

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 7-141, 7-142, 7-168, and 7-174 as follows:

6 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

7 Sec. 7-141. Retirement annuities - Conditions.
8 Retirement annuities shall be payable as hereinafter set
9 forth:

10 (a) A participating employee who, regardless of cause,
11 is separated from the service of all participating
12 municipalities and instrumentalities thereof and
13 participating instrumentalities shall be entitled to a
14 retirement annuity provided:

15 1. He is at least age 55, or in the case of a
16 person who is eligible to have his annuity calculated
17 under Section 7-142.1, he is at least age 50;

18 2. He is (i) an employee who was employed by any
19 participating municipality or participating
20 instrumentality which had not elected to exclude persons
21 employed in positions normally requiring performance of
22 duty for less than 1000 hours per year or was employed in
23 a position normally requiring performance of duty for 600
24 hours or more per year prior to such election by any
25 participating municipality or participating
26 instrumentality included in and subject to this Article
27 on or before the effective date of this amendatory Act of
28 1981 which made such election and is not entitled to
29 receive earnings for employment in a position normally
30 requiring performance of duty for 600 hours or more per
31 year for any participating municipality and

1 instrumentalities thereof and participating
2 instrumentality; or (ii) an employee who was employed
3 only by a participating municipality or participating
4 instrumentality, or participating municipalities or
5 participating instrumentalities, which have elected to
6 exclude persons in positions normally requiring
7 performance of duty for less than 1000 hours per year
8 after the effective date of such exclusion or which are
9 included under and subject to the Article after the
10 effective date of this amendatory Act of 1981 and elects
11 to exclude persons in such positions, and is not entitled
12 to receive earnings for employment in a position normally
13 requiring performance of duty for 1000 hours or more per
14 year by such a participating municipality or
15 participating instrumentality;

16 3. The amount of his annuity, before the
17 application of paragraph (b) of Section 7-142 is at least
18 \$10 per month;

19 4. If he first became a participating employee
20 after December 31, 1961, he has at least 5 years 8-years
21 of service. This service requirement shall not apply to
22 any participating employee, regardless of participation
23 date, if the General Assembly terminates the Fund.

24 (b) Retirement annuities shall be payable:

25 1. As provided in Section 7-119;

26 2. Except as provided in item 3, upon receipt by
27 the fund of a written application. The effective date
28 may be not more than one year prior to the date of the
29 receipt by the fund of the application;

30 3. Upon attainment of age 70 1/2 if the member (i)
31 is no longer in service, and (ii) is otherwise entitled
32 to an annuity under this Article;

33 4. To the beneficiary of the deceased annuitant for
34 the unpaid amount accrued to date of death, if any.

1 (Source: P.A. 91-887, eff. 7-6-00.)

2 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

3 Sec. 7-142. Retirement annuities - Amount.

4 (a) The amount of a retirement annuity shall be the sum
5 of the following, determined in accordance with the actuarial
6 tables in effect at the time of the grant of the annuity:

7 1. For employees with 5 or ~~8--or~~ more years of
8 service, an annuity computed pursuant to subparagraphs a
9 or b of this subparagraph 1, whichever is the higher, and
10 for employees with less than 5 years ~~8-years~~ of service,
11 the annuity computed pursuant to subparagraph a:

12 a. The monthly annuity which can be provided
13 from the total accumulated normal, municipality and
14 prior service credits, as of the attained age of the
15 employee on the date the annuity begins provided
16 that such annuity shall not exceed 75% of the final
17 rate of earnings of the employee.

18 b. (i) The monthly annuity amount determined
19 as follows by multiplying (a) 1 2/3% for annuitants
20 with not more than 15 years or (b) 1 2/3% for the
21 first 15 years and 2% for each year in excess of 15
22 years for annuitants with more than 15 years by the
23 number of years plus fractional years, prorated on a
24 basis of months, of creditable service and multiply
25 the product thereof by the employee's final rate of
26 earnings.

27 (ii) For the sole purpose of computing the
28 formula (and not for the purposes of the limitations
29 hereinafter stated) \$125 shall be considered the
30 final rate of earnings in all cases where the final
31 rate of earnings is less than such amount.

32 (iii) The monthly annuity computed in
33 accordance with this subparagraph b, shall not

1 exceed an amount equal to 75% of the final rate of
2 earnings.

3 (iv) For employees who have less than 35 years
4 of service, the annuity computed in accordance with
5 this subparagraph b (as reduced by application of
6 subparagraph (iii) above) shall be reduced by 0.25%
7 thereof (0.5% if service was terminated before
8 January 1, 1988) for each month or fraction thereof
9 (1) that the employee's age is less than 60 years,
10 or (2) if the employee has at least 30 years of
11 service credit, that the employee's service credit
12 is less than 35 years, whichever is less, on the
13 date the annuity begins.

14 2. The annuity which can be provided from the total
15 accumulated additional credits as of the attained age of
16 the employee on the date the annuity begins.

17 (b) If payment of an annuity begins prior to the
18 earliest age at which the employee will become eligible for
19 an old age insurance benefit under the Federal Social
20 Security Act, he may elect that the annuity payments from
21 this fund shall exceed those payable after his attaining such
22 age by an amount, computed as determined by rules of the
23 Board, but not in excess of his estimated Social Security
24 Benefit, determined as of the effective date of the annuity,
25 provided that in no case shall the total annuity payments
26 made by this fund exceed in actuarial value the annuity which
27 would have been payable had no such election been made.

28 (c) The retirement annuity shall be increased each year
29 by 2%, not compounded, of the monthly amount of annuity,
30 taking into consideration any adjustment under paragraph (b)
31 of this Section. This increase shall be effective each
32 January 1 and computed from the effective date of the
33 retirement annuity, the first increase being .167% of the
34 monthly amount times the number of months from the effective

1 date to January 1. Beginning January 1, 1984 and thereafter,
 2 the retirement annuity shall be increased by 3% each year,
 3 not compounded. This increase shall not be applicable to
 4 annuitants who are not in service on or after September 8,
 5 1971.

6 (Source: P.A. 91-357, eff. 7-29-99.)

7 (40 ILCS 5/7-168) (from Ch. 108 1/2, par. 7-168)

8 Sec. 7-168. Separation benefits - Amount. The amount of
 9 the separation ~~benefit~~ benefits shall be the sum of the
 10 employee's accumulated normal, survivor, and additional
 11 contributions. Separation benefits paid on or after the
 12 effective date of this amendatory Act of the 92nd General
 13 Assembly may also include interest on the refunded
 14 contributions, calculated at a rate and in a manner
 15 determined by the Board.

16 (Source: P.A. 87-740.)

17 (40 ILCS 5/7-174) (from Ch. 108 1/2, par. 7-174)

18 Sec. 7-174. Board created.

19 (a) A board of 8 members shall constitute a board of
 20 trustees authorized to carry out the provisions of this
 21 Article. Each trustee shall be a participating employee of a
 22 participating municipality or participating instrumentality
 23 or an annuitant of the Fund and no person shall be eligible
 24 to become a trustee ~~after-January-17-1979~~ who does not have
 25 at least 5 years ~~8-years~~ of creditable service.

26 (b) The board shall consist of representatives of
 27 various groups as follows:

28 1. 4 trustees shall be a chief executive officer,
 29 chief finance officer, or other officer, executive or
 30 department head of a participating municipality or
 31 participating instrumentality, and each such trustee
 32 shall be designated as an executive trustee.

1 2. 3 trustees shall be employees of a participating
2 municipality or participating instrumentality and each
3 such trustee shall be designated as an employee trustee.

4 3. One trustee shall be an annuitant of the Fund,
5 who shall be designated the annuitant trustee.

6 (c) A person elected as a trustee shall qualify as a
7 trustee, after declaration by the board that he has been duly
8 elected, upon taking and subscribing to the constitutional
9 oath of office and filing same in the office of the Fund.

10 (d) The term of office of each trustee shall begin upon
11 January 1 of the year following the year in which he is
12 elected and shall continue for a period of 5 years and until
13 a successor has been elected and qualified, or until prior
14 resignation, death, incapacity or disqualification.

15 (e) Any elected trustee (other than the annuitant
16 trustee) shall be disqualified immediately upon termination
17 of employment with all participating municipalities and
18 instrumentalities thereof or upon any change in status which
19 removes any such trustee from all employments within the
20 group he represents. The annuitant trustee shall be
21 disqualified upon termination of his or her annuity.

22 (f) The trustees shall fill any vacancy in the board by
23 appointment, for the period until the next election of
24 trustees, or, if the remaining term is less than 2 years, for
25 the remainder of the term, and until his successor has been
26 elected and qualified.

27 (g) Trustees shall serve without compensation, but shall
28 be reimbursed for any reasonable expenses incurred in
29 attending meetings of the board and in performing duties on
30 behalf of the Fund and for the amount of any earnings
31 withheld by any employing municipality or participating
32 instrumentality because of attendance at any board meeting.

33 (h) Each trustee other than the annuitant trustee shall
34 be entitled to one vote on any and all actions before the

1 board; the annuitant trustee is not entitled to vote on any
2 matter. At least 4 concurring votes shall be necessary for
3 every decision or action by the board at any of its meetings.
4 No decision or action shall become effective unless presented
5 and so approved at a regular or duly called special meeting
6 of the board.

7 (Source: P.A. 89-136, eff. 7-14-95.)

8 Section 90. The State Mandates Act is amended by adding
9 Section 8.25 as follows:

10 (30 ILCS 805/8.25 new)

11 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
12 and 8 of this Act, no reimbursement by the State is required
13 for the implementation of any mandate created by this
14 amendatory Act of the 92nd General Assembly.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.