

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Section 11-159 and by adding Sections 11-159.1 and 14-126.5 as follows:

(40 ILCS 5/11-159) (from Ch. 108 1/2, par. 11-159)

Sec. 11-159. Annuity after withdrawal while disabled for employees who first became participants prior to January 1, 2011.

(a) This Section applies to employees who first became participants prior to January 1, 2011.

(b) An employee whose disability continues after the employee ~~he~~ has received ordinary disability ~~benefits~~ ~~benefit~~ for the maximum period of time prescribed by this Article~~7~~ and ~~who~~ withdraws before age 60 while still so disabled~~7~~ is entitled to receive an annuity in ~~of~~ such amount as can be provided from the total sum accumulated to the employee's ~~his~~ credit from employee contributions and employer ~~city~~ contributions, to be computed as of the employee's ~~his~~ age on the date of withdrawal. If the minimum annuity under Section 11-134 applies and is greater than the annuity under this subsection (b), then the Section 11-134 annuity shall apply.

Any annuity under this subsection (b) shall be subject to automatic annual increases under Section 11-134.1.

(c) The annuity to which ~~the employee's spouse~~ ~~his wife~~ shall be entitled upon ~~the employee's~~ ~~his~~ death, shall be fixed on the date of ~~the employee's~~ ~~his~~ withdrawal. It shall be provided on a reversionary annuity basis from the total sum accumulated to ~~the employee's~~ ~~his~~ credit for widow's annuity on the date of such withdrawal. If the minimum annuity under Section 11-145.1 applies and is greater than the annuity under this subsection (c), then the Section 11-145.1 annuity shall apply. Any widow's annuity shall not be subject to any automatic annual increases.

(d) Upon the death of any such employee while on annuity, if ~~the employee's~~ ~~his~~ service was at least 4 years after the date of ~~the employee's~~ ~~his~~ original entry, and at least 2 years after the date of ~~the employee's~~ ~~his~~ latest re-entry, ~~the employee's~~ ~~his~~ unmarried ~~child or~~ children under age 18 shall be entitled to an annuity as specified in this Article for children of an employee who retires after age 55, subject to prescribed limitations on total payments to a family of an employee.

(Source: P.A. 81-1536.)

(40 ILCS 5/11-159.1 new)

Sec. 11-159.1. Annuity after withdrawal while disabled for employees who first became participants on or after January 1,

2011.

(a) This Section applies to employees who first became participants on or after January 1, 2011.

(b) An employee whose disability continues after the employee has received ordinary disability benefits for the maximum period of time prescribed by this Article and who withdraws before becoming eligible for a retirement annuity under subsection (c), (c-5), (d), or (d-5) of Section 1-160 while still so disabled is entitled to receive an annuity in such amount as can be provided from the total sum accumulated to the employee's credit from employee contributions and employer contributions, to be computed as of the employee's age on the date of withdrawal. The minimum annuity under Section 11-134 shall not apply, and any annuity under this subsection (b) shall not be subject to any automatic annual increases.

(c) The annuity to which the employee's spouse shall be entitled upon the employee's death shall be fixed on the date of the employee's withdrawal. It shall be provided on a reversionary annuity basis from the total sum accumulated to the employee's credit for widow's annuity on the date of such withdrawal. The minimum annuity under Section 11-145.1 shall not apply and any widow's annuity under this subsection (c) shall not be subject to any automatic annual increases.

(d) Upon the death of any such employee while on annuity, if the employee's service was at least 4 years after the date

of the employee's original entry, and at least 2 years after the date of the employee's latest re-entry, the employee's unmarried children under age 18 shall be entitled to an annuity as specified in this Article for children of an employee who retires after age 55, subject to prescribed limitations on total payments to a family of an employee.

(40 ILCS 5/14-126.5 new)

Sec. 14-126.5. Retirement annuity option for termination of ordinary disability benefit. A member who is subject to the provisions of Section 1-160 whose disability continues but whose disability benefit is either terminated due to attaining age 65 or terminated after 5 years because the ordinary disability benefit commenced after age 60 shall immediately qualify to begin receiving a retirement annuity without the reduction provided under subsection (d) of Section 1-160 if the member has earned at least 10 years of creditable service.

Section 90. The State Mandates Act is amended by adding Section 8.47 as follows:

(30 ILCS 805/8.47 new)

Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 103rd General Assembly.

Public Act 103-0553

SB1648 Enrolled

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