

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 17-116 as follows:

(40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 17-116. Service retirement pension.

(a) Each teacher having 20 years of service upon attainment of age 55, or who thereafter attains age 55 shall be entitled to a service retirement pension upon or after attainment of age 55; and each teacher in service on or after July 1, 1971, with 5 or more but less than 20 years of service shall be entitled to receive a service retirement pension upon or after attainment of age 62.

(b) The service retirement pension for a teacher who retires on or after June 25, 1971, at age 60 or over, shall be calculated as follows:

(1) For creditable service earned before July 1, 1998 that has not been augmented under Section 17-119.1: 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of

service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based upon average salary as herein defined.

(2) For creditable service earned on or after July 1, 1998 by a member who has at least 30 years of creditable service on July 1, 1998 and who does not elect to augment service under Section 17-119.1: 2.3% of average salary for each year of creditable service earned on or after July 1, 1998.

(3) For all other creditable service: 2.2% of average salary for each year of creditable service.

(c) When computing such service retirement pensions, the following conditions shall apply:

1. Average salary shall consist of the average annual rate of salary for the 4 consecutive years of validated service within the last 10 years of service when such average annual rate was highest. In the determination of average salary for retirement allowance purposes, for members who commenced employment after August 31, 1979, that part of the salary for any year shall be excluded which exceeds the annual full-time salary rate for the preceding year by more than 20%. In the case of a member who commenced employment before August 31, 1979 and who receives salary during any year after September 1, 1983 which exceeds the annual full time salary rate for the preceding year by more than 20%, an Employer and other

employers of eligible contributors as defined in Section 17-106 shall pay to the Fund an amount equal to the present value of the additional service retirement pension resulting from such excess salary. The present value of the additional service retirement pension shall be computed by the Board on the basis of actuarial tables adopted by the Board. If a member elects to receive a pension from this Fund provided by Section 20-121, his salary under the State Universities Retirement System and the Teachers' Retirement System of the State of Illinois shall be considered in determining such average salary. Amounts paid after the effective date of this amendatory Act of 1991 for unused vacation time earned after that effective date shall not under any circumstances be included in the calculation of average salary or the annual rate of salary for the purposes of this Article.

2. Proportionate credit shall be given for validated service of less than one year.

3. For retirement at age 60 or over the pension shall be payable at the full rate.

4. For separation from service below age 60 to a minimum age of 55, the pension shall be discounted at the rate of 1/2 of one per cent for each month that the age of the contributor is less than 60, but a teacher may elect to defer the effective date of pension in order to eliminate or reduce this discount. This discount shall not be

applicable to any participant who has at least 34 years of service or a retirement pension of at least 74.6% of average salary on the date the retirement annuity begins.

5. No additional pension shall be granted for service exceeding 45 years. Beginning June 26, 1971 no pension shall exceed the greater of \$1,500 per month or 75% of average salary as herein defined.

6. Service retirement pensions shall begin on the effective date of resignation, retirement, the day following the close of the payroll period for which service credit was validated, or the time the person resigning or retiring attains age 55, or on a date elected by the teacher, whichever shall be latest; provided that, for a person who first becomes a member after the effective date of this amendatory Act of the 99th General Assembly, the benefit shall not commence more than one year prior to the date of the Fund's receipt of an application for the benefit.

7. A member who is eligible to receive a retirement pension of at least 74.6% of average salary and will attain age 55 on or before December 31 during the year which commences on July 1 shall be deemed to attain age 55 on the preceding June 1.

8. A member retiring after the effective date of this amendatory Act of 1998 shall receive a pension equal to 75% of average salary if the member is qualified to receive a

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retirement pension equal to at least 74.6% of average salary under this Article or as proportional annuities under Article 20 of this Code.

(Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

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