

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 Sections 9-158, 9-166, and 9-179.2 and by adding Sections 9-108.3 and 9-241 as follows:

(40 ILCS 5/9-108.3 new)

Sec. 9-108.3. In service.

"In service": Any period during which contributions are being made to the Fund on behalf of an employee.

(40 ILCS 5/9-158) (from Ch. 108 1/2, par. 9-158)

Sec. 9-158. Proof of disability, duty and ordinary. Proof of duty or ordinary disability shall be furnished to the board by at least one licensed and practicing physician appointed by the board, except that this requirement may be waived by the board for proof of duty disability if the employee has been compensated by the county for such disability or specific loss under the Workers' Compensation Act or Workers' Occupational Diseases Act. The physician requirement may also be waived by the board for ordinary disability maternity claims of up to 8 weeks. With respect to duty disability, satisfactory proof must be provided to the board that the final adjudication of the

claim required under subsection (d) of Section 9-159 established that the disability or death resulted from an injury incurred in the performance of an act or acts of duty. The board may require other evidence of disability. Each disabled employee who receives duty or ordinary disability benefit shall be examined at least once a year by one or more licensed and practicing physicians appointed by the board. When the disability ceases, the board shall discontinue payment of the benefit ~~and the employee shall be returned to active service.~~

(Source: P.A. 95-1036, eff. 2-17-09.)

(40 ILCS 5/9-166) (from Ch. 108 1/2, par. 9-166)

Sec. 9-166. Refunds - When paid to beneficiary, children or estate. Whenever the total amount accumulated to the account of a deceased employee from employee contributions for annuity purposes, and from employee contributions applied to any county pension fund superseded by this fund, have not been paid to him, and in the case of a married male employee to the employee and his widow together, in form of annuity or refund before the death of the last of such persons, a refund shall be payable as follows:

An amount equal to the excess of such amounts over the amounts paid on any annuity or annuities or refund, without interest upon either of such amounts, shall be refunded to a beneficiary theretofore designated by the employee in writing,

signed by him ~~before an officer authorized to administer oaths,~~
and filed with the board before the employee's death.

If there is no designated beneficiary or the beneficiary does not survive the employee, the amount shall be refunded to the employee's children, in equal parts with the children of a deceased child taking the share of their parent. If there is no designated beneficiary or children, the refund shall be paid to the administrator or executor of the employee's estate.

If an administrator or executor of the estate has not been appointed within 90 days from the date the refund became payable the refund may be applied in the discretion of the board toward the payment of the employee's burial expenses. Any remaining balance shall be paid to the heirs of the employee according to the law of descent and distribution of this state but assuming for the purpose of such payment of refund and determination of heirs that the deceased male employee left no widow surviving in those cases where a widow eligible for widow's annuity as his widow survived him and subsequently died; provided,

(a) that if any child or children of the employee are less than age 18, such part or all of any such amount necessary to pay annuities to them shall not be refunded as hereinbefore stated; and provided further,

(b) that if a reversionary annuity becomes payable as provided in Section 9-135 such refund shall not be paid until the death of the reversionary annuitant, and the

refund otherwise payable under this section shall then first further be reduced by the total amount of the reversionary annuity paid.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-179.2) (from Ch. 108 1/2, par. 9-179.2)

Sec. 9-179.2. Other governmental service-Former County Service. Any employee who first becomes a contributor before the effective date of this amendatory Act of the 99th General Assembly, who has rendered service to any "governmental unit" as such term is defined in the "Retirement Systems Reciprocal Act" under Article 20 of the Illinois Pension Code, who did not contribute to the retirement system of such "governmental unit", including the retirement system created by this Article 9 of the Illinois Pension code, for such service because of ineligibility for participation and has no equity or rights in such retirement system because of such service shall be given credit for such service in this fund, provided:

(a) The employee shall pay to this fund, while in the service of such county, or while in the service of a governmental unit whose retirement system has adopted the "Retirement Systems Reciprocal Act", such amounts, including interest at the effective rate, as he would have paid to this fund, on the basis of his salary in effect during the service rendered to such other "governmental unit" at the rates prescribed in this Article 9 for the periods of such service to

the end that such service shall be considered as service rendered to such county, with all the rights and conditions attaching to such service and payments; and (b) this Section shall not be applicable to any period of such service for which the employee retains credit in any other public annuity and benefit fund established by Act of the Legislature of this State and in operation for employees of such other "governmental unit" from which such employee was transferred.

(Source: P.A. 90-655, eff. 7-30-98.)

(40 ILCS 5/9-241 new)

Sec. 9-241. Mistake in benefit. If the Fund mistakenly sets any benefit at an incorrect amount, it shall recalculate the benefit as soon as may be practicable after the mistake is discovered.

If the benefit was mistakenly set too low, the Fund shall make a lump sum payment to the recipient of an amount equal to the difference between the benefits that should have been paid and those actually paid, without interest.

If the benefit was mistakenly set too high, the Fund may recover the amount overpaid from the recipient thereof, either directly or by deducting such amount from the remaining benefits payable to the recipient, without interest. If the overpayment is recovered by deductions from the remaining benefits payable to the recipient, the monthly deduction shall not exceed 10% of the corrected monthly benefit unless

otherwise indicated by the recipient. However, if (1) the amount of the benefit was mistakenly set too high, and (2) the error was undiscovered for 3 years or longer, and (3) the error was not the result of incorrect information supplied by the employer, the affected participant, or any beneficiary, then upon discovery of the mistake the benefit shall be adjusted to the correct level, but the recipient of the benefit need not repay to the Fund the excess amounts received in error.

This Section applies to all mistakes in benefit calculations that occur before, on, or after the effective date of this amendatory Act of the 99th General Assembly.

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