

1 AN ACT in relation to 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
5 changing Section 14-130 as follows:

6 (40 ILCS 5/14-130) (from Ch. 108 1/2, par. 14-130)

7 Sec. 14-130. Refunds; rules.

8 (a) Upon withdrawal a member is entitled to receive,
9 upon written request, a refund of the member's contributions,
10 including credits granted while in receipt of disability
11 benefits, without credited interest. The board, in its
12 discretion may withhold payment of the refund of a member's
13 contributions for a period not to exceed 1 year after the
14 member has ceased to be an employee.

15 For purposes of this Section, a member will be considered
16 to have withdrawn from service if a change in, or transfer
17 of, his position results in his becoming ineligible for
18 continued membership in this System and eligible for
19 membership in another public retirement system under this
20 Act.

21 (b) A member receiving a refund forfeits and
22 relinquishes all accrued rights in the System, including all
23 accumulated creditable service. If the person again becomes
24 a member of the System and establishes at least 2 years of
25 creditable service, the member may repay the moneys
26 previously refunded. However, a former member may restore
27 credits previously forfeited by acceptance of a refund
28 without returning to service by applying in writing and
29 repaying to the System, by July 1, 2002 ~~April--17--1993~~, the
30 amount of the refund plus regular interest calculated from
31 the date of refund to the date of repayment.

1 The repayment of refunds issued prior to January 1, 1984
2 shall consist of the amount refunded plus 5% interest per
3 annum compounded annually for the period from the date of the
4 refund to the end of the month in which repayment is made.
5 The repayment of refunds issued after January 1, 1984 shall
6 consist of the amount refunded plus regular interest for the
7 period from the date of refund to the end of the month in
8 which repayment is made. However, in the case of a refund
9 that is repaid in a lump sum between January 1, 1991 and July
10 1, 1991, repayment shall consist of the amount refunded plus
11 interest at the rate of 2.5% per annum compounded annually
12 from the date of the refund to the end of the month in which
13 repayment is made.

14 Upon repayment, the member shall receive credit for the
15 service, member contributions and regular interest that was
16 forfeited by acceptance of the refund as well as regular
17 interest for the period of non-membership. Such repayment
18 shall be made in full before retirement either in a lump sum
19 or in installment payments in accordance with such rules as
20 may be adopted by the board.

21 (b-5) The Board may adopt rules governing the repayment
22 of refunds and establishment of credits in cases involving
23 awards of back pay or reinstatement. The rules may authorize
24 repayment of a refund in installment payments and may waive
25 the payment of interest on refund amounts repaid in full
26 within a specified period.

27 (c) A member no longer in service who is unmarried and
28 does not have an eligible survivors annuity beneficiary on
29 the date of application therefor is entitled to a refund of
30 contributions for widow's annuity or survivors annuity
31 purposes, or both, as the case may be, without interest. A
32 widow's annuity or survivors annuity shall not be payable
33 upon the death of a person who has received this refund,
34 unless prior to that death the amount of the refund has been

1 repaid to the System, together with regular interest from the
2 date of the refund to the date of repayment.

3 (d) Any member who has service credit in any position
4 for which an alternative retirement annuity is provided and
5 in relation to which an increase in the rate of employee
6 contribution is required, shall be entitled to a refund,
7 without interest, of that part of the member's employee
8 contribution which results from that increase in the employee
9 rate if the member does not qualify for that alternative
10 retirement annuity at the time of retirement.

11 (Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.