

1 AMENDMENT TO HOUSE BILL 2370

2 AMENDMENT NO. _____. Amend House Bill 2370, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Pension Code is amended by
6 changing Sections 15-135, 15-145, 15-146, and 15-153.3 and
7 adding Section 15-167.3 as follows:

8 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)
9 Sec. 15-135. Retirement annuities - Conditions.

10 (a) A participant who retires in one of the following
11 specified years with the specified amount of service is
12 entitled to a retirement annuity at any age under the
13 retirement program applicable to the participant:

- 14 35 years if retirement is in 1997 or before;
- 15 34 years if retirement is in 1998;
- 16 33 years if retirement is in 1999;
- 17 32 years if retirement is in 2000;
- 18 31 years if retirement is in 2001;
- 19 30 years if retirement is in 2002 or later.;
- 20 ~~35-years-if-retirement-is-in-2003-or-later.~~

21 A participant with 8 or more years of service after
22 September 1, 1941, is entitled to a retirement annuity on or

1 after attainment of age 55.

2 A participant with at least 5 but less than 8 years of
3 service after September 1, 1941, is entitled to a retirement
4 annuity on or after attainment of age 62.

5 A participant who has at least 25 years of service in
6 this system as a police officer or firefighter is entitled to
7 a retirement annuity on or after the attainment of age 50, if
8 Rule 4 of Section 15-136 is applicable to the participant.

9 (b) The annuity payment period shall begin on the date
10 specified by the participant submitting a written
11 application, which date shall not be prior to termination of
12 employment or more than one year before the application is
13 received by the board; however, if the participant is not an
14 employee of an employer participating in this System or in a
15 participating system as defined in Article 20 of this Code on
16 April 1 of the calendar year next following the calendar year
17 in which the participant attains age 70 1/2, the annuity
18 payment period shall begin on that date regardless of whether
19 an application has been filed.

20 (c) An annuity is not payable if the amount provided
21 under Section 15-136 is less than \$10 per month.

22 (Source: P.A. 90-65, eff. 7-7-97; 90-766, eff. 8-14-98.)

23 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)
24 Sec. 15-145. Survivors insurance benefits; conditions
25 and amounts.

26 (a) The survivors insurance benefits provided under this
27 Section shall be payable to the eligible survivors of a
28 participant covered under the traditional benefit package
29 upon the death of (1) a participating employee with at least
30 1 1/2 years of service, (2) a participant who terminated
31 employment with at least 10 years of service, and (3) an
32 annuitant in receipt of a retirement annuity or disability
33 retirement annuity under this Article.

1 Service under the State Employees' Retirement System of
2 Illinois, the Teachers' Retirement System of the State of
3 Illinois and the Public School Teachers' Pension and
4 Retirement Fund of Chicago shall be considered in determining
5 eligibility for survivors benefits under this Section.

6 If by law, a function of a governmental unit, as defined
7 by Section 20-107, is transferred in whole or in part to an
8 employer, and an employee transfers employment from this
9 governmental unit to such employer within 6 months after the
10 transfer of this function, the service credits in the
11 governmental unit's retirement system which have been
12 validated under Section 20-109 shall be considered in
13 determining eligibility for survivors benefits under this
14 Section.

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

28 Remarriage of a surviving spouse prior to attainment of
29 age 55 that occurs before the effective date of this
30 amendatory Act of the 91st General Assembly shall disqualify
31 him or her for the receipt of a survivors annuity until July
32 6, 2000.

33 A surviving spouse whose survivors annuity has been
34 terminated due to remarriage may apply for reinstatement of

1 that annuity. The reinstated annuity shall begin to accrue
2 on July 6, 2000, except that if, on July 6, 2000, the annuity
3 is payable to an eligible surviving child or parent, payment
4 of the annuity to the surviving spouse shall not be
5 reinstated until the annuity is no longer payable to any
6 eligible surviving child or parent. The reinstated annuity
7 shall include any one-time or annual increases received prior
8 to the date of termination, as well as any increases that
9 would otherwise have accrued from the date of termination to
10 the date of reinstatement. An eligible surviving spouse
11 whose expectation of receiving a survivors annuity was lost
12 due to remarriage before attainment of age 50 shall also be
13 entitled to reinstatement under this subsection, but the
14 resulting survivors annuity shall not begin to accrue sooner
15 than upon the surviving spouse's attainment of age 50.

16 The changes made to this subsection by this amendatory
17 Act of the 92nd General Assembly (pertaining to remarriage
18 prior to age 55 or 50) apply without regard to whether the
19 deceased participant or annuitant was in service on or after
20 the effective date of this amendatory Act.

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

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

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

34 (e) In addition to the survivors annuity provided above,

1 each survivors insurance beneficiary shall, upon death of the
2 participant or annuitant, receive a lump sum payment of
3 \$1,000 divided by the number of such beneficiaries.

4 (f) The changes made in this Section by Public Act
5 81-712 pertaining to survivors annuities in cases of
6 remarriage prior to age 55 shall apply to each survivors
7 insurance beneficiary who remarries after June 30, 1979,
8 regardless of the date that the participant or annuitant
9 terminated his employment or died.

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

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

29 (h) If the sum of the lump sum and total monthly
30 survivor benefits payable under this Section upon the death
31 of a participant amounts to less than the sum of the death
32 benefits payable under items (2) and (3) of Section 15-141,
33 the difference shall be paid in a lump sum to the beneficiary
34 of the participant who is living on the date that this

1 additional amount becomes payable.

2 (i) If the sum of the lump sum and total monthly
3 survivor benefits payable under this Section upon the death
4 of an annuitant receiving a retirement annuity or disability
5 retirement annuity amounts to less than the death benefit
6 payable under Section 15-142, the difference shall be paid to
7 the beneficiary of the annuitant who is living on the date
8 that this additional amount becomes payable.

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

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

34 (l) The changes made to this Section and Section 15-131

1 by this amendatory Act of 1997, relating to benefits for
2 certain unmarried children who are full-time students under
3 age 22, apply without regard to whether the deceased member
4 was in service on or after the effective date of this
5 amendatory Act of 1997. These changes do not authorize the
6 repayment of a refund or a re-election of benefits, and any
7 benefit or increase in benefits resulting from these changes
8 is not payable retroactively for any period before the
9 effective date of this amendatory Act of 1997.

10 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;
11 91-887, eff. 7-6-00.)

12 (40 ILCS 5/15-146) (from Ch. 108 1/2, par. 15-146)

13 Sec. 15-146. Survivors insurance benefits - Minimum
14 amounts.

15 (a) The minimum total survivors annuity payable on
16 account of the death of a participant shall be 50% of the
17 retirement annuity which would have been provided under Rule
18 1, Rule 2, Rule 3, or Rule 5 of Section 15-136 upon the
19 participant's attainment of the minimum age at which the
20 penalty for early retirement would not be applicable or the
21 date of the participant's death, whichever is later, on the
22 basis of credits earned prior to the time of death.

23 (b) The minimum total survivors annuity payable on
24 account of the death of an annuitant shall be 50% of the
25 retirement annuity which is payable under Section 15-136 at
26 the time of death or 50% of the disability retirement annuity
27 payable under Section 15-153.2. This minimum survivors
28 annuity shall apply to each participant and annuitant who
29 dies after September 16, 1979, whether or not his or her
30 employee status terminates before or after that date.

31 (c) If an annuitant has elected a reversionary annuity,
32 the retirement annuity referred to in this Section is that
33 which would have been payable had such election not been

1 filed.

2 (d) Beginning January 1, 2002, any person who is
3 receiving a survivors annuity under this Article which, after
4 inclusion of all one-time and automatic annual increases to
5 which the person is entitled, is less than the sum of \$17.50
6 for each year (up to a maximum of 30 years) of the deceased
7 member's service credit, shall be entitled to a monthly
8 supplemental payment equal to the difference.

9 If 2 or more persons are receiving survivors annuities
10 based on the same deceased member, the calculation of the
11 supplemental payment under this subsection shall be based on
12 the total of those annuities and divided pro rata. The
13 supplemental payment is not subject to any limitation on the
14 maximum amount of the annuity and shall not be included in
15 the calculation of any automatic annual increase under
16 Section 15-145.

17 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;
18 91-887, eff. 7-6-00.)

19 (40 ILCS 5/15-153.3) (from Ch. 108 1/2, par. 15-153.3)
20 Sec. 15-153.3. Automatic increase in disability benefit.
21 Each disability benefit payable under Section 15-150 and
22 calculated under Section 15-153 or 15-153.2 that has not yet
23 received an initial increase under this Section shall be
24 increased by 0.25% of the monthly disability benefit
25 multiplied by the number of full months that have elapsed
26 since the benefit began ~~7% of the original fixed amount of~~
27 ~~such benefit~~ on January 1, 2002 ~~1991~~ or the January 1 ~~en--er~~
28 next following the ~~fourth anniversary of the~~ granting of the
29 benefit, whichever occurs later.

30 On each January 1 following the initial 7% increase under
31 this Section, the disability benefit shall be increased by 3%
32 of the current amount of the benefit, including prior
33 increases under this Article.

1 The changes made to this Section by this amendatory Act
2 of the 92nd General Assembly apply without regard to whether
3 the benefit recipient was in service on or after the
4 effective date of this amendatory Act.

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

6 (40 ILCS 5/15-167.3 new)

7 Sec. 15-167.3. To use emerging investment managers,
8 minority-owned businesses, female-owned businesses, and
9 businesses owned by persons with disabilities in managing the
10 System's assets.

11 (a) For the purposes of this Section:

12 "Emerging investment manager" means a qualified
13 investment adviser that manages an investment portfolio of at
14 least \$10,000,000 but less than \$500,000,000 and is a
15 minority-owned business, female-owned business, or business
16 owned by a person with a disability, as those terms are
17 defined in this Section.

18 "Minority-owned business" means a business concern that
19 is at least 51% owned by one or more minority persons or, in
20 the case of a corporation, at least 51% of the stock in which
21 is owned by one or more minority persons; and the management
22 and daily business operations of which are controlled by one
23 or more of the minority persons who own it.

24 "Female owned business" means a business concern that is
25 at least 51% owned by one or more females or, in the case of
26 a corporation, at least 51% of the stock in which is owned by
27 one or more females; and the management and daily business
28 operations of which are controlled by one or more of the
29 females who own it.

30 "Business owned by a person with a disability" means a
31 business concern that is at least 51% owned by one or more
32 persons with disabilities and the management and daily
33 business operations of which are controlled by one or more of

1 the persons with disabilities who own it.

2 "Minority person", "female", and "person with a
3 disability" have the meanings given them in the Business
4 Enterprise for Minorities, Females, and Persons with
5 Disabilities Act.

6 (b) It is hereby declared to be the public policy of the
7 State of Illinois to encourage the trustees of the System to
8 use emerging investment managers, minority-owned businesses,
9 female-owned businesses, and businesses owned by persons with
10 disabilities in managing the System's assets to the greatest
11 extent feasible within the bounds of financial and fiduciary
12 prudence, and to take affirmative steps to remove any
13 barriers to the full participation of emerging investment
14 managers, minority-owned businesses, female-owned businesses,
15 and businesses owned by persons with disabilities in
16 investment opportunities afforded by the System.

17 (c) The System shall prepare a report to be submitted to
18 the Governor and the General Assembly by September 1 of each
19 year. The report shall identify the emerging investment
20 managers, minority-owned businesses, female-owned businesses,
21 and businesses owned by persons with disabilities used by the
22 System, the percentage of the System's assets under the
23 investment control of those managers and businesses, and the
24 actions the System has undertaken to increase the use of
25 those managers and businesses, including encouraging other
26 investment managers to use emerging investment managers,
27 minority-owned businesses, female-owned businesses, and
28 businesses owned by persons with disabilities as
29 subcontractors when the opportunity arises.

30 (d) With respect to this System, this Section supersedes
31 the provisions of subsection (4) of Section 1-109.1 of this
32 Code.

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.".