

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 Sections 13-301 and 13-302 as follows:

6 (40 ILCS 5/13-301) (from Ch. 108 1/2, par. 13-301)

7 Sec. 13-301. Retirement annuity; eligibility. Any  
8 employee who withdraws from service and meets the age and  
9 service requirements and other conditions set forth in  
10 subsections (a), (b), (c) or (d) hereof is entitled to  
11 receive a retirement annuity.

12 (a) Withdrawal on or after age 60. Any employee, upon  
13 withdrawal from service on or after attainment of age 60 and  
14 having at least 5 years of service, is entitled to a  
15 retirement annuity.

16 (b) Withdrawal on or after attainment of minimum  
17 retirement age qualifications and prior to age 60.

18 (1) Any employee, upon withdrawal from service on  
19 or after attainment of age 55 (age 50 if the employee  
20 first entered service before June 13, the effective date  
21 of this amendatory Act of 1997) but prior to age 60 and  
22 having at least 10 years of service, is entitled to a  
23 retirement annuity as of the date of withdrawal or, at  
24 the option of the employee, at any time thereafter.

25 (2) Any employee who withdraws on or after  
26 attainment of age 55 (age 50 if the employee first  
27 entered service before June 13, the effective date of  
28 this amendatory Act of 1997) and prior to age 60 having  
29 at least 5 years but less than 10 years of service is  
30 entitled to a retirement annuity upon attainment of age  
31 62, subject to the other requirements of this Article.

1           (3) Any employee who withdraws from service on or  
2           after attainment of age 50 but prior to age 60 and is  
3           eligible for early retirement without discount under the  
4           Rule of 80 as provided in subsection (c) of Section  
5           13-302 is entitled to a retirement annuity at the time of  
6           withdrawal.

7           (c) Withdrawal prior to minimum retirement age. Any  
8           employee, upon withdrawal from service prior to age 55 (age  
9           50 if the employee first entered service before June 13, the  
10           ~~effective--date-of-this-amendatory-Aet-of~~ 1997) and having at  
11           least 10 years of service, shall become entitled to a  
12           retirement annuity upon attainment of age 55 (age 50 if the  
13           employee first entered service before June 13, the--~~effective~~  
14           ~~date-of-this-amendatory-Aet-of~~ 1997) or, at the option of the  
15           employee, at any time thereafter, subject to the other  
16           requirements of this Article.

17           (d) Withdrawal while disabled. Any employee having at  
18           least 5 years of service who has received ordinary disability  
19           benefits on or after January 1, 1986 for the maximum period  
20           of time hereinafter prescribed, and who continues to be  
21           disabled and withdraws from service, shall be entitled to a  
22           retirement annuity. The age and service conditions as to  
23           eligibility for such annuity shall be waived as to the  
24           employee, but the early retirement discount under Section  
25           13-302(b) shall apply. If the employee is under age 55 on  
26           the date of withdrawal, the retirement annuity shall be  
27           computed by assuming that the employee is then age 55 and  
28           then reduced to its actuarial equivalent at his attained age  
29           on that date according to applicable mortality tables and  
30           interest rates. The retirement annuity shall not be payable  
31           for any period prior to the employee's attainment of age 55  
32           during which the employee is able to return to gainful  
33           employment. Upon the employee's death while in receipt of a  
34           retirement annuity, a surviving spouse or minor children

1 shall be entitled to receive a surviving spouse's annuity or  
2 child's annuity subject to the conditions hereinafter  
3 prescribed in Sections 13-305 through 13-308.

4 (Source: P.A. 90-12, eff. 6-13-97.)

5 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)

6 Sec. 13-302. Computation of retirement annuity.

7 (a) Computation of annuity. An employee who withdraws  
8 from service on or after July 1, 1989 and who has met the age  
9 and service requirements and other conditions for eligibility  
10 set forth in Section 13-301 of this Article is entitled to  
11 receive a retirement annuity for life equal to 2.2% of  
12 average final salary for each of the first 20 years of  
13 service, and 2.4% of average final salary for each year of  
14 service in excess of 20. The retirement annuity shall not  
15 exceed 80% of average final salary.

16 (b) Early retirement discount. If an employee retires  
17 prior to attainment of age 60 with less than 30 years of  
18 service, the annuity computed above shall be reduced by 1/2  
19 of 1% for each full month between the date the annuity begins  
20 and attainment of age 60, or each full month by which the  
21 employee's service is less than 30 years, whichever is less.  
22 However, where the employee first enters service after June  
23 13, 1997 and does not have at least 10 years of service  
24 exclusive of credit under Article 20, the annuity computed  
25 above shall be reduced by 1/2 of 1% for each full month  
26 between the date the annuity begins and attainment of age 60.

27 (c) Rule of 80 - Early retirement without discount. For  
28 an employee who retires on or after January 1, 2003 but on or  
29 before December 31, 2007, if the employee is eligible for a  
30 retirement annuity under Section 13-301 and has at least 10  
31 years of service exclusive of credit under Article 20 and if  
32 at the date of withdrawal the employee's age when added to  
33 the number of years of his or her creditable service equals

1 at least 80, the early retirement discount in subsection (b)  
2 of this Section does not apply. For purposes of this Rule of  
3 80, portions of years shall be considered in whole months.

4 An employee who has terminated employment with the  
5 employer under this Article prior to the effective date of  
6 this amendatory Act of the 92nd General Assembly and  
7 subsequently re-enters service must remain in service with  
8 the employer under this Article for at least 2 years after  
9 re-entry during the period beginning on January 1, 2003 and  
10 ending on December 31, 2007 to be entitled to early  
11 retirement without discount under this subsection (c).

12 In the case of an employee who retires under the terms of  
13 Article 20, eligibility for early retirement without discount  
14 under this subsection (c) shall be based upon the employee's  
15 age and service credit at the time of withdrawal from the  
16 final fund. {Blank}-

17 (c-1) Early retirement without discount; retirement  
18 after June 29, 1997 and before January 1, 2003. An employee  
19 who (i) has attained age 55 (age 50 if the employee first  
20 entered service before June 13, 1997), (ii) has at least 10  
21 years of service exclusive of credit under Article 20, (iii)  
22 retires after June 29, 1997 and before January 1, 2003, and  
23 (iv) retires within 6 months of the last day for which  
24 retirement contributions were required, may elect at the time  
25 of application to make a one-time employee contribution to  
26 the Fund and thereby avoid the early retirement reduction  
27 specified in subsection (b). The exercise of the election  
28 shall also obligate the employer to make a one-time  
29 nonrefundable contribution to the Fund.

30 The one-time employee and employer contributions shall be  
31 a percentage of the retiring employee's highest full-time  
32 annual salary, calculated as the total amount of salary  
33 included in the highest 26 consecutive pay periods as used in  
34 the average final salary calculation, and based on the

1 employee's age and service at retirement. The employee rate  
2 shall be 7% multiplied by the lesser of the following 2  
3 numbers: (1) the number of years, or portion thereof, that  
4 the employee is less than age 60; or (2) the number of years,  
5 or portion thereof, that the employee's service is less than  
6 30 years. The employer contribution shall be at the rate of  
7 20% for each year, or portion thereof, that the participant  
8 is less than age 60.

9 Upon receipt of the application, the Board shall  
10 determine the corresponding employee and employer  
11 contributions. The annuity shall not be payable under this  
12 subsection until both the required contributions have been  
13 received by the Fund. However, the date the contributions  
14 are received shall not be considered in determining the  
15 effective date of retirement.

16 The number of employees who may retire under this Section  
17 in any year may be limited at the option of the District to a  
18 specified percentage of those eligible, not lower than 30%,  
19 with the right to participate to be allocated among those  
20 applying on the basis of seniority in the service of the  
21 employer.

22 An employee who has terminated employment and  
23 subsequently re-enters service shall not be entitled to early  
24 retirement without discount under this subsection unless the  
25 employee continues in service for at least 4 years after  
26 re-entry.

27 (d) Annual increase. Except for employees retiring and  
28 receiving a term annuity, an employee who retires on or after  
29 July 1, 1985 but before July 12, 2001, ~~the effective date of~~  
30 ~~this amendatory Act of the 92nd General Assembly~~ shall, upon  
31 the first payment date following the first anniversary of the  
32 date of retirement, have the monthly annuity increased by 3%  
33 of the amount of the monthly annuity fixed at the date of  
34 retirement. Except for employees retiring and receiving a

1 term annuity, an employee who retires on or after July 12,  
2 2001 ~~the--effective--date--of--this--amendatory--Act--of--the--92nd~~  
3 ~~General--Assembly~~ shall, on the first day of the month in  
4 which the first anniversary of the date of retirement occurs,  
5 have the monthly annuity increased by 3% of the amount of the  
6 monthly annuity fixed at the date of retirement. The monthly  
7 annuity shall be increased by an additional 3% on the same  
8 date each year thereafter. Beginning January 1, 1993, all  
9 annual increases payable under this subsection (or any  
10 predecessor provision, regardless of the date of retirement)  
11 shall be calculated at the rate of 3% of the monthly annuity  
12 payable at the time of the increase, including any increases  
13 previously granted under this Article.

14 Any employee who (i) retired before July 1, 1985 with at  
15 least 10 years of creditable service, (ii) is receiving a  
16 retirement annuity under this Article, other than a term  
17 annuity, and (iii) has not received any annual increase under  
18 this subsection, shall begin receiving the annual increases  
19 provided under this subsection (d) beginning on the next  
20 annuity payment date following June 13, ~~effective--date--of~~  
21 ~~this--amendatory--Act--of~~ 1997.

22 (e) Minimum retirement annuity. Beginning January 1,  
23 1993, the minimum monthly retirement annuity shall be \$500  
24 for any annuitant having at least 10 years of service under  
25 this Article, other than a term annuitant or an annuitant who  
26 began receiving the annuity before attaining age 60. Any  
27 such annuitant who is receiving a monthly annuity of less  
28 than \$500 shall have the annuity increased to \$500 on that  
29 date.

30 Beginning January 1, 1993, the minimum monthly retirement  
31 annuity shall be \$250 for any annuitant (other than a term or  
32 reciprocal annuitant or an annuitant under subsection (d) of  
33 Section 13-301) having less than 10 years of service under  
34 this Article, and for any annuitant (other than a term

1 annuitant) having at least 10 years of service under this  
2 Article who began receiving the annuity before attaining age  
3 60. Any such annuitant who is receiving a monthly annuity of  
4 less than \$250 shall have the annuity increased to \$250 on  
5 that date.

6 Beginning on the first day of the month following the  
7 month in which this amendatory Act of the 92nd General  
8 Assembly takes effect (and without regard to whether the  
9 annuitant was in service on or after that effective date),  
10 the minimum monthly retirement annuity for any annuitant  
11 having at least 10 years of service, other than an annuitant  
12 whose annuity is subject to an early retirement discount,  
13 shall be \$500 plus \$25 for each year of service in excess of  
14 10, not to exceed \$750 for an annuitant with 20 or more years  
15 of service. In the case of a reciprocal annuity, this  
16 minimum shall apply only if the annuitant has at least 10  
17 years of service under this Article, and the amount of the  
18 minimum annuity shall be reduced by the sum of all the  
19 reciprocal annuities payable to the annuitant by other  
20 participating systems under Article 20 of this Code.

21 Notwithstanding any other provision of this subsection,  
22 beginning on the first annuity payment date following July  
23 12, 2001 ~~the-effective-date-of-this--amendatory--Act--of--the~~  
24 ~~92nd--General-Assembly~~, an employee who retired before August  
25 23, 1989 with at least 10 years of service under this Article  
26 but before attaining age 60 (regardless of whether the  
27 retirement annuity was subject to an early retirement  
28 discount) shall be entitled to the same minimum monthly  
29 retirement annuity under this subsection as an employee who  
30 retired with at least 10 years of service under this Article  
31 and after attaining age 60.  
32 (Source: P.A. 92-53, eff. 7-12-01.)

33 Section 90. The State Mandates Act is amended by adding

1 Section 8.26 as follows:

2 (30 ILCS 805/8.26 new)

3 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6  
4 and 8 of this Act, no reimbursement by the State is required  
5 for the implementation of any mandate created by this  
6 amendatory Act of the 92nd General Assembly.

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.