

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 15-142 and 15-145 as follows:

6 (40 ILCS 5/15-142) (from Ch. 108 1/2, par. 15-142)

7 Sec. 15-142. Death benefits - Death of annuitant. Upon
8 the death of an annuitant receiving a retirement annuity or
9 disability retirement annuity, the annuitant's beneficiary
10 shall, if a survivor's insurance benefit is not payable under
11 Section 15-145 and an annuity is not payable under Section
12 15-136.4, be entitled to a death benefit equal to the greater
13 of the following: (1) the excess, if any, of the sum of the
14 accumulated normal, survivors insurance, and additional
15 contributions as of the date of retirement or the date the
16 disability retirement annuity began, whichever is earlier,
17 over the sum of all annuity payments made prior to the date
18 of death, or (2) \$5,000 ~~\$17,000~~.

19 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;
20 91-887, eff. 7-6-00.)

21 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

22 Sec. 15-145. Survivors insurance benefits; conditions
23 and amounts.

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

1 retirement annuity under this Article.

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

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

16 (b) A surviving spouse of a deceased participant, or of
17 a deceased annuitant who did not take a refund or additional
18 annuity consisting of accumulated survivors insurance
19 contributions, shall receive a survivors annuity of 30% of
20 the final rate of earnings. Payments shall begin on the day
21 following the participant's or annuitant's death or the date
22 the surviving spouse attains age 50, whichever is later, and
23 continue until the death of the surviving spouse. The
24 annuity shall be payable to the surviving spouse prior to
25 attainment of age 50 if the surviving spouse has in his or
26 her care a deceased participant's or annuitant's dependent
27 unmarried child under age 18 (under age 22 if a full-time
28 student) who is eligible for a survivors annuity. Remarriage
29 of a surviving spouse prior to attainment of age 55 that
30 occurs before the effective date of this amendatory Act of
31 the 91st General Assembly shall disqualify him or her for the
32 receipt of a survivors annuity.

33 (c) Each dependent unmarried child under age 18 (under
34 age 22 if a full-time student) of a deceased participant, or

1 of a deceased annuitant who did not take a refund or
2 additional annuity consisting of accumulated survivors
3 insurance contributions, shall receive a survivors annuity
4 equal to the sum of (1) 20% of the final rate of earnings,
5 and (2) 10% of the final rate of earnings divided by the
6 number of children entitled to this benefit. Payments shall
7 begin on the day following the participant's or annuitant's
8 death and continue until the child marries, dies, or attains
9 age 18 (age 22 if a full-time student). If the child is in
10 the care of a surviving spouse who is eligible for survivors
11 insurance benefits, the child's benefit shall be paid to the
12 surviving spouse.

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

34 (d) Each dependent parent of a deceased participant, or

1 of a deceased annuitant who did not take a refund or
2 additional annuity consisting of accumulated survivors
3 insurance contributions, shall receive a survivors annuity
4 equal to the sum of (1) 20% of final rate of earnings, and
5 (2) 10% of final rate of earnings divided by the number of
6 parents who qualify for the benefit. Payments shall begin
7 when the parent reaches age 55 or the day following the
8 participant's or annuitant's death, whichever is later, and
9 continue until the parent dies. Remarriage of a parent prior
10 to attainment of age 55 shall disqualify the parent for the
11 receipt of a survivors annuity.

12 (e) In addition to the survivors annuity provided above,
13 each survivors insurance beneficiary shall, upon death of the
14 participant or annuitant, receive a lump sum payment of
15 \$5,000 ~~\$17,000~~ divided by the number of such beneficiaries.

16 (f) The changes made in this Section by Public Act
17 81-712 pertaining to survivors annuities in cases of
18 remarriage prior to age 55 shall apply to each survivors
19 insurance beneficiary who remarries after June 30, 1979,
20 regardless of the date that the participant or annuitant
21 terminated his employment or died.

22 The change made to this Section by this amendatory Act of
23 the 91st General Assembly, pertaining to remarriage prior to
24 age 55, applies without regard to whether the deceased
25 participant or annuitant was in service on or after the
26 effective date of this amendatory Act of the 91st General
27 Assembly.

28 (g) On January 1, 1981, any person who was receiving a
29 survivors annuity on or before January 1, 1971 shall have the
30 survivors annuity then being paid increased by 1% for each
31 full year which has elapsed from the date the annuity began.
32 On January 1, 1982, any survivor whose annuity began after
33 January 1, 1971, but before January 1, 1981, shall have the
34 survivor's annuity then being paid increased by 1% for each

1 year which has elapsed from the date the survivor's annuity
2 began. On January 1, 1987, any survivor who began receiving a
3 survivor's annuity on or before January 1, 1977, shall have
4 the monthly survivor's annuity increased by \$1 for each full
5 year which has elapsed since the date the survivor's annuity
6 began.

7 (h) If the sum of the lump sum and total monthly
8 survivor benefits payable under this Section upon the death
9 of a participant amounts to less than the sum of the death
10 benefits payable under items (2) and (3) of Section 15-141,
11 the difference shall be paid in a lump sum to the beneficiary
12 of the participant who is living on the date that this
13 additional amount becomes payable.

14 (i) If the sum of the lump sum and total monthly
15 survivor benefits payable under this Section upon the death
16 of an annuitant receiving a retirement annuity or disability
17 retirement annuity amounts to less than the death benefit
18 payable under Section 15-142, the difference shall be paid to
19 the beneficiary of the annuitant who is living on the date
20 that this additional amount becomes payable.

21 (j) Effective on the later of (1) January 1, 1990, or
22 (2) the January 1 on or next after the date on which the
23 survivor annuity begins, if the deceased member died while
24 receiving a retirement annuity, or in all other cases the
25 January 1 nearest the first anniversary of the date the
26 survivor annuity payments begin, every survivors insurance
27 beneficiary shall receive an increase in his or her monthly
28 survivors annuity of 3%. On each January 1 after the initial
29 increase, the monthly survivors annuity shall be increased by
30 3% of the total survivors annuity provided under this
31 Article, including previous increases provided by this
32 subsection. Such increases shall apply to the survivors
33 insurance beneficiaries of each participant and annuitant,
34 whether or not the employment status of the participant or

1 annuitant terminates before the effective date of this
2 amendatory Act of 1990. This subsection (j) also applies to
3 persons receiving a survivor annuity under the portable
4 benefit package.

5 (k) If the Internal Revenue Code of 1986, as amended,
6 requires that the survivors benefits be payable at an age
7 earlier than that specified in this Section the benefits
8 shall begin at the earlier age, in which event, the
9 survivor's beneficiary shall be entitled only to that amount
10 which is equal to the actuarial equivalent of the benefits
11 provided by this Section.

12 (l) The changes made to this Section and Section 15-131
13 by this amendatory Act of 1997, relating to benefits for
14 certain unmarried children who are full-time students under
15 age 22, apply without regard to whether the deceased member
16 was in service on or after the effective date of this
17 amendatory Act of 1997. These changes do not authorize the
18 repayment of a refund or a re-election of benefits, and any
19 benefit or increase in benefits resulting from these changes
20 is not payable retroactively for any period before the
21 effective date of this amendatory Act of 1997.

22 (m) The changes made to subsection (e) and Section
23 15-142 by this amendatory Act of the 92nd General Assembly,
24 increasing certain death benefits from \$1,000 to \$5,000,
25 apply to deceased members who die on or after the effective
26 date of this amendatory Act of the 92nd General Assembly,
27 regardless of whether the deceased member was in service on
28 or after that date.

29 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;
30 91-887, eff. 7-6-00.)

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.