

1 AN ACT in relation to public employee pensions, amending  
2 named Acts.

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

5 Section 5. The Illinois Pension Code is amended by  
6 changing Sections 14-114, 14-119, 14-121, 15-136, 15-136.3,  
7 15-145, 16-133.1, 16-143.1, 17-119, and 17-122 as follows:

8 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)  
9 Sec. 14-114. Automatic increase in retirement annuity.

10 (a) Any person receiving a retirement annuity under this  
11 Article who retires having attained age 60, or who retires  
12 before age 60 having at least 35 years of creditable service,  
13 shall on January 1, next following the first full year of  
14 retirement, have the amount of the then fixed and payable  
15 monthly retirement annuity increased 3%. Any person  
16 receiving a retirement annuity under this Article who retires  
17 before attainment of age 60 and with less than 35 years of  
18 creditable service shall have the amount of the fixed and  
19 payable retirement annuity increased by 3% on the January 1  
20 occurring on or next following (1) attainment of age 60, or  
21 (2) the first anniversary of retirement, whichever occurs  
22 later. However, for persons who receive the alternative  
23 retirement annuity under Section 14-110, references in this  
24 subsection (a) to attainment of age 60 shall be deemed to  
25 refer to attainment of age 55. For a person receiving early  
26 retirement incentives under Section 14-108.3 whose retirement  
27 annuity began after January 1, 1992 pursuant to an extension  
28 granted under subsection (e) of that Section, the first  
29 anniversary of retirement shall be deemed to be January 1,  
30 1993.

31 On each January 1 following the date of the initial

1 increase under this subsection, the employee's monthly  
2 retirement annuity shall be increased by an additional 3%.

3 Beginning January 1, 1990, all automatic annual increases  
4 payable under this Section shall be calculated as a  
5 percentage of the total annuity payable at the time of the  
6 increase, including previous increases granted under this  
7 Article.

8 (b) The provisions of subsection (a) of this Section  
9 shall be applicable to an employee only if the employee makes  
10 the additional contributions required after December 31, 1969  
11 for the purpose of the automatic increases for not less than  
12 the equivalent of one full year. If an employee becomes an  
13 annuitant before his additional contributions equal one full  
14 year's contributions based on his salary at the date of  
15 retirement, the employee may pay the necessary balance of the  
16 contributions to the system, without interest, and be  
17 eligible for the increasing annuity authorized by this  
18 Section.

19 (c) The provisions of subsection (a) of this Section  
20 shall not be applicable to any annuitant who is on retirement  
21 on December 31, 1969, and thereafter returns to State  
22 service, unless the member has established at least one year  
23 of additional creditable service following reentry into  
24 service.

25 (d) In addition to other increases which may be provided  
26 by this Section, on January 1, 1981 any annuitant who was  
27 receiving a retirement annuity on or before January 1, 1971  
28 shall have his retirement annuity then being paid increased  
29 \$1 per month for each year of creditable service. On January  
30 1, 1982, any annuitant who began receiving a retirement  
31 annuity on or before January 1, 1977, shall have his  
32 retirement annuity then being paid increased \$1 per month for  
33 each year of creditable service.

34 On January 1, 1987, any annuitant who began receiving a

1 retirement annuity on or before January 1, 1977, shall have  
2 the monthly retirement annuity increased by an amount equal  
3 to 8¢ per year of creditable service times the number of  
4 years that have elapsed since the annuity began.

5 (d-1) On January 1, 2002, every annuitant who began  
6 receiving a retirement annuity on or before January 1, 1991  
7 shall have the monthly retirement annuity increased by an  
8 amount equal to 25¢ multiplied by the number of full years of  
9 creditable service multiplied by the number of full years  
10 that have elapsed since the annuity began. Every annuitant  
11 who begins receiving a retirement annuity after January 1,  
12 1991 and before January 1, 1998 shall have the monthly  
13 retirement annuity increased on January 1, 2002 or on the  
14 January 1 occurring on or next following the seventh  
15 anniversary of retirement, whichever is later, by an amount  
16 equal to \$1.75 multiplied by the number of full years of  
17 creditable service upon which the retirement annuity is  
18 based. The increase under this subsection shall be included  
19 in the calculation of increases granted simultaneously or  
20 thereafter under subsection (a).

21 (e) Every person who receives the alternative retirement  
22 annuity under Section 14-110 and who is eligible to receive  
23 the 3% increase under subsection (a) on January 1, 1986,  
24 shall also receive on that date a one-time increase in  
25 retirement annuity equal to the difference between (1) his  
26 actual retirement annuity on that date, including any  
27 increases received under subsection (a), and (2) the amount  
28 of retirement annuity he would have received on that date if  
29 the amendments to subsection (a) made by Public Act 84-162  
30 had been in effect since the date of his retirement.

31 (Source: P.A. 86-273; 87-1265.)

32 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)  
33 Sec. 14-119. Amount of widow's annuity.

1           (a) The widow's annuity shall be 50% of the amount of  
2 retirement annuity payable to the member on the date of death  
3 while on retirement if an annuitant, or on the date of his  
4 death while in service if an employee, regardless of his age  
5 on such date, or on the date of withdrawal if death occurred  
6 after termination of service under the conditions prescribed  
7 in the preceding Section.

8           (b) If an eligible widow, regardless of age, has in her  
9 care any unmarried child or children of the member under age  
10 18 (under age 22 if a full-time student), the widow's annuity  
11 shall be increased in the amount of 5% of the retirement  
12 annuity for each such child, but the combined payments for a  
13 widow and children shall not exceed 66 2/3% of the member's  
14 earned retirement annuity.

15           The amount of retirement annuity from which the widow's  
16 annuity is derived shall be that earned by the member without  
17 regard to whether he attained age 60 prior to his withdrawal  
18 under the conditions stated or prior to his death.

19           (c) Adopted children shall be considered as children of  
20 the member only if the proceedings for adoption were  
21 commenced at least 1 year prior to the member's death.

22           Marriage of a child shall render the child ineligible for  
23 further consideration in the increase in the amount of the  
24 widow's annuity.

25           Attainment of age 18 (age 22 if a full-time student)  
26 shall render a child ineligible for further consideration in  
27 the increase of the widow's annuity, but the annuity to the  
28 widow shall be continued thereafter, without regard to her  
29 age at that time.

30           (d) A widow's annuity payable on account of any covered  
31 employee who shall have been a covered employee for at least  
32 18 months shall be reduced by 1/2 of the amount of survivors  
33 benefits to which his beneficiaries are eligible under the  
34 provisions of the Federal Social Security Act, except that

1 (1) the amount of any widow's annuity payable under this  
2 Article shall not be reduced by reason of any increase under  
3 that Act which occurs after the offset required by this  
4 subsection is first applied to that annuity, and (2) for  
5 benefits granted on or after January 1, 1992, the offset  
6 under this subsection (d) shall not exceed 50% of the amount  
7 of widow's annuity otherwise payable.

8 (e) Upon the death of a recipient of a widow's annuity  
9 the excess, if any, of the member's accumulated  
10 contributions plus credited interest over all annuity  
11 payments to the member and widow, exclusive of the \$500 lump  
12 sum payment, shall be paid to the named beneficiary of the  
13 widow, or if none has been named, to the estate of the widow,  
14 provided no reversionary annuity is payable.

15 (f) On January 1, 1981, any recipient of a widow's  
16 annuity who was receiving a widow's annuity on or before  
17 January 1, 1971, shall have her widow's annuity then being  
18 paid increased by 1% for each full year which has elapsed  
19 from the date the widow's annuity began. On January 1, 1982,  
20 any recipient of a widow's annuity who began receiving a  
21 widow's annuity after January 1, 1971, but before January 1,  
22 1981, shall have her widow's annuity then being paid  
23 increased by 1% for each full year which has elapsed from the  
24 date the widow's annuity began. On January 1, 1987, any  
25 recipient of a widow's annuity who began receiving the  
26 widow's annuity on or before January 1, 1977, shall have the  
27 monthly widow's annuity increased by \$1 for each full year  
28 which has elapsed since the date the annuity began.

29 (f-1) On January 1, 2002, every widow who began  
30 receiving a widow's annuity on or before January 1, 1991  
31 shall have the monthly widow's annuity increased by an amount  
32 equal to 25¢ multiplied by the number of full years of the  
33 deceased spouse's creditable service multiplied by the sum of  
34 (i) the number of full years that have elapsed since the

1 widow's annuity began and (ii) the number of full years, if  
 2 any, during which the deceased spouse received a retirement  
 3 annuity under this Article. Every widow who begins receiving  
 4 a widow's annuity after January 1, 1991 and before January 1,  
 5 2002 shall have the monthly widow's annuity increased on  
 6 January 1, 2002 or on the January 1 occurring on or next  
 7 following the seventh anniversary of the commencement of the  
 8 widow's annuity, whichever is later, by an amount equal to  
 9 25¢ multiplied by the number of full years of the deceased  
 10 spouse's creditable service multiplied by the sum of (i) the  
 11 number of full years that have elapsed since the widow's  
 12 annuity began and (ii) the number of full years, if any,  
 13 during which the deceased spouse received a retirement  
 14 annuity under this Article. The increase under this  
 15 subsection shall be included in the calculation of increases  
 16 granted simultaneously or thereafter under subsection (g).

17 (g) Beginning January 1, 1990, every widow's annuity  
 18 shall be increased (1) on each January 1 occurring on or  
 19 after the commencement of the annuity if the deceased member  
 20 died while receiving a retirement annuity, or (2) in other  
 21 cases, on each January 1 occurring on or after the first  
 22 anniversary of the commencement of the annuity, by an amount  
 23 equal to 3% of the current amount of the annuity, including  
 24 any previous increases under this Article. Such increases  
 25 shall apply without regard to whether the deceased member was  
 26 in service on or after the effective date of Public Act  
 27 86-1488, but shall not accrue for any period prior to January  
 28 1, 1990.

29 (Source: P.A. 90-448, eff. 8-16-97.)

30 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)  
 31 Sec. 14-121. Amount of survivors annuity. A survivors  
 32 annuity beneficiary shall be entitled upon death of the  
 33 member to a single sum payment of \$1,000, payable pro rata

1 among all persons entitled thereto, together with a survivors  
2 annuity payable at the rates and under the conditions  
3 specified in this Article.

4 (a) If the survivors annuity beneficiary is a spouse,  
5 the survivors annuity shall be 30% of final average  
6 compensation subject to a maximum payment of \$400 per month.

7 (b) If an eligible child or children under the care of a  
8 spouse also survives the member, such spouse as natural  
9 guardian of the child or children shall receive, in addition  
10 to the foregoing annuity, 20% of final average compensation  
11 on account of each such child and 10% of final average  
12 compensation divided pro rata among such children, subject to  
13 a maximum payment on account of all survivor annuity  
14 beneficiaries of \$600 per month, or 80% of the member's final  
15 average compensation, whichever is the lesser.

16 (c) If the survivors annuity beneficiary or  
17 beneficiaries consists of an unmarried child or children, the  
18 amount of survivors annuity shall be 20% of final average  
19 compensation to each child, and 10% of final average  
20 compensation divided pro rata among all such children  
21 entitled to such annuity, subject to a maximum payment to all  
22 children combined of \$600 per month or 80% of the member's  
23 final average compensation, whichever is the lesser.

24 (d) If the survivors annuity beneficiary is one or more  
25 dependent parents, the annuity shall be 20% of final average  
26 compensation to each parent and 10% of final average  
27 compensation divided pro rata among the parents who qualify  
28 for this annuity, subject to a maximum payment to both  
29 dependent parents of \$400 per month.

30 (e) The survivors annuity to the spouse, children or  
31 dependent parents of a member whose death occurs after the  
32 date of last withdrawal, or after retirement, or while in  
33 service following reentry into service after retirement but  
34 before completing 1 1/2 years of additional creditable

1 service, shall not exceed the lesser of 80% of the member's  
2 earned retirement annuity at the date of death or the maximum  
3 previously established in this Section.

4 (f) In applying the limitation prescribed on the  
5 combined payments to 2 or more survivors annuity  
6 beneficiaries, the annuity on account of each beneficiary  
7 shall be reduced pro rata until such time as the number of  
8 beneficiaries makes the reduction no longer applicable.

9 (g) A survivors annuity payable on account of any  
10 covered employee who shall have been a covered employee for  
11 at least 18 months at date of death or last withdrawal,  
12 whichever is the later, shall be reduced by 1/2 of the  
13 survivors benefits to which his beneficiaries are eligible  
14 under the federal Social Security Act, except that (1) the  
15 survivors annuity payable under this Article shall not be  
16 reduced by any increase under that Act which occurs after the  
17 offset required by this subsection is first applied to that  
18 annuity, and (2) for benefits granted on or after January 1,  
19 1992, the offset under this subsection (g) shall not exceed  
20 50% of the amount of survivors annuity otherwise payable.

21 (h) The minimum payment to a beneficiary hereunder shall  
22 be \$60 per month, which shall be reduced in accordance with  
23 the limitation prescribed on the combined payments to all  
24 beneficiaries of a member.

25 (i) Subject to the conditions set forth in Section  
26 14-120, the minimum total survivors annuity benefit payable  
27 to the survivors annuity beneficiaries of a deceased member  
28 or annuitant whose death occurs on or after January 1, 1984,  
29 shall be 50% of the amount of retirement annuity that was or  
30 would have been payable to the deceased on the date of death,  
31 regardless of the age of the deceased on such date. If the  
32 minimum total benefit provided by this subsection exceeds the  
33 maximum otherwise imposed by this Section, the minimum total  
34 benefit shall nevertheless be payable. Any increase in the



1 total survivors annuity benefit resulting from the operation  
2 of this subsection shall be divided among the survivors  
3 annuity beneficiaries of the deceased in proportion to their  
4 shares of the total survivors annuity benefit otherwise  
5 payable under this Section.

6 (j) Any survivors annuity beneficiary whose annuity  
7 terminates due to any condition specified in this Article  
8 other than death shall be entitled to a refund of the excess,  
9 if any, of the accumulated contributions of the member plus  
10 credited interest over all payments to the member and  
11 beneficiary or beneficiaries, exclusive of the single sum  
12 payment of \$1,000, provided no future survivors or  
13 reversionary annuity benefits are payable.

14 (k) Upon the death of the last eligible recipient of a  
15 survivors annuity the excess, if any, of the member's  
16 accumulated contributions plus credited interest over all  
17 annuity payments to the member and survivors exclusive of the  
18 single sum payment of \$1000, shall be paid to the named  
19 beneficiary of the last eligible survivor, or if none has  
20 been named, to the estate of the last eligible survivor,  
21 provided no reversionary annuity is payable.

22 (l) On January 1, 1981, any survivor who was receiving a  
23 survivors annuity on or before January 1, 1971, shall have  
24 his survivors annuity then being paid increased by 1% for  
25 each full year which has elapsed from the date the annuity  
26 began. On January 1, 1982, any survivor who began receiving  
27 a survivor's annuity after January 1, 1971, but before  
28 January 1, 1981, shall have his survivor's annuity then being  
29 paid increased by 1% for each full year that has elapsed from  
30 the date the annuity began. On January 1, 1987, any survivor  
31 who began receiving a survivor's annuity on or before January  
32 1, 1977, shall have the monthly survivor's annuity increased  
33 by \$1 for each full year which has elapsed since the date the  
34 survivor's annuity began.

1 (m) Beginning January 1, 1990, every survivor's annuity  
2 shall be increased (1) on each January 1 occurring on or  
3 after the commencement of the annuity if the deceased member  
4 died while receiving a retirement annuity, or (2) in other  
5 cases, on each January 1 occurring on or after the first  
6 anniversary of the commencement of the annuity, by an amount  
7 equal to 3% of the current amount of the annuity, including  
8 any previous increases under this Article. Such increases  
9 shall apply without regard to whether the deceased member was  
10 in service on or after the effective date of Public Act  
11 86-1488, but shall not accrue for any period prior to January  
12 1, 1990.

13 (n) On January 1, 2002, every survivor who began  
14 receiving a survivor's annuity on or before January 1, 1991  
15 shall have the monthly survivor's annuity increased by an  
16 amount equal to 25¢ multiplied by the number of full years of  
17 the deceased's creditable service multiplied by the sum of  
18 (i) the number of full years that have elapsed since the  
19 survivor's annuity began and (ii) the number of full years,  
20 if any, during which the deceased received a retirement  
21 annuity under this Article. Every survivor who begins  
22 receiving a survivor's annuity after January 1, 1991 and  
23 before January 1, 2002 shall have the monthly survivor's  
24 annuity increased on January 1, 2002 or on the January 1  
25 occurring on or next following the seventh anniversary of the  
26 commencement of the survivor's annuity, whichever is later,  
27 by an amount equal to 25¢ multiplied by the number of full  
28 years of the deceased's creditable service multiplied by the  
29 sum of (i) the number of full years that have elapsed since  
30 the survivor's annuity began and (ii) the number of full  
31 years, if any, during which the deceased received a  
32 retirement annuity under this Article. The increase under  
33 this subsection shall be included in the calculation of  
34 increases granted simultaneously or thereafter under

1 subsection (m).

2 (Source: P.A. 86-273; 86-1488; 87-794.)

3 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

4 Sec. 15-136. Retirement annuities - Amount. The  
5 provisions of this Section 15-136 apply only to those  
6 participants who are participating in the traditional benefit  
7 package or the portable benefit package and do not apply to  
8 participants who are participating in the self-managed plan.

9 (a) The amount of a participant's retirement annuity,  
10 expressed in the form of a single-life annuity, shall be  
11 determined by whichever of the following rules is applicable  
12 and provides the largest annuity:

13 Rule 1: The retirement annuity shall be 1.67% of final  
14 rate of earnings for each of the first 10 years of service,  
15 1.90% for each of the next 10 years of service, 2.10% for  
16 each year of service in excess of 20 but not exceeding 30,  
17 and 2.30% for each year in excess of 30; or for persons who  
18 retire on or after January 1, 1998, 2.2% of the final rate of  
19 earnings for each year of service.

20 Rule 2: The retirement annuity shall be the sum of the  
21 following, determined from amounts credited to the  
22 participant in accordance with the actuarial tables and the  
23 prescribed rate of interest in effect at the time the  
24 retirement annuity begins:

25 (i) the normal annuity which can be provided on an  
26 actuarially equivalent basis, by the accumulated normal  
27 contributions as of the date the annuity begins; and

28 (ii) an annuity from employer contributions of an  
29 amount equal to that which can be provided on an  
30 actuarially equivalent basis from the accumulated normal  
31 contributions made by the participant under Section  
32 15-113.6 and Section 15-113.7 plus 1.4 times all other  
33 accumulated normal contributions made by the participant.

1 With respect to a police officer or firefighter who  
2 retires on or after August 14, 1998, the accumulated normal  
3 contributions taken into account under clauses (i) and (ii)  
4 of this Rule 2 shall include the additional normal  
5 contributions made by the police officer or firefighter under  
6 Section 15-157(a).

7 The amount of a retirement annuity calculated under this  
8 Rule 2 shall be computed solely on the basis of the  
9 participant's accumulated normal contributions, as specified  
10 in this Rule and defined in Section 15-116. Neither an  
11 employee or employer contribution for early retirement under  
12 Section 15-136.2 nor any other employer contribution shall be  
13 used in the calculation of the amount of a retirement annuity  
14 under this Rule 2.

15 This amendatory Act of the 91st General Assembly is a  
16 clarification of existing law and applies to every  
17 participant and annuitant without regard to whether status as  
18 an employee terminates before the effective date of this  
19 amendatory Act.

20 Rule 3: The retirement annuity of a participant who is  
21 employed at least one-half time during the period on which  
22 his or her final rate of earnings is based, shall be equal to  
23 the participant's years of service not to exceed 30,  
24 multiplied by (1) \$96 if the participant's final rate of  
25 earnings is less than \$3,500, (2) \$108 if the final rate of  
26 earnings is at least \$3,500 but less than \$4,500, (3) \$120 if  
27 the final rate of earnings is at least \$4,500 but less than  
28 \$5,500, (4) \$132 if the final rate of earnings is at least  
29 \$5,500 but less than \$6,500, (5) \$144 if the final rate of  
30 earnings is at least \$6,500 but less than \$7,500, (6) \$156 if  
31 the final rate of earnings is at least \$7,500 but less than  
32 \$8,500, (7) \$168 if the final rate of earnings is at least  
33 \$8,500 but less than \$9,500, and (8) \$180 if the final rate  
34 of earnings is \$9,500 or more, except that the annuity for

1 those persons having made an election under Section  
2 15-154(a-1) shall be calculated and payable under the  
3 portable retirement benefit program pursuant to the  
4 provisions of Section 15-136.4.

5 Rule 4: A participant who is at least age 50 and has 25  
6 or more years of service as a police officer or firefighter,  
7 and a participant who is age 55 or over and has at least 20  
8 but less than 25 years of service as a police officer or  
9 firefighter, shall be entitled to a retirement annuity of  
10 2 1/4% of the final rate of earnings for each of the first 10  
11 years of service as a police officer or firefighter, 2 1/2%  
12 for each of the next 10 years of service as a police officer  
13 or firefighter, and 2 3/4% for each year of service as a  
14 police officer or firefighter in excess of 20. The  
15 retirement annuity for all other service shall be computed  
16 under Rule 1.

17 For purposes of this Rule 4, a participant's service as a  
18 firefighter shall also include the following:

19 (i) service that is performed while the person is  
20 an employee under subsection (h) of Section 15-107; and

21 (ii) in the case of an individual who was a  
22 participating employee employed in the fire department of  
23 the University of Illinois's Champaign-Urbana campus  
24 immediately prior to the elimination of that fire  
25 department and who immediately after the elimination of  
26 that fire department transferred to another job with the  
27 University of Illinois, service performed as an employee  
28 of the University of Illinois in a position other than  
29 police officer or firefighter, from the date of that  
30 transfer until the employee's next termination of service  
31 with the University of Illinois.

32 Rule 5: The retirement annuity of a participant who  
33 elected early retirement under the provisions of Section  
34 15-136.2 and who, on or before February 16, 1995, brought

1 administrative proceedings pursuant to the administrative  
2 rules adopted by the System to challenge the calculation of  
3 his or her retirement annuity shall be the sum of the  
4 following, determined from amounts credited to the  
5 participant in accordance with the actuarial tables and the  
6 prescribed rate of interest in effect at the time the  
7 retirement annuity begins:

8 (i) the normal annuity which can be provided on an  
9 actuarially equivalent basis, by the accumulated normal  
10 contributions as of the date the annuity begins; and

11 (ii) an annuity from employer contributions of an  
12 amount equal to that which can be provided on an  
13 actuarially equivalent basis from the accumulated normal  
14 contributions made by the participant under Section  
15 15-113.6 and Section 15-113.7 plus 1.4 times all other  
16 accumulated normal contributions made by the participant;  
17 and

18 (iii) an annuity which can be provided on an  
19 actuarially equivalent basis from the employee  
20 contribution for early retirement under Section 15-136.2,  
21 and an annuity from employer contributions of an amount  
22 equal to that which can be provided on an actuarially  
23 equivalent basis from the employee contribution for early  
24 retirement under Section 15-136.2.

25 In no event shall a retirement annuity under this Rule 5  
26 be lower than the amount obtained by adding (1) the monthly  
27 amount obtained by dividing the combined employee and  
28 employer contributions made under Section 15-136.2 by the  
29 System's annuity factor for the age of the participant at the  
30 beginning of the annuity payment period and (2) the amount  
31 equal to the participant's annuity if calculated under Rule  
32 1, reduced under Section 15-136(b) as if no contributions had  
33 been made under Section 15-136.2.

34 With respect to a participant who is qualified for a

1 retirement annuity under this Rule 5 whose retirement annuity  
2 began before the effective date of this amendatory Act of the  
3 91st General Assembly, and for whom an employee contribution  
4 was made under Section 15-136.2, the System shall recalculate  
5 the retirement annuity under this Rule 5 and shall pay any  
6 additional amounts due in the manner provided in Section  
7 15-186.1 for benefits mistakenly set too low.

8 The amount of a retirement annuity calculated under this  
9 Rule 5 shall be computed solely on the basis of those  
10 contributions specifically set forth in this Rule 5. Except  
11 as provided in clause (iii) of this Rule 5, neither an  
12 employee nor employer contribution for early retirement under  
13 Section 15-136.2, nor any other employer contribution, shall  
14 be used in the calculation of the amount of a retirement  
15 annuity under this Rule 5.

16 The General Assembly has adopted the changes set forth in  
17 Section 25 of this amendatory Act of the 91st General  
18 Assembly in recognition that the decision of the Appellate  
19 Court for the Fourth District in *Mattis v. State Universities*  
20 *Retirement System et al.* might be deemed to give some right  
21 to the plaintiff in that case. The changes made by Section  
22 25 of this amendatory Act of the 91st General Assembly are a  
23 legislative implementation of the decision of the Appellate  
24 Court for the Fourth District in *Mattis v. State Universities*  
25 *Retirement System et al.* with respect to that plaintiff.

26 The changes made by Section 25 of this amendatory Act of  
27 the 91st General Assembly apply without regard to whether the  
28 person is in service as an employee on or after its effective  
29 date.

30 (b) The retirement annuity provided under Rules 1 and 3  
31 above shall be reduced by 1/2 of 1% for each month the  
32 participant is under age 60 at the time of retirement.  
33 However, this reduction shall not apply in the following  
34 cases:

1           (1) For a disabled participant whose disability  
2 benefits have been discontinued because he or she has  
3 exhausted eligibility for disability benefits under  
4 clause (6) of Section 15-152;

5           (2) For a participant who has at least the number  
6 of years of service required to retire at any age under  
7 subsection (a) of Section 15-135; or

8           (3) For that portion of a retirement annuity which  
9 has been provided on account of service of the  
10 participant during periods when he or she performed the  
11 duties of a police officer or firefighter, if these  
12 duties were performed for at least 5 years immediately  
13 preceding the date the retirement annuity is to begin.

14          (c) The maximum retirement annuity provided under Rules  
15 1, 2, 4, and 5 shall be the lesser of (1) the annual limit of  
16 benefits as specified in Section 415 of the Internal Revenue  
17 Code of 1986, as such Section may be amended from time to  
18 time and as such benefit limits shall be adjusted by the  
19 Commissioner of Internal Revenue, and (2) 80% of final rate  
20 of earnings.

21          (d) An annuitant whose status as an employee terminates  
22 after August 14, 1969 shall receive automatic increases in  
23 his or her retirement annuity as follows:

24           Effective January 1 immediately following the date the  
25 retirement annuity begins, the annuitant shall receive an  
26 increase in his or her monthly retirement annuity of 0.125%  
27 of the monthly retirement annuity provided under Rule 1, Rule  
28 2, Rule 3, Rule 4, or Rule 5, contained in this Section,  
29 multiplied by the number of full months which elapsed from  
30 the date the retirement annuity payments began to January 1,  
31 1972, plus 0.1667% of such annuity, multiplied by the number  
32 of full months which elapsed from January 1, 1972, or the  
33 date the retirement annuity payments began, whichever is  
34 later, to January 1, 1978, plus 0.25% of such annuity



1 multiplied by the number of full months which elapsed from  
2 January 1, 1978, or the date the retirement annuity payments  
3 began, whichever is later, to the effective date of the  
4 increase.

5 The annuitant shall receive an increase in his or her  
6 monthly retirement annuity on each January 1 thereafter  
7 during the annuitant's life of 3% of the monthly annuity  
8 provided under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5  
9 contained in this Section. The change made under this  
10 subsection by P.A. 81-970 is effective January 1, 1980 and  
11 applies to each annuitant whose status as an employee  
12 terminates before or after that date.

13 Beginning January 1, 1990, all automatic annual increases  
14 payable under this Section shall be calculated as a  
15 percentage of the total annuity payable at the time of the  
16 increase, including all increases previously granted under  
17 this Article.

18 The change made in this subsection by P.A. 85-1008 is  
19 effective January 26, 1988, and is applicable without regard  
20 to whether status as an employee terminated before that date.

21 (e) If, on January 1, 1987, or the date the retirement  
22 annuity payment period begins, whichever is later, the sum of  
23 the retirement annuity provided under Rule 1 or Rule 2 of  
24 this Section and the automatic annual increases provided  
25 under the preceding subsection or Section 15-136.1, amounts  
26 to less than the retirement annuity which would be provided  
27 by Rule 3, the retirement annuity shall be increased as of  
28 January 1, 1987, or the date the retirement annuity payment  
29 period begins, whichever is later, to the amount which would  
30 be provided by Rule 3 of this Section. Such increased amount  
31 shall be considered as the retirement annuity in determining  
32 benefits provided under other Sections of this Article. This  
33 paragraph applies without regard to whether status as an  
34 employee terminated before the effective date of this

1 amendatory Act of 1987, provided that the annuitant was  
2 employed at least one-half time during the period on which  
3 the final rate of earnings was based.

4 (f) A participant is entitled to such additional annuity  
5 as may be provided on an actuarially equivalent basis, by any  
6 accumulated additional contributions to his or her credit.  
7 However, the additional contributions made by the participant  
8 toward the automatic increases in annuity provided under this  
9 Section shall not be taken into account in determining the  
10 amount of such additional annuity.

11 (g) If, (1) by law, a function of a governmental unit,  
12 as defined by Section 20-107 of this Code, is transferred in  
13 whole or in part to an employer, and (2) a participant  
14 transfers employment from such governmental unit to such  
15 employer within 6 months after the transfer of the function,  
16 and (3) the sum of (A) the annuity payable to the participant  
17 under Rule 1, 2, or 3 of this Section (B) all proportional  
18 annuities payable to the participant by all other retirement  
19 systems covered by Article 20, and (C) the initial primary  
20 insurance amount to which the participant is entitled under  
21 the Social Security Act, is less than the retirement annuity  
22 which would have been payable if all of the participant's  
23 pension credits validated under Section 20-109 had been  
24 validated under this system, a supplemental annuity equal to  
25 the difference in such amounts shall be payable to the  
26 participant.

27 (h) On January 1, 1981, an annuitant who was receiving a  
28 retirement annuity on or before January 1, 1971 shall have  
29 his or her retirement annuity then being paid increased \$1  
30 per month for each year of creditable service. On January 1,  
31 1982, an annuitant whose retirement annuity began on or  
32 before January 1, 1977, shall have his or her retirement  
33 annuity then being paid increased \$1 per month for each year  
34 of creditable service.

1 (i) On January 1, 1987, any annuitant whose retirement  
 2 annuity began on or before January 1, 1977, shall have the  
 3 monthly retirement annuity increased by an amount equal to 8¢  
 4 per year of creditable service times the number of years that  
 5 have elapsed since the annuity began.

6 (j) On January 1, 2002, every annuitant who began  
 7 receiving a retirement annuity on or before January 1, 1991  
 8 shall have the monthly retirement annuity increased by an  
 9 amount equal to 25¢ multiplied by the number of full years of  
 10 creditable service multiplied by the number of full years  
 11 that have elapsed since the annuity began. Every annuitant  
 12 who begins receiving a retirement annuity after January 1,  
 13 1991 and before January 1, 1998 shall have the monthly  
 14 retirement annuity increased on January 1, 2002 or on the  
 15 January 1 occurring on or next following the seventh  
 16 anniversary of retirement, whichever is later, by an amount  
 17 equal to \$1.75 multiplied by the number of full years of  
 18 creditable service upon which the retirement annuity is  
 19 based. The increase under this subsection shall be included  
 20 in the calculation of increases granted simultaneously or  
 21 thereafter under subsection (d).

22 (Source: P.A. 90-14, eff. 7-1-97; 90-65, eff. 7-7-97; 90-448,  
 23 eff. 8-16-97; 90-576, eff. 3-31-98; 90-655, eff. 7-30-98;  
 24 90-766, eff. 8-14-98; 91-887 (Sections 20 and 25), eff.  
 25 7-6-00; revised 8-31-00.)

26 (40 ILCS 5/15-136.3)

27 Sec. 15-136.3. Minimum retirement annuity.

28 (a) Beginning January 1, 1997, any person who is  
 29 receiving a monthly retirement annuity under this Article  
 30 which, after inclusion of (1) all one-time and automatic  
 31 annual increases to which the person is entitled, (2) any  
 32 supplemental annuity payable under Section 15-136.1, and (3)  
 33 any amount deducted under Section 15-138 or 15-140 to provide

1 a reversionary annuity, is less than the minimum monthly  
 2 retirement benefit amount specified in subsection (b) of this  
 3 Section, shall be entitled to a monthly supplemental payment  
 4 equal to the difference.

5 (b) For purposes of the calculation in subsection (a),  
 6 the minimum monthly retirement benefit amount is the sum of  
 7 \$25 for each year of service credit, up to a maximum of 30  
 8 years of service, plus the amount of the increase received by  
 9 the annuitant under subsection (j) of Section 15-136, if any.

10 (c) This Section applies to all persons receiving a  
 11 retirement annuity under this Article, without regard to  
 12 whether or not employment terminated prior to the effective  
 13 date of this Section.

14 (Source: P.A. 89-616, eff. 8-9-96.)

15 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)  
 16 Sec. 15-145. Survivors insurance benefits; conditions  
 17 and amounts.

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

26 Service under the State Employees' Retirement System of  
 27 Illinois, the Teachers' Retirement System of the State of  
 28 Illinois and the Public School Teachers' Pension and  
 29 Retirement Fund of Chicago shall be considered in determining  
 30 eligibility for survivors benefits under this Section.

31 If by law, a function of a governmental unit, as defined  
 32 by Section 20-107, is transferred in whole or in part to an  
 33 employer, and an employee transfers employment from this

1 governmental unit to such employer within 6 months after the  
2 transfer of this function, the service credits in the  
3 governmental unit's retirement system which have been  
4 validated under Section 20-109 shall be considered in  
5 determining eligibility for survivors benefits under this  
6 Section.

7 (b) A surviving spouse of a deceased participant, or of  
8 a deceased annuitant who did not take a refund or additional  
9 annuity consisting of accumulated survivors insurance  
10 contributions, shall receive a survivors annuity of 30% of  
11 the final rate of earnings. Payments shall begin on the day  
12 following the participant's or annuitant's death or the date  
13 the surviving spouse attains age 50, whichever is later, and  
14 continue until the death of the surviving spouse. The  
15 annuity shall be payable to the surviving spouse prior to  
16 attainment of age 50 if the surviving spouse has in his or  
17 her care a deceased participant's or annuitant's dependent  
18 unmarried child under age 18 (under age 22 if a full-time  
19 student) who is eligible for a survivors annuity. Remarriage  
20 of a surviving spouse prior to attainment of age 55 that  
21 occurs before the effective date of this amendatory Act of  
22 the 91st General Assembly shall disqualify him or her for the  
23 receipt of a survivors annuity.

24 (c) Each dependent unmarried child under age 18 (under  
25 age 22 if a full-time student) of a deceased participant, or  
26 of a deceased annuitant who did not take a refund or  
27 additional annuity consisting of accumulated survivors  
28 insurance contributions, shall receive a survivors annuity  
29 equal to the sum of (1) 20% of the final rate of earnings,  
30 and (2) 10% of the final rate of earnings divided by the  
31 number of children entitled to this benefit. Payments shall  
32 begin on the day following the participant's or annuitant's  
33 death and continue until the child marries, dies, or attains  
34 age 18 (age 22 if a full-time student). If the child is in

1 the care of a surviving spouse who is eligible for survivors  
2 insurance benefits, the child's benefit shall be paid to the  
3 surviving spouse.

4 Each unmarried child over age 18 of a deceased  
5 participant or of a deceased annuitant who had a survivor's  
6 insurance beneficiary at the time of his or her retirement,  
7 and who was dependent upon the participant or annuitant by  
8 reason of a physical or mental disability which began prior  
9 to the date the child attained age 18 (age 22 if a full-time  
10 student), shall receive a survivor's annuity equal to the sum  
11 of (1) 20% of the final rate of earnings, and (2) 10% of the  
12 final rate of earnings divided by the number of children  
13 entitled to survivors benefits. Payments shall begin on the  
14 day following the participant's or annuitant's death and  
15 continue until the child marries, dies, or is no longer  
16 disabled. If the child is in the care of a surviving spouse  
17 who is eligible for survivors insurance benefits, the child's  
18 benefit may be paid to the surviving spouse. For the  
19 purposes of this Section, disability means inability to  
20 engage in any substantial gainful activity by reason of any  
21 medically determinable physical or mental impairment that can  
22 be expected to result in death or that has lasted or can be  
23 expected to last for a continuous period of at least one  
24 year.

25 (d) Each dependent parent of a deceased participant, or  
26 of a deceased annuitant who did not take a refund or  
27 additional annuity consisting of accumulated survivors  
28 insurance contributions, shall receive a survivors annuity  
29 equal to the sum of (1) 20% of final rate of earnings, and  
30 (2) 10% of final rate of earnings divided by the number of  
31 parents who qualify for the benefit. Payments shall begin  
32 when the parent reaches age 55 or the day following the  
33 participant's or annuitant's death, whichever is later, and  
34 continue until the parent dies. Remarriage of a parent prior

1 to attainment of age 55 shall disqualify the parent for the  
2 receipt of a survivors annuity.

3 (e) In addition to the survivors annuity provided above,  
4 each survivors insurance beneficiary shall, upon death of the  
5 participant or annuitant, receive a lump sum payment of  
6 \$1,000 divided by the number of such beneficiaries.

7 (f) The changes made in this Section by Public Act  
8 81-712 pertaining to survivors annuities in cases of  
9 remarriage prior to age 55 shall apply to each survivors  
10 insurance beneficiary who remarries after June 30, 1979,  
11 regardless of the date that the participant or annuitant  
12 terminated his employment or died.

13 The change made to this Section by this amendatory Act of  
14 the 91st General Assembly, pertaining to remarriage prior to  
15 age 55, applies without regard to whether the deceased  
16 participant or annuitant was in service on or after the  
17 effective date of this amendatory Act of the 91st General  
18 Assembly.

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

32 (g-1) On January 1, 2002, every survivor who began  
33 receiving a survivor's annuity on or before January 1, 1991  
34 shall have the monthly survivor's annuity increased by an

1 amount equal to 25¢ multiplied by the number of full years of  
2 the deceased's creditable service multiplied by the sum of  
3 (i) the number of full years that have elapsed since the  
4 survivor's annuity began and (ii) the number of full years,  
5 if any, during which the deceased received a retirement  
6 annuity under this Article. Every survivor who begins  
7 receiving a survivor's annuity after January 1, 1991 and  
8 before January 1, 2002 shall have the monthly survivor's  
9 annuity increased on January 1, 2002 or on the January 1  
10 occurring on or next following the seventh anniversary of the  
11 commencement of the survivor's annuity, whichever is later,  
12 by an amount equal to 25¢ multiplied by the number of full  
13 years of the deceased's creditable service multiplied by the  
14 sum of (i) the number of full years that have elapsed since  
15 the survivor's annuity began and (ii) the number of full  
16 years, if any, during which the deceased received a  
17 retirement annuity under this Article. The increase under  
18 this subsection shall be included in the calculation of  
19 increases granted simultaneously or thereafter under  
20 subsection (j).

21 (h) If the sum of the lump sum and total monthly  
22 survivor benefits payable under this Section upon the death  
23 of a participant amounts to less than the sum of the death  
24 benefits payable under items (2) and (3) of Section 15-141,  
25 the difference shall be paid in a lump sum to the beneficiary  
26 of the participant who is living on the date that this  
27 additional amount becomes payable.

28 (i) If the sum of the lump sum and total monthly  
29 survivor benefits payable under this Section upon the death  
30 of an annuitant receiving a retirement annuity or disability  
31 retirement annuity amounts to less than the death benefit  
32 payable under Section 15-142, the difference shall be paid to  
33 the beneficiary of the annuitant who is living on the date  
34 that this additional amount becomes payable.



1           (j) Effective on the later of (1) January 1, 1990, or  
2           (2) the January 1 on or next after the date on which the  
3 survivor annuity begins, if the deceased member died while  
4 receiving a retirement annuity, or in all other cases the  
5 January 1 nearest the first anniversary of the date the  
6 survivor annuity payments begin, every survivors insurance  
7 beneficiary shall receive an increase in his or her monthly  
8 survivors annuity of 3%. On each January 1 after the initial  
9 increase, the monthly survivors annuity shall be increased by  
10 3% of the total survivors annuity provided under this  
11 Article, including previous increases provided by this  
12 subsection. Such increases shall apply to the survivors  
13 insurance beneficiaries of each participant and annuitant,  
14 whether or not the employment status of the participant or  
15 annuitant terminates before the effective date of this  
16 amendatory Act of 1990. This subsection (j) also applies to  
17 persons receiving a survivor annuity under the portable  
18 benefit package.

19           (k) If the Internal Revenue Code of 1986, as amended,  
20 requires that the survivors benefits be payable at an age  
21 earlier than that specified in this Section the benefits  
22 shall begin at the earlier age, in which event, the  
23 survivor's beneficiary shall be entitled only to that amount  
24 which is equal to the actuarial equivalent of the benefits  
25 provided by this Section.

26           (l) The changes made to this Section and Section 15-131  
27 by this amendatory Act of 1997, relating to benefits for  
28 certain unmarried children who are full-time students under  
29 age 22, apply without regard to whether the deceased member  
30 was in service on or after the effective date of this  
31 amendatory Act of 1997. These changes do not authorize the  
32 repayment of a refund or a re-election of benefits, and any  
33 benefit or increase in benefits resulting from these changes  
34 is not payable retroactively for any period before the

1 effective date of this amendatory Act of 1997.

2 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;  
3 91-887, eff. 7-6-00.)

4 (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)  
5 Sec. 16-133.1. Automatic annual increase in annuity.

6 (a) Each member with creditable service and retiring on  
7 or after August 26, 1969 is entitled to the automatic annual  
8 increases in annuity provided under this Section while  
9 receiving a retirement annuity or disability retirement  
10 annuity from the system.

11 An annuitant shall first be entitled to an initial  
12 increase under this Section on the January 1 next following  
13 the first anniversary of retirement, or January 1 of the year  
14 next following attainment of age 61, whichever is later. At  
15 such time, the system shall pay an initial increase  
16 determined as follows: 1.5% of the originally granted  
17 retirement annuity or disability retirement annuity  
18 multiplied by the number of years elapsed from the later of  
19 (1) attainment of age 55, or (2) the date of retirement,  
20 until January 1, 1972, plus 2% of the originally granted  
21 annuity multiplied by the number of years elapsed between  
22 January 1, 1972 and January 1, 1978, plus 3% of the  
23 originally granted annuity multiplied by the number of years  
24 elapsed between January 1, 1978 and the effective date of the  
25 initial increase. However, the initial annual increase  
26 calculated under this Section for the recipient of a  
27 disability retirement annuity granted under Section 16-149.2  
28 shall be reduced by an amount equal to the total of all  
29 increases in that annuity received under Section 16-149.5  
30 (but not exceeding 100% of the amount of the initial increase  
31 otherwise provided under this Section).

32 Following the initial increase, automatic annual  
33 increases in annuity shall be payable on each January 1

1 thereafter during the lifetime of the annuitant, determined  
2 as a percentage of the originally granted retirement annuity  
3 or disability retirement annuity for increases granted prior  
4 to January 1, 1990, and calculated as a percentage of the  
5 total amount of annuity, including previous increases under  
6 this Section, for increases granted on or after January 1,  
7 1990, as follows: 1.5% for periods prior to January 1, 1972,  
8 2% for periods after December 31, 1971 and prior to January  
9 1, 1978, and 3% for periods after December 31, 1977.

10 (b) The automatic annual increases in annuity provided  
11 under this Section shall not be applicable unless a member  
12 has made contributions toward such increases for a period  
13 equivalent to one full year of creditable service. If a  
14 member contributes for service performed after August 26,  
15 1969 but the member becomes an annuitant before such  
16 contributions amount to one full year's contributions based  
17 on the salary at the date of retirement, he or she may pay  
18 the necessary balance of the contributions to the system and  
19 be eligible for the automatic annual increases in annuity  
20 provided under this Section.

21 (c) Each member shall make contributions toward the cost  
22 of the automatic annual increases in annuity as provided  
23 under Section 16-152.

24 (d) An annuitant receiving a retirement annuity or  
25 disability retirement annuity on July 1, 1969, who  
26 subsequently re-enters service as a teacher is eligible for  
27 the automatic annual increases in annuity provided under this  
28 Section if he or she renders at least one year of creditable  
29 service following the latest re-entry.

30 (e) In addition to the automatic annual increases in  
31 annuity provided under this Section, an annuitant who meets  
32 the service requirements of this Section and whose retirement  
33 annuity or disability retirement annuity began on or before  
34 January 1, 1971 shall receive, on January 1, 1981, an

1 increase in the annuity then being paid of one dollar per  
2 month for each year of creditable service. On January 1,  
3 1982, an annuitant whose retirement annuity or disability  
4 retirement annuity began on or before January 1, 1977 shall  
5 receive an increase in the annuity then being paid of one  
6 dollar per month for each year of creditable service.

7 On January 1, 1987, any annuitant whose retirement  
8 annuity began on or before January 1, 1977, shall receive an  
9 increase in the monthly retirement annuity equal to 8¢ per  
10 year of creditable service times the number of years that  
11 have elapsed since the annuity began.

12 (f) On January 1, 2002, every annuitant who began  
13 receiving a retirement annuity on or before January 1, 1991  
14 shall have the monthly retirement annuity increased by an  
15 amount equal to 25¢ multiplied by the number of full years of  
16 creditable service multiplied by the number of full years  
17 that have elapsed since the annuity began. Every annuitant  
18 who begins receiving a retirement annuity after January 1,  
19 1991 and before July 1, 1998 shall have the monthly  
20 retirement annuity increased on January 1, 2002 or on the  
21 January 1 occurring on or next following the seventh  
22 anniversary of retirement, whichever is later, by an amount  
23 equal to \$1.75 multiplied by the number of full years of  
24 creditable service upon which the retirement annuity is  
25 based. The increase under this subsection shall be included  
26 in the calculation of increases granted simultaneously or  
27 thereafter under subsection (a).

28 (Source: P.A. 86-273; 86-1488.)

29 (40 ILCS 5/16-143.1) (from Ch. 108 1/2, par. 16-143.1)  
30 Sec. 16-143.1. Increase in survivor benefits.

31 (a) Beginning January 1, 1990, each survivor's benefit  
32 and each reversionary annuity payable under Section 16-136  
33 shall be increased by 3% of the currently payable amount

1       thereof (1) on each January 1 occurring on or after the  
2       commencement of the annuity if the deceased teacher died  
3       while receiving a retirement or disability retirement  
4       annuity, or (2) in other cases, on each January 1 occurring  
5       on or after the first anniversary of the granting of the  
6       benefit, without regard to whether the deceased teacher was  
7       in service on or after the effective date of this amendatory  
8       Act of 1991, but such increases shall not accrue for any  
9       period prior to January 1, 1990.

10       (b) On January 1, 1981, any beneficiary who was  
11       receiving a survivor's monthly benefit on or before January  
12       1, 1971, shall have the benefit then being paid increased by  
13       1% for each full year elapsed from the date the survivor's  
14       benefit began. On January 1, 1982, any beneficiary who began  
15       receiving a survivor's monthly benefit after January 1, 1971,  
16       but before January 1, 1981 shall have the benefit then being  
17       paid increased by 1% for each year elapsed from the date the  
18       survivor's benefit began.

19       On January 1, 1987, any beneficiary whose monthly  
20       survivor's benefit began on or before January 1, 1977, shall  
21       have the monthly survivor's benefit increased by \$1 for each  
22       full year which has elapsed since the date the survivor's  
23       benefit began.

24       (c) On January 1, 2002, every survivor who began  
25       receiving a survivor's benefit on or before January 1, 1991  
26       shall have the monthly survivor's benefit increased by an  
27       amount equal to 25¢ multiplied by the number of full years of  
28       the deceased's creditable service multiplied by the sum of  
29       (i) the number of full years that have elapsed since the  
30       survivor's benefit began and (ii) the number of full years,  
31       if any, during which the deceased received a retirement  
32       annuity under this Article. Every survivor who begins  
33       receiving a survivor's benefit after January 1, 1991 and  
34       before January 1, 2002 shall have the monthly survivor's

1 benefit increased on January 1, 2002 or on the January 1  
 2 occurring on or next following the seventh anniversary of the  
 3 commencement of the survivor's benefit, whichever is later,  
 4 by an amount equal to 25¢ multiplied by the number of full  
 5 years of the deceased's creditable service multiplied by the  
 6 sum of (i) the number of full years that have elapsed since  
 7 the survivor's benefit began and (ii) the number of full  
 8 years, if any, during which the deceased received a  
 9 retirement annuity under this Article. The increase under  
 10 this subsection shall be included in the calculation of  
 11 increases granted simultaneously or thereafter under  
 12 subsection (a).

13 (Source: P.A. 86-273; 86-1488.)

14 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)  
 15 Sec. 17-119. Automatic annual increase in pension.

16 (a) Each teacher retiring on or after September 1, 1959,  
 17 is entitled to the annual increase in pension, defined  
 18 herein, while he is receiving a pension from the Fund.

19 1. The term "base pension" means a service  
 20 retirement or disability retirement pension in the amount  
 21 fixed and payable at the date of retirement of a teacher.

22 2. The annual increase in pension shall be at the  
 23 rate of 1 1/2% of base pension. This increase shall first  
 24 occur in January of the year next following the first  
 25 anniversary of retirement. At such time the Fund shall  
 26 pay the pro rata part of the increase for the period from  
 27 the first anniversary date to the date of the first  
 28 increase in pension. Beginning January 1, 1972, the rate  
 29 of annual increase in pension shall be 2% of the base  
 30 pension. Beginning January 1, 1979, the rate of annual  
 31 increase in pension shall be 3% of the base pension.  
 32 Beginning January 1, 1990, all automatic annual increases  
 33 payable under this Section shall be calculated as a

1 percentage of the total pension payable at the time of  
2 the increase, including all increases previously granted  
3 under this Article, notwithstanding Section 17-157.

4 3. An increase in pension shall be granted only if  
5 the retired teacher is age 60 or over. If the teacher  
6 attains age 60 after retirement, the increase in pension  
7 shall begin in January of the year following the 61st  
8 birthday. At such time the Fund also shall pay the pro  
9 rata part of the increase from the 61st birthday to the  
10 date of first increase in pension.

11 (b) In addition to other increases which may be provided  
12 by this Section, on January 1, 1981 any teacher who was  
13 receiving a retirement pension on or before January 1, 1971  
14 shall have his retirement pension then being paid increased  
15 \$1 per month for each year of creditable service. On January  
16 1, 1982, any teacher whose retirement pension began on or  
17 before January 1, 1977, shall have his retirement pension  
18 then being paid increased \$1 per month for each year of  
19 creditable service.

20 On January 1, 1987, any teacher whose retirement pension  
21 began on or before January 1, 1977, shall have the monthly  
22 retirement pension increased by an amount equal to 8¢ per  
23 year of creditable service times the number of years that  
24 have elapsed since the retirement pension began.

25 (c) On January 1, 2002, every pensioner who began  
26 receiving a retirement pension on or before January 1, 1991  
27 shall have the monthly retirement pension increased by an  
28 amount equal to 25¢ multiplied by the number of full years of  
29 creditable service multiplied by the number of full years  
30 that have elapsed since the pension began. Every pensioner  
31 who begins receiving a retirement pension after January 1,  
32 1991 and before July 1, 1998 shall have the monthly  
33 retirement pension increased on January 1, 2002 or on the  
34 January 1 occurring on or next following the seventh

1 anniversary of retirement, whichever is later, by an amount  
 2 equal to \$1.75 multiplied by the number of full years of  
 3 creditable service upon which the retirement pension is  
 4 based. The increase under this subsection shall be included  
 5 in the calculation of increases granted simultaneously or  
 6 thereafter under subsection (a). Section 17-157 does not  
 7 apply to the increase provided under this subsection.  
 8 (Source: P.A. 90-566, eff. 1-2-98.)

9 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)  
 10 Sec. 17-122. Survivor's and children's pensions - Amount.  
 11 (a) Upon the death of a teacher who has completed at  
 12 least 1 1/2 years of contributing service with either this  
 13 Fund or the State Universities Retirement System or the  
 14 Teachers' Retirement System of the State of Illinois,  
 15 provided his death occurred while (a) in active service  
 16 covered by the Fund or during his first 18 months of  
 17 continuous employment without a break in service under any  
 18 other participating system as defined in the Illinois  
 19 Retirement Systems Reciprocal Act except the State  
 20 Universities Retirement System and the Teachers' Retirement  
 21 System of the State of Illinois, (b) on a creditable leave of  
 22 absence, (c) on a noncreditable leave of absence of no more  
 23 than one year, or (d) a pension was deferred or pending  
 24 provided the teacher had at least 10 years of validated  
 25 service credit, or upon the death of a pensioner otherwise  
 26 qualified for such benefit, the surviving spouse and  
 27 unmarried minor children of the deceased teacher under age 18  
 28 shall be entitled to pensions, under the conditions stated  
 29 hereinafter. Such survivor's and children's pensions shall  
 30 be based on the average of the 4 highest consecutive years of  
 31 salary in the last 10 years of service or on the average  
 32 salary for total service, if total service has been less than  
 33 4 years, according to the following percentages:



1           30% of average salary or 50% of the retirement  
2 pension earned by the teacher, whichever is larger,  
3 subject to the prescribed maximum monthly payment, for a  
4 surviving spouse alone on attainment of age 50;

5           60% of average salary for a surviving spouse and  
6 eligible minor children of the deceased teacher.

7           If no eligible spouse survives, or the surviving spouse  
8 remarries, or the parent of the children of the deceased  
9 member is otherwise ineligible for a survivor's pension, a  
10 children's pension for eligible minor children under age 18  
11 shall be paid to their parent or legal guardian for their  
12 benefit according to the following percentages:

13           30% of average salary for one child;

14           60% of average salary for 2 or more children.

15           **(b)** On January 1, 1981, any survivor or child who was  
16 receiving a survivor's or children's pension on or before  
17 January 1, 1971, shall have his survivor's or children's  
18 pension then being paid increased by 1% for each full year  
19 which has elapsed from the date the pension began. On  
20 January 1, 1982, any survivor or child whose pension began  
21 after January 1, 1971, but before January 1, 1981, shall have  
22 his survivor's or children's pension then being paid  
23 increased 1% for each full year which has elapsed from the  
24 date the pension began. On January 1, 1987, any survivor or  
25 child whose pension began on or before January 1, 1977, shall  
26 have the monthly survivor's or children's pension increased  
27 by \$1 for each full year which has elapsed since the pension  
28 began.

29           **(c)** On January 1, 2002, every survivor or child who  
30 began receiving a survivor's or children's pension on or  
31 before January 1, 1991 shall have the monthly pension  
32 increased by an amount equal to 25¢ multiplied by the number  
33 of full years of the deceased's creditable service multiplied  
34 by the sum of (i) the number of full years that have elapsed

1 since the survivor's or children's pension began and (ii) the  
2 number of full years, if any, during which the deceased  
3 received a retirement pension under this Article. Every  
4 survivor or child who begins receiving a survivor's or  
5 children's pension after January 1, 1991 and before January  
6 1, 2002 shall have the monthly pension increased on January  
7 1, 2002 or on the January 1 occurring on or next following  
8 the seventh anniversary of the commencement of the pension,  
9 whichever is later, by an amount equal to 25¢ multiplied by  
10 the number of full years of the deceased's creditable service  
11 multiplied by the sum of (i) the number of full years that  
12 have elapsed since the survivor's annuity began and (ii) the  
13 number of full years, if any, during which the deceased  
14 received a retirement pension under this Article. The  
15 increase under this subsection shall be included in the  
16 calculation of increases granted simultaneously or thereafter  
17 under subsection (d). Section 17-157 does not apply to the  
18 increase provided under this subsection.

19 (d) Beginning January 1, 1990, every survivor's and  
20 children's pension shall be increased (1) on each January 1  
21 occurring on or after the commencement of the pension if the  
22 deceased teacher died while receiving a retirement pension,  
23 or (2) in other cases, on each January 1 occurring on or  
24 after the first anniversary of the commencement of the  
25 pension, by an amount equal to 3% of the current amount of  
26 the pension, including all increases previously granted under  
27 this Article, notwithstanding Section 17-157. Such increases  
28 shall apply without regard to whether the deceased teacher  
29 was in service on or after the effective date of this  
30 amendatory Act of 1991, but shall not accrue for any period  
31 prior to January 1, 1990.

32 (e) Subject to the minimum established below, the  
33 maximum amount of pension for a surviving spouse alone or one  
34 minor child shall be \$400 per month, and the maximum combined

1 pensions for a surviving spouse and children of the deceased  
2 teacher shall be \$600 per month, with individual pensions  
3 adjusted for all beneficiaries pro rata to conform with this  
4 limitation. If proration is unnecessary the minimum  
5 survivor's and children's pensions shall be \$40 per month.  
6 The minimum total survivor's and children's pension payable  
7 upon the death of a contributor or annuitant which occurs  
8 after December 31, 1986, shall be 50% of the earned  
9 retirement pension of such contributor or annuitant,  
10 calculated without early retirement discount in the case of  
11 death in service.

12 On death after retirement, the total survivor's and  
13 children's pensions shall not exceed the monthly retirement  
14 or disability pension paid to the deceased retirant.  
15 Survivor's and children's benefits described in this Section  
16 shall apply to all service and disability pensioners eligible  
17 for a pension as of July 1, 1981.

18 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

19 Section 90. The State Mandates Act is amended by adding  
20 Section 8.25 as follows:

21 (30 ILCS 805/8.25 new)

22 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
23 and 8 of this Act, no reimbursement by the State is required  
24 for the implementation of any mandate created by this  
25 amendatory Act of the 92nd General Assembly.

26 Section 99. Effective date. This Act takes effect upon  
27 becoming law.