

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 16-127 and 16-128 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

7 Sec. 16-127. Computation of creditable service.

8 (a) Each member shall receive regular credit for all
9 service as a teacher from the date membership begins, for
10 which satisfactory evidence is supplied and all contributions
11 have been paid.

12 (b) The following periods of service shall earn optional
13 credit and each member shall receive credit for all such
14 service for which satisfactory evidence is supplied and all
15 contributions have been paid as of the date specified:

16 (1) Prior service as a teacher.

17 (2) Service in a capacity essentially similar or
18 equivalent to that of a teacher, in the public common
19 schools in school districts in this State not included
20 within the provisions of this System, or of any other
21 State, territory, dependency or possession of the United
22 States, or in schools operated by or under the auspices
23 of the United States, or under the auspices of any agency
24 or department of any other State, and service during any
25 period of professional speech correction or special
26 education experience for a public agency within this
27 State or any other State, territory, dependency or
28 possession of the United States, and service prior to
29 February 1, 1951 as a recreation worker for the Illinois
30 Department of Public Safety, for a period not exceeding
31 the lesser of 2/5 of the total creditable service of the

1 member or 10 years. The maximum service of 10 years
2 which is allowable under this paragraph shall be reduced
3 by the service credit which is validated by other
4 retirement systems under paragraph (i) of Section 15-113
5 and paragraph 1 of Section 17-133. Credit granted under
6 this paragraph may not be used in determination of a
7 retirement annuity or disability benefits unless the
8 member has at least 5 years of creditable service earned
9 subsequent to this employment with one or more of the
10 following systems: Teachers' Retirement System of the
11 State of Illinois, State Universities Retirement System,
12 and the Public School Teachers' Pension and Retirement
13 Fund of Chicago. Whenever such service credit exceeds
14 the maximum allowed for all purposes of this Article, the
15 first service rendered in point of time shall be
16 considered. The changes to this subdivision (b)(2) made
17 by Public Act 86-272 shall apply not only to persons who
18 on or after its effective date (August 23, 1989) are in
19 service as a teacher under the System, but also to
20 persons whose status as such a teacher terminated prior
21 to such effective date, whether or not such person is an
22 annuitant on that date.

23 (3) Any periods immediately following teaching
24 service, under this System or under Article 17, (or
25 immediately following service prior to February 1, 1951
26 as a recreation worker for the Illinois Department of
27 Public Safety) spent in active service with the military
28 forces of the United States; periods spent in educational
29 programs that prepare for return to teaching sponsored by
30 the federal government following such active military
31 service; if a teacher returns to teaching service within
32 one calendar year after discharge or after the completion
33 of the educational program, a further period, not
34 exceeding one calendar year, between time spent in

1 military service or in such educational programs and the
2 return to employment as a teacher under this System; and
3 a period of up to 2 years of active military service not
4 immediately following employment as a teacher.

5 The changes to this Section and Section 16-128
6 relating to military service made by P.A. 87-794 shall
7 apply not only to persons who on or after its effective
8 date are in service as a teacher under the System, but
9 also to persons whose status as a teacher terminated
10 prior to that date, whether or not the person is an
11 annuitant on that date. In the case of an annuitant who
12 applies for credit allowable under this Section for a
13 period of military service that did not immediately
14 follow employment, and who has made the required
15 contributions for such credit, the annuity shall be
16 recalculated to include the additional service credit,
17 with the increase taking effect on the date the System
18 received written notification of the annuitant's intent
19 to purchase the credit, if payment of all the required
20 contributions is made within 60 days of such notice, or
21 else on the first annuity payment date following the date
22 of payment of the required contributions. In calculating
23 the automatic annual increase for an annuity that has
24 been recalculated under this Section, the increase
25 attributable to the additional service allowable under
26 P.A. 87-794 shall be included in the calculation of
27 automatic annual increases accruing after the effective
28 date of the recalculation.

29 Credit for military service shall be determined as
30 follows: if entry occurs during the months of July,
31 August, or September and the member was a teacher at the
32 end of the immediately preceding school term, credit
33 shall be granted from July 1 of the year in which he or
34 she entered service; if entry occurs during the school

1 term and the teacher was in teaching service at the
2 beginning of the school term, credit shall be granted
3 from July 1 of such year. In all other cases where credit
4 for military service is allowed, credit shall be granted
5 from the date of entry into the service.

6 The total period of military service for which
7 credit is granted shall not exceed 5 years for any member
8 unless the service: (A) is validated before July 1,
9 1964, and (B) does not extend beyond July 1, 1963.
10 Credit for military service shall be granted under this
11 Section only if not more than 5 years of the military
12 service for which credit is granted under this Section is
13 used by the member to qualify for a military retirement
14 allotment from any branch of the armed forces of the
15 United States. The changes to this subdivision (b)(3)
16 made by Public Act 86-272 shall apply not only to persons
17 who on or after its effective date (August 23, 1989) are
18 in service as a teacher under the System, but also to
19 persons whose status as such a teacher terminated prior
20 to such effective date, whether or not such person is an
21 annuitant on that date.

22 (4) Any periods served as a member of the General
23 Assembly.

24 (5)(i) Any periods for which a teacher, as defined
25 in Section 16-106, is granted a leave of absence,
26 provided he or she returns to teaching service creditable
27 under this System or the State Universities Retirement
28 System following the leave; (ii) periods during which a
29 teacher is involuntarily laid off from teaching, provided
30 he or she returns to teaching following the lay-off;
31 (iii) periods prior to July 1, 1983 during which a
32 teacher ceased covered employment due to pregnancy,
33 provided that the teacher returned to teaching service
34 creditable under this System or the State Universities

1 Retirement System following the pregnancy and submits
2 evidence satisfactory to the Board documenting that the
3 employment ceased due to pregnancy; and (iv) periods
4 prior to July 1, 1983 during which a teacher ceased
5 covered employment for the purpose of adopting an infant
6 under 3 years of age or caring for a newly adopted infant
7 under 3 years of age, provided that the teacher returned
8 to teaching service creditable under this System or the
9 State Universities Retirement System following the
10 adoption and submits evidence satisfactory to the Board
11 documenting that the employment ceased for the purpose of
12 adopting an infant under 3 years of age or caring for a
13 newly adopted infant under 3 years of age. However,
14 total credit under this paragraph (5) may not exceed 3
15 years.

16 Any qualified member or annuitant may apply for
17 credit under item (iii) or (iv) of this paragraph (5)
18 without regard to whether service was terminated before
19 the effective date of this amendatory Act of 1997. In
20 the case of an annuitant who establishes credit under
21 item (iii) or (iv), the annuity shall be recalculated to
22 include the additional service credit. The increase in
23 annuity shall take effect on the date the System receives
24 written notification of the annuitant's intent to
25 purchase the credit, if the required evidence is
26 submitted and the required contribution paid within 60
27 days of that notification, otherwise on the first annuity
28 payment date following the System's receipt of the
29 required evidence and contribution. The increase in an
30 annuity recalculated under this provision shall be
31 included in the calculation of automatic annual increases
32 in the annuity accruing after the effective date of the
33 recalculation.

34 Optional credit may be purchased under this

1 subsection (b)(5) for periods during which a teacher has
2 been granted a leave of absence pursuant to Section 24-13
3 of the School Code. A teacher whose service under this
4 Article terminated prior to the effective date of P.A.
5 86-1488 shall be eligible to purchase such optional
6 credit. If a teacher who purchases this optional credit
7 is already receiving a retirement annuity under this
8 Article, the annuity shall be recalculated as if the
9 annuitant had applied for the leave of absence credit at
10 the time of retirement. The difference between the
11 entitled annuity and the actual annuity shall be credited
12 to the purchase of the optional credit. The remainder of
13 the purchase cost of the optional credit shall be paid on
14 or before April 1, 1992.

15 The change in this paragraph made by Public Act
16 86-273 shall be applicable to teachers who retire after
17 June 1, 1989, as well as to teachers who are in service
18 on that date.

19 (5.1) Up to 2 years prior to July 1, 1983 during
20 which the applicant was not employed as a teacher and
21 during which the applicant was (i) pregnant, (ii)
22 adopting a child under 3 years of age, or (iii) engaged
23 in the care of the applicant's natural or adopted child
24 under 3 years of age. The credit allowed under this
25 subsection may begin up to 6 months before the date of
26 birth, miscarriage, stillbirth, or adoption of the child
27 and, when added to any credit established under
28 subdivision (b)(5) of this Section, shall not exceed a
29 total of 3 years. An applicant may not establish credit
30 under this subdivision (b)(5.1) unless he or she has at
31 least one year of service credit under this System for
32 service following the period for which credit is to be
33 established under this subdivision.

34 (6) Any days of unused and uncompensated

1 accumulated sick leave earned by a teacher. The service
2 credit granted under this paragraph shall be the ratio of
3 the number of unused and uncompensated accumulated sick
4 leave days to 170 days, subject to a maximum of one year
5 of service credit. Prior to the member's retirement,
6 each former employer shall certify to the System the
7 number of unused and uncompensated accumulated sick leave
8 days credited to the member at the time of termination of
9 service. The period of unused sick leave shall not be
10 considered in determining the effective date of
11 retirement. A member is not required to make
12 contributions in order to obtain service credit for
13 unused sick leave.

14 Credit for sick leave shall, at retirement, be
15 granted by the System for any retiring regional or
16 assistant regional superintendent of schools at the rate
17 of 6 days per year of creditable service or portion
18 thereof established while serving as such superintendent
19 or assistant superintendent.

20 (7) Periods prior to February 1, 1987 served as an
21 employee of the Illinois Mathematics and Science Academy
22 for which credit has not been terminated under Section
23 15-113.9 of this Code.

24 (8) Service as a substitute teacher for work
25 performed prior to July 1, 1990.

26 (9) Service as a part-time teacher for work
27 performed prior to July 1, 1990.

28 (10) Up to 2 years of employment with Southern
29 Illinois University - Carbondale from September 1, 1959
30 to August 31, 1961, or with Governors State University
31 from September 1, 1972 to August 31, 1974, for which the
32 teacher has no credit under Article 15. To receive
33 credit under this item (10), a teacher must apply in
34 writing to the Board and pay the required contributions

1 before May 1, 1993 and have at least 12 years of service
2 credit under this Article.

3 (c) The service credits specified in this Section shall
4 be granted only if: (1) such service credits are not used
5 for credit in any other statutory tax-supported public
6 employee retirement system other than the federal Social
7 Security program; and (2) the member makes the required
8 contributions as specified in Section 16-128. The service
9 credit shall be effective as of the date the required
10 contributions are completed.

11 Any service credits granted under this Section shall
12 terminate upon cessation of membership for any cause.

13 Credit may not be granted under this Section covering any
14 period for which an age retirement or disability retirement
15 allowance has been paid.

16 (Source: P.A. 89-430, eff. 12-15-95; 90-32, eff. 6-27-97.)

17 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)
18 Sec. 16-128. Creditable service - required
19 contributions.

20 (a) In order to receive the creditable service specified
21 under subsection (b) of Section 16-127, a member is required
22 to make the following contributions: (i) an amount equal to
23 the contributions which would have been required had such
24 service been rendered as a member under this System; (ii) for
25 military service not immediately following employment and for
26 service established under subdivision (b)(10) of Section
27 16-127, an amount determined by the Board to be equal to the
28 employer's normal cost of the benefits accrued for such
29 service; and (iii) interest from the date the contributions
30 would have been due (or, in the case of a person establishing
31 credit for military service under subdivision (b)(3) of
32 Section 16-127, the date of first membership in the System,
33 if that date is later) to the date of payment, at the

1 following rate of interest, compounded annually: for periods
2 prior to July 1, 1965, regular interest; from July 1, 1965 to
3 June 30, 1977, 4% per year; on and after July 1, 1977,
4 regular interest.

5 (b) In order to receive creditable service under
6 paragraph (2) of subsection (b) of Section 16-127 for those
7 who were not members on June 30, 1963, the minimum required
8 contribution shall be \$420 per year of service together with
9 interest at 4% per year compounded annually from July 1,
10 preceding the date of membership until June 30, 1977 and at
11 regular interest compounded annually thereafter to the date
12 of payment.

13 (c) In determining the contribution required in order to
14 receive creditable service under paragraph (3) of subsection
15 (b) of Section 16-127, the salary rate for the remainder of
16 the school term in which a member enters military service
17 shall be assumed to be equal to the member's salary rate at
18 the time of entering military service. However, for military
19 service not immediately following employment, the salary rate
20 on the last date as a participating teacher prior to such
21 military service, or on the first date as a participating
22 teacher after such military service, whichever is greater,
23 shall be assumed to be equal to the member's salary rate at
24 the time of entering military service. For each school term
25 thereafter, the member's salary rate shall be assumed to be
26 5% higher than the salary rate in the previous school term.

27 (d) In determining the contribution required in order to
28 receive creditable service under paragraph (5) of subsection
29 (b) of Section 16-127, a member's salary rate during the
30 period for which credit is being established shall be assumed
31 to be equal to the member's last salary rate immediately
32 preceding that period.

33 (d-5) In determining the contribution required in order
34 to receive creditable service under subdivision (b)(5.1) of

1 Section 16-127, a member's salary rate during the period for
2 which credit is being established shall be assumed to be
3 equal to the member's salary rate upon first returning to
4 service after that period.

5 (e) The contributions required under this Section may be
6 made from the date the statement for such creditable service
7 is issued until retirement date. All such required
8 contributions must be made before any retirement annuity is
9 granted.

10 (Source: P.A. 89-430, eff. 12-15-95.)

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