 before June 30, 2010 may establish earnings credit for the  
15 amount of stipend not received, if the elected county official  
16 applies in writing to the fund within 6 months after the  
17 effective date of this amendatory Act of the 96th General  
18 Assembly and pays to the fund an amount equal to (i) employee  
19 contributions on the amount of stipend not received, (ii)  
20 employer contributions determined by the Board equal to the  
21 employer's normal cost of the benefit on the amount of stipend  
22 not received, plus (iii) interest on items (i) and (ii) at the  
23 actuarially assumed rate.

24 (Source: P.A. 96-961, eff. 7-2-10; 97-272, eff. 8-8-11; 97-609,  
25 eff. 8-26-11.)

1 (40 ILCS 5/7-169) (from Ch. 108 1/2, par. 7-169)

2 Sec. 7-169. Separation benefits; repayments.

3 (a) If an employee who has received a separation benefit  
4 subsequently becomes a participating employee, and renders at  
5 least 2 years of contributing service from the date of such  
6 re-entry, he may pay to the fund the amount of the separation  
7 benefit, plus interest at the effective rate for each year from  
8 the date of payment of the separation benefit to the date of  
9 repayment. Upon payment his creditable service shall be  
10 reinstated and the payment shall be credited to his account as  
11 normal contributions. Application must be received by the Board  
12 while the employee is an active participant in the Fund or a  
13 reciprocal retirement system. Payment must be received while  
14 the member is an active participant, except that one payment  
15 will be permitted after termination of participation in the  
16 Fund or a reciprocal retirement system.

17 (b) Beginning July 1, 2004, the requirement of returning  
18 to service for at least 2 years does not apply to persons who  
19 return to service as a sheriff's law enforcement employee. This  
20 subsection applies only to persons in service on or after July  
21 1, 2004. In the case of such a person who begins to receive a  
22 retirement annuity before the effective date of this amendatory  
23 Act of the 94th General Assembly, the annuity shall be  
24 recalculated prospectively to reflect any credits reinstated  
25 as a result of this subsection, with the resulting increase in  
26 annuity beginning to accrue on the first annuity payment date



1 following the effective date of this amendatory Act, but not  
2 earlier than the date the repayment is received by the Fund.

3 (Source: P.A. 94-712, eff. 6-1-06.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.