

1 AMENDMENT TO HOUSE BILL 2370

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2370 on page 1, in  
3 line 5, by changing "Section 15-146" to "Sections 15-145,  
4 15-146, and 15-153.3"; and

5 on page 1, below line 5, by inserting the following:

6 "(40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)  
7 Sec. 15-145. Survivors insurance benefits; conditions  
8 and amounts.

9 (a) The survivors insurance benefits provided under this  
10 Section shall be payable to the eligible survivors of a  
11 participant covered under the traditional benefit package  
12 upon the death of (1) a participating employee with at least  
13 1 1/2 years of service, (2) a participant who terminated  
14 employment with at least 10 years of service, and (3) an  
15 annuitant in receipt of a retirement annuity or disability  
16 retirement annuity under this Article.

17 Service under the State Employees' Retirement System of  
18 Illinois, the Teachers' Retirement System of the State of  
19 Illinois and the Public School Teachers' Pension and  
20 Retirement Fund of Chicago shall be considered in determining  
21 eligibility for survivors benefits under this Section.

22 If by law, a function of a governmental unit, as defined

1 by Section 20-107, is transferred in whole or in part to an  
2 employer, and an employee transfers employment from this  
3 governmental unit to such employer within 6 months after the  
4 transfer of this function, the service credits in the  
5 governmental unit's retirement system which have been  
6 validated under Section 20-109 shall be considered in  
7 determining eligibility for survivors benefits under this  
8 Section.

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

22 Remarriage of a surviving spouse prior to attainment of  
23 age 55 that occurs before the effective date of this  
24 amendatory Act of the 91st General Assembly shall disqualify  
25 him or her for the receipt of a survivors annuity until July  
26 6, 2000.

27 A surviving spouse whose survivors annuity has been  
28 terminated due to remarriage prior to attainment of age 55  
29 may apply for reinstatement of that annuity. The reinstated  
30 annuity shall begin to accrue on July 6, 2000, except that  
31 if, on July 6, 2000, the annuity is payable to an eligible  
32 surviving child or parent, payment of the annuity to the  
33 surviving spouse shall not be reinstated until the annuity is  
34 no longer payable to any eligible surviving child or parent.

1 The reinstated annuity shall include any one-time or annual  
2 increases received prior to the date of termination, as well  
3 as any increases that would otherwise have accrued from the  
4 date of termination to the date of reinstatement. An  
5 eligible surviving spouse whose expectation of receiving a  
6 survivors annuity was lost due to remarriage before  
7 attainment of age 50 shall also be entitled to reinstatement  
8 under this subsection, but the resulting survivors annuity  
9 shall not begin to accrue sooner than upon the surviving  
10 spouse's attainment of age 50.

11 The changes made to this subsection by this amendatory  
12 Act of the 92nd General Assembly (pertaining to remarriage  
13 prior to age 55 or 50) apply without regard to whether the  
14 deceased participant or annuitant was in service on or after  
15 the effective date of this amendatory Act.

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

30 Each unmarried child over age 18 of a deceased  
31 participant or of a deceased annuitant who had a survivor's  
32 insurance beneficiary at the time of his or her retirement,  
33 and who was dependent upon the participant or annuitant by  
34 reason of a physical or mental disability which began prior

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

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

29 (e) In addition to the survivors annuity provided above,  
30 each survivors insurance beneficiary shall, upon death of the  
31 participant or annuitant, receive a lump sum payment of  
32 \$1,000 divided by the number of such beneficiaries.

33 (f) The changes made in this Section by Public Act  
34 81-712 pertaining to survivors annuities in cases of

1 remarriage prior to age 55 shall apply to each survivors  
2 insurance beneficiary who remarries after June 30, 1979,  
3 regardless of the date that the participant or annuitant  
4 terminated his employment or died.

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

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

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

31 (i) If the sum of the lump sum and total monthly  
32 survivor benefits payable under this Section upon the death  
33 of an annuitant receiving a retirement annuity or disability  
34 retirement annuity amounts to less than the death benefit

1 payable under Section 15-142, the difference shall be paid to  
2 the beneficiary of the annuitant who is living on the date  
3 that this additional amount becomes payable.

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

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

29 (l) The changes made to this Section and Section 15-131  
30 by this amendatory Act of 1997, relating to benefits for  
31 certain unmarried children who are full-time students under  
32 age 22, apply without regard to whether the deceased member  
33 was in service on or after the effective date of this  
34 amendatory Act of 1997. These changes do not authorize the

1 repayment of a refund or a re-election of benefits, and any  
2 benefit or increase in benefits resulting from these changes  
3 is not payable retroactively for any period before the  
4 effective date of this amendatory Act of 1997.

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

7 on page 2, below line 14, by inserting the following:

8 "(40 ILCS 5/15-153.3) (from Ch. 108 1/2, par. 15-153.3)

9 Sec. 15-153.3. Automatic increase in disability benefit.  
10 Each disability benefit payable under Section 15-150 and  
11 calculated under Section 15-153 or 15-153.2 that has not yet  
12 received an initial increase under this Section shall be  
13 increased by 0.25% of the monthly disability benefit  
14 multiplied by the number of full months that have elapsed  
15 since the benefit began ~~7% of the original fixed amount of~~  
16 ~~such benefit~~ on January 1, 2002 ~~1991~~ or the January 1 ~~en--er~~  
17 next following the ~~fourth anniversary of the~~ granting of the  
18 benefit, whichever occurs later.

19 On each January 1 following the initial 7% increase under  
20 this Section, the disability benefit shall be increased by 3%  
21 of the current amount of the benefit, including prior  
22 increases under this Article.

23 The changes made to this Section by this amendatory Act  
24 of the 92nd General Assembly apply without regard to whether  
25 the benefit recipient was in service on or after the  
26 effective date of this amendatory Act.

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