



Sen. James F. Clayborne, Jr.

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LRB100 09046 RPS 26244 a

1 AMENDMENT TO HOUSE BILL 3070

2 AMENDMENT NO. _____. Amend House Bill 3070 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 7-139, 7-139.2, 7-142.1, 7-145.1, and 7-169
6 as follows:

7 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

10 Sec. 7-139. Credits and creditable service to employees.

11 (a) Each participating employee shall be granted credits
12 and creditable service, for purposes of determining the amount
13 of any annuity or benefit to which he or a beneficiary is
14 entitled, as follows:

15 1. For prior service: Each participating employee who
16 is an employee of a participating municipality or

1 participating instrumentality on the effective date shall
2 be granted creditable service, but no credits under
3 paragraph 2 of this subsection (a), for periods of prior
4 service for which credit has not been received under any
5 other pension fund or retirement system established under
6 this Code, as follows:

7 If the effective date of participation for the
8 participating municipality or participating
9 instrumentality is on or before January 1, 1998, creditable
10 service shall be granted for the entire period of prior
11 service with that employer without any employee
12 contribution.

13 If the effective date of participation for the
14 participating municipality or participating
15 instrumentality is after January 1, 1998, creditable
16 service shall be granted for the last 20% of the period of
17 prior service with that employer, but no more than 5 years,
18 without any employee contribution. A participating
19 employee may establish creditable service for the
20 remainder of the period of prior service with that employer
21 by making an application in writing, accompanied by payment
22 of an employee contribution in an amount determined by the
23 Fund, based on the employee contribution rates in effect at
24 the time of application for the creditable service and the
25 employee's salary rate on the effective date of
26 participation for that employer, plus interest at the

1 effective rate from the date of the prior service to the
2 date of payment. Application for this creditable service
3 may be made at any time while the employee is still in
4 service.

5 A municipality that (i) has at least 35 employees; (ii)
6 is located in a county with at least 2,000,000 inhabitants;
7 and (iii) maintains an independent defined benefit pension
8 plan for the benefit of its eligible employees may restrict
9 creditable service in whole or in part for periods of prior
10 service with the employer if the governing body of the
11 municipality adopts an irrevocable resolution to restrict
12 that creditable service and files the resolution with the
13 board before the municipality's effective date of
14 participation.

15 Any person who has withdrawn from the service of a
16 participating municipality or participating
17 instrumentality prior to the effective date, who reenters
18 the service of the same municipality or participating
19 instrumentality after the effective date and becomes a
20 participating employee is entitled to creditable service
21 for prior service as otherwise provided in this subdivision
22 (a)(1) only if he or she renders 2 years of service as a
23 participating employee after the effective date.
24 Application for such service must be made while in a
25 participating status. The salary rate to be used in the
26 calculation of the required employee contribution, if any,

1 shall be the employee's salary rate at the time of first
2 reentering service with the employer after the employer's
3 effective date of participation.

4 2. For current service, each participating employee
5 shall be credited with:

6 a. Additional credits of amounts equal to each
7 payment of additional contributions received from him
8 under Section 7-173, as of the date the corresponding
9 payment of earnings is payable to him.

10 b. Normal credits of amounts equal to each payment
11 of normal contributions received from him, as of the
12 date the corresponding payment of earnings is payable
13 to him, and normal contributions made for the purpose
14 of establishing out-of-state service credits as
15 permitted under the conditions set forth in paragraph 6
16 of this subsection (a).

17 c. Municipality credits in an amount equal to 1.4
18 times the normal credits, except those established by
19 out-of-state service credits, as of the date of
20 computation of any benefit if these credits would
21 increase the benefit.

22 d. Survivor credits equal to each payment of
23 survivor contributions received from the participating
24 employee as of the date the corresponding payment of
25 earnings is payable, and survivor contributions made
26 for the purpose of establishing out-of-state service

1 credits.

2 3. For periods of temporary and total and permanent
3 disability benefits, each employee receiving disability
4 benefits shall be granted creditable service for the period
5 during which disability benefits are payable. Normal and
6 survivor credits, based upon the rate of earnings applied
7 for disability benefits, shall also be granted if such
8 credits would result in a higher benefit to any such
9 employee or his beneficiary.

10 4. For authorized leave of absence without pay: A
11 participating employee shall be granted credits and
12 creditable service for periods of authorized leave of
13 absence without pay under the following conditions:

14 a. An application for credits and creditable
15 service is submitted to the board while the employee is
16 in a status of active employment.

17 b. Not more than 12 complete months of creditable
18 service for authorized leave of absence without pay
19 shall be counted for purposes of determining any
20 benefits payable under this Article.

21 c. Credits and creditable service shall be granted
22 for leave of absence only if such leave is approved by
23 the governing body of the municipality, including
24 approval of the estimated cost thereof to the
25 municipality as determined by the fund, and employee
26 contributions, plus interest at the effective rate

1 applicable for each year from the end of the period of
2 leave to date of payment, have been paid to the fund in
3 accordance with Section 7-173. The contributions shall
4 be computed upon the assumption earnings continued
5 during the period of leave at the rate in effect when
6 the leave began.

7 d. Benefits under the provisions of Sections
8 7-141, 7-146, 7-150 and 7-163 shall become payable to
9 employees on authorized leave of absence, or their
10 designated beneficiary, only if such leave of absence
11 is creditable hereunder, and if the employee has at
12 least one year of creditable service other than the
13 service granted for leave of absence. Any employee
14 contributions due may be deducted from any benefits
15 payable.

16 e. No credits or creditable service shall be
17 allowed for leave of absence without pay during any
18 period of prior service.

19 5. For military service: The governing body of a
20 municipality or participating instrumentality may elect to
21 allow creditable service to participating employees who
22 leave their employment to serve in the armed forces of the
23 United States for all periods of such service, provided
24 that the person returns to active employment within 90 days
25 after completion of full time active duty, but no
26 creditable service shall be allowed such person for any

1 period that can be used in the computation of a pension or
2 any other pay or benefit, other than pay for active duty,
3 for service in any branch of the armed forces of the United
4 States. If necessary to the computation of any benefit, the
5 board shall establish municipality credits for
6 participating employees under this paragraph on the
7 assumption that the employee received earnings at the rate
8 received at the time he left the employment to enter the
9 armed forces. A participating employee in the armed forces
10 shall not be considered an employee during such period of
11 service and no additional death and no disability benefits
12 are payable for death or disability during such period.

13 Any participating employee who left his employment
14 with a municipality or participating instrumentality to
15 serve in the armed forces of the United States and who
16 again became a participating employee within 90 days after
17 completion of full time active duty by entering the service
18 of a different municipality or participating
19 instrumentality, which has elected to allow creditable
20 service for periods of military service under the preceding
21 paragraph, shall also be allowed creditable service for his
22 period of military service on the same terms that would
23 apply if he had been employed, before entering military
24 service, by the municipality or instrumentality which
25 employed him after he left the military service and the
26 employer costs arising in relation to such grant of

1 creditable service shall be charged to and paid by that
2 municipality or instrumentality.

3 Notwithstanding the foregoing, any participating
4 employee shall be entitled to creditable service as
5 required by any federal law relating to re-employment
6 rights of persons who served in the United States Armed
7 Services. Such creditable service shall be granted upon
8 payment by the member of an amount equal to the employee
9 contributions which would have been required had the
10 employee continued in service at the same rate of earnings
11 during the military leave period, plus interest at the
12 effective rate.

13 5.1. In addition to any creditable service established
14 under paragraph 5 of this subsection (a), creditable
15 service may be granted for up to 48 months of service in
16 the armed forces of the United States.

17 In order to receive creditable service for military
18 service under this paragraph 5.1, a participating employee
19 must (1) apply to the Fund in writing and provide evidence
20 of the military service that is satisfactory to the Board;
21 (2) obtain the written approval of the current employer;
22 and (3) make contributions to the Fund equal to (i) the
23 employee contributions that would have been required had
24 the service been rendered as a member, plus (ii) an amount
25 determined by the board to be equal to the employer's
26 normal cost of the benefits accrued for that military

1 service, plus (iii) interest on items (i) and (ii) from the
2 date of first membership in the Fund to the date of
3 payment. The required interest shall be calculated at the
4 regular interest rate.

5 The changes made to this paragraph 5.1 by Public Acts
6 95-483 and 95-486 apply only to participating employees in
7 service on or after August 28, 2007 (the effective date of
8 those Public Acts).

9 6. For out-of-state service: Creditable service shall
10 be granted for service rendered to an out-of-state local
11 governmental body under the following conditions: The
12 employee had participated and has irrevocably forfeited
13 all rights to benefits in the out-of-state public employees
14 pension system; the governing body of his participating
15 municipality or instrumentality authorizes the employee to
16 establish such service; the employee has 2 years current
17 service with this municipality or participating
18 instrumentality; the employee makes a payment of
19 contributions, which shall be computed at 8% (normal) plus
20 2% (survivor) times length of service purchased times the
21 average rate of earnings for the first 2 years of service
22 with the municipality or participating instrumentality
23 whose governing body authorizes the service established
24 plus interest at the effective rate on the date such
25 credits are established, payable from the date the employee
26 completes the required 2 years of current service to date

1 of payment. In no case shall more than 120 months of
2 creditable service be granted under this provision.

3 7. For retroactive service: Any employee who could have
4 but did not elect to become a participating employee, or
5 who should have been a participant in the Municipal Public
6 Utilities Annuity and Benefit Fund before that fund was
7 superseded, may receive creditable service for the period
8 of service not to exceed 50 months; however, a current or
9 former elected or appointed official of a participating
10 municipality may establish credit under this paragraph 7
11 for more than 50 months of service as an official of that
12 municipality, if the excess over 50 months is approved by
13 resolution of the governing body of the affected
14 municipality filed with the Fund before January 1, 2002.

15 Any employee who is a participating employee on or
16 after September 24, 1981 and who was excluded from
17 participation by the age restrictions removed by Public Act
18 82-596 may receive creditable service for the period, on or
19 after January 1, 1979, excluded by the age restriction and,
20 in addition, if the governing body of the participating
21 municipality or participating instrumentality elects to
22 allow creditable service for all employees excluded by the
23 age restriction prior to January 1, 1979, for service
24 during the period prior to that date excluded by the age
25 restriction. Any employee who was excluded from
26 participation by the age restriction removed by Public Act

1 82-596 and who is not a participating employee on or after
2 September 24, 1981 may receive creditable service for
3 service after January 1, 1979. Creditable service under
4 this paragraph shall be granted upon payment of the
5 employee contributions which would have been required had
6 he participated, with interest at the effective rate for
7 each year from the end of the period of service established
8 to date of payment.

9 8. For accumulated unused sick leave: A participating
10 employee who is applying for a retirement annuity shall be
11 entitled to creditable service for that portion of the
12 employee's accumulated unused sick leave for which payment
13 is not received, as follows:

14 a. Sick leave days shall be limited to those
15 accumulated under a sick leave plan established by a
16 participating municipality or participating
17 instrumentality which is available to all employees or
18 a class of employees.

19 b. Except as provided in item b-1, only sick leave
20 days accumulated with a participating municipality or
21 participating instrumentality with which the employee
22 was in service within 60 days of the effective date of
23 his retirement annuity shall be credited; If the
24 employee was in service with more than one employer
25 during this period only the sick leave days with the
26 employer with which the employee has the greatest

1 number of unpaid sick leave days shall be considered.

2 b-1. If the employee was in the service of more
3 than one employer as defined in item (2) of paragraph
4 (a) of subsection (A) of Section 7-132, then the sick
5 leave days from all such employers shall be credited,
6 as long as the creditable service attributed to those
7 sick leave days does not exceed the limitation in item
8 f of this paragraph 8. In calculating the creditable
9 service under this item b-1, the sick leave days from
10 the last employer shall be considered first, then the
11 remaining sick leave days shall be considered until
12 there are no more days or the maximum creditable sick
13 leave threshold under item f of this paragraph 8 has
14 been reached.

15 c. The creditable service granted shall be
16 considered solely for the purpose of computing the
17 amount of the retirement annuity and shall not be used
18 to establish any minimum service period required by any
19 provision of the Illinois Pension Code, the effective
20 date of the retirement annuity, or the final rate of
21 earnings.

22 d. The creditable service shall be at the rate of
23 1/20 of a month for each full sick day, provided that
24 no more than 12 months may be credited under this
25 subdivision 8.

26 e. Employee contributions shall not be required

1 for creditable service under this subdivision 8.

2 f. Each participating municipality and
3 participating instrumentality with which an employee
4 has service within 60 days of the effective date of his
5 retirement annuity shall certify to the board the
6 number of accumulated unpaid sick leave days credited
7 to the employee at the time of termination of service.

8 9. For service transferred from another system:
9 Credits and creditable service shall be granted for service
10 under Article 4, 5, 8, 14, or 16 of this Act, to any active
11 member of this Fund, and to any inactive member who has
12 been a county sheriff, upon transfer of such credits
13 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or
14 16-131.4, and payment by the member of the amount by which
15 (1) the employer and employee contributions that would have
16 been required if he had participated in this Fund as a
17 sheriff's law enforcement employee during the period for
18 which credit is being transferred, plus interest thereon at
19 the effective rate for each year, compounded annually, from
20 the date of termination of the service for which credit is
21 being transferred to the date of payment, exceeds (2) the
22 amount actually transferred to the Fund. Such transferred
23 service shall be deemed to be service as a sheriff's law
24 enforcement employee for the purposes of Section 7-142.1.

25 10. (Blank).

26 11. For service transferred from an Article 3 system

1 under Section 3-110.3: Credits and creditable service
2 shall be granted for service under Article 3 of this Act as
3 provided in Section 3-110.3, to any active member of this
4 Fund, upon transfer of such credits pursuant to Section
5 3-110.3. If the board determines that the amount
6 transferred is less than the true cost to the Fund of
7 allowing that creditable service to be established, then in
8 order to establish that creditable service, the member must
9 pay to the Fund an additional contribution equal to the
10 difference, as determined by the board in accordance with
11 the rules and procedures adopted under this paragraph. If
12 the member does not make the full additional payment as
13 required by this paragraph prior to termination of his
14 participation with that employer, then his or her
15 creditable service shall be reduced by an amount equal to
16 the difference between the amount transferred under
17 Section 3-110.3, including any payments made by the member
18 under this paragraph prior to termination, and the true
19 cost to the Fund of allowing that creditable service to be
20 established, as determined by the board in accordance with
21 the rules and procedures adopted under this paragraph.

22 The board shall establish by rule the manner of making
23 the calculation required under this paragraph 11, taking
24 into account the appropriate actuarial assumptions; the
25 member's service, age, and salary history, and any other
26 factors that the board determines to be relevant.

1 12. For omitted service: Any employee who was employed
2 by a participating employer in a position that required
3 participation, but who was not enrolled in the Fund, may
4 establish such credits under the following conditions:

5 a. Application for such credits is received by the
6 Board while the employee is an active participant of
7 the Fund or a reciprocal retirement system.

8 b. Eligibility for participation and earnings are
9 verified by the Authorized Agent of the participating
10 employer for which the service was rendered.

11 Creditable service under this paragraph shall be
12 granted upon payment of the employee contributions that
13 would have been required had he participated, which shall
14 be calculated by the Fund using the member contribution
15 rate in effect during the period that the service was
16 rendered.

17 (b) Creditable service - amount:

18 1. One month of creditable service shall be allowed for
19 each month for which a participating employee made
20 contributions as required under Section 7-173, or for which
21 creditable service is otherwise granted hereunder. Not
22 more than 1 month of service shall be credited and counted
23 for 1 calendar month, and not more than 1 year of service
24 shall be credited and counted for any calendar year. A
25 calendar month means a nominal month beginning on the first
26 day thereof, and a calendar year means a year beginning

1 January 1 and ending December 31.

2 2. A seasonal employee shall be given 12 months of
3 creditable service if he renders the number of months of
4 service normally required by the position in a 12-month
5 period and he remains in service for the entire 12-month
6 period. Otherwise a fractional year of service in the
7 number of months of service rendered shall be credited.

8 3. An intermittent employee shall be given creditable
9 service for only those months in which a contribution is
10 made under Section 7-173.

11 (c) No application for correction of credits or creditable
12 service shall be considered unless the board receives an
13 application for correction while (1) the applicant is a
14 participating employee and in active employment with a
15 participating municipality or instrumentality, or (2) while
16 the applicant is actively participating in a pension fund or
17 retirement system which is a participating system under the
18 Retirement Systems Reciprocal Act. A participating employee or
19 other applicant shall not be entitled to credits or creditable
20 service unless the required employee contributions are made in
21 a lump sum or in installments made in accordance with board
22 rule. Payments made to establish full or partial service credit
23 under paragraph 1, 4, 5, 5.1, 6, 7, 9, or 12 of subsection (a)
24 of this Section must be received by the Board while the
25 applicant is an active participant in the Fund or a reciprocal
26 retirement system, except that an applicant may make one

1 payment after termination of active participation in the Fund
2 or a reciprocal retirement system. Notwithstanding Section
3 1-103.1, the changes made to this Section by this amendatory
4 Act of the 100th General Assembly apply without regard to
5 whether the participant was in service on or after the
6 effective date of the amendatory Act.

7 (d) Upon the granting of a retirement, surviving spouse or
8 child annuity, a death benefit or a separation benefit, on
9 account of any employee, all individual accumulated credits
10 shall thereupon terminate. Upon the withdrawal of additional
11 contributions, the credits applicable thereto shall thereupon
12 terminate. Terminated credits shall not be applied to increase
13 the benefits any remaining employee would otherwise receive
14 under this Article.

15 (Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13;
16 98-932, eff. 8-15-14.)

17 (40 ILCS 5/7-139.2) (from Ch. 108 1/2, par. 7-139.2)

18 Sec. 7-139.2. Validation of service credits. An active
19 member of the General Assembly having no service credits or
20 creditable service in the Fund, may establish service credit
21 and creditable service for periods during which he was an
22 employee of a municipality in an elective office and could have
23 elected to participate in the Fund but did not so elect.
24 Service credits and creditable service may be established by
25 payment to the Fund of an amount equal to the contributions he

1 would have made if he had elected to participate plus interest
2 to the date of payment, together with the applicable
3 municipality credits including interest, but the total period
4 of such creditable service that may be validated shall not
5 exceed 8 years. Payments made to establish such service credit
6 must be received by the Board while the member is an active
7 participant in the General Assembly Retirement System, except
8 that one payment will be permitted after the member terminates
9 such service. Notwithstanding Section 1-103.1, the changes
10 made to this Section by this amendatory Act of the 100th
11 General Assembly apply without regard to whether the employee
12 was in service on or after the effective date of the amendatory
13 Act.

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

15 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

16 Sec. 7-142.1. Sheriff's law enforcement employees.

17 (a) In lieu of the retirement annuity provided by
18 subparagraph 1 of paragraph (a) of Section 7-142:

19 Any sheriff's law enforcement employee who has 20 or more
20 years of service in that capacity and who terminates service
21 prior to January 1, 1988 shall be entitled at his option to
22 receive a monthly retirement annuity for his service as a
23 sheriff's law enforcement employee computed by multiplying 2%
24 for each year of such service up to 10 years, 2 1/4% for each
25 year of such service above 10 years and up to 20 years, and 2

1 1/2% for each year of such service above 20 years, by his
2 annual final rate of earnings and dividing by 12.

3 Any sheriff's law enforcement employee who has 20 or more
4 years of service in that capacity and who terminates service on
5 or after January 1, 1988 and before July 1, 2004 shall be
6 entitled at his option to receive a monthly retirement annuity
7 for his service as a sheriff's law enforcement employee
8 computed by multiplying 2.5% for each year of such service up
9 to 20 years, 2% for each year of such service above 20 years
10 and up to 30 years, and 1% for each year of such service above
11 30 years, by his annual final rate of earnings and dividing by
12 12.

13 Any sheriff's law enforcement employee who has 20 or more
14 years of service in that capacity and who terminates service on
15 or after July 1, 2004 shall be entitled at his or her option to
16 receive a monthly retirement annuity for service as a sheriff's
17 law enforcement employee computed by multiplying 2.5% for each
18 year of such service by his annual final rate of earnings and
19 dividing by 12.

20 If a sheriff's law enforcement employee has service in any
21 other capacity, his retirement annuity for service as a
22 sheriff's law enforcement employee may be computed under this
23 Section and the retirement annuity for his other service under
24 Section 7-142.

25 In no case shall the total monthly retirement annuity for
26 persons who retire before July 1, 2004 exceed 75% of the

1 monthly final rate of earnings. In no case shall the total
2 monthly retirement annuity for persons who retire on or after
3 July 1, 2004 exceed 80% of the monthly final rate of earnings.

4 (b) Whenever continued group insurance coverage is elected
5 in accordance with the provisions of Section 367h of the
6 Illinois Insurance Code, as now or hereafter amended, the total
7 monthly premium for such continued group insurance coverage or
8 such portion thereof as is not paid by the municipality shall,
9 upon request of the person electing such continued group
10 insurance coverage, be deducted from any monthly pension
11 benefit otherwise payable to such person pursuant to this
12 Section, to be remitted by the Fund to the insurance company or
13 other entity providing the group insurance coverage.

14 (c) A sheriff's law enforcement employee who began service
15 in that capacity prior to the effective date of this amendatory
16 Act of the 97th General Assembly and who has service in any
17 other capacity may convert up to 10 years of that service into
18 service as a sheriff's law enforcement employee by paying to
19 the Fund an amount equal to (1) the additional employee
20 contribution required under Section 7-173.1, plus (2) the
21 additional employer contribution required under Section 7-172,
22 plus (3) interest on items (1) and (2) at the prescribed rate
23 from the date of the service to the date of payment.
24 Application must be received by the Board while the employee is
25 an active participant in the Fund. Payment must be received
26 while the member is an active participant, except that one

1 payment will be permitted after termination of participation.
2 Notwithstanding Section 1-103.1, the changes made to this
3 Section by this amendatory Act of the 100th General Assembly
4 apply without regard to whether the participant was in service
5 on or after the effective date of the amendatory Act.

6 (d) The changes to subsections (a) and (b) of this Section
7 made by this amendatory Act of the 94th General Assembly apply
8 only to persons in service on or after July 1, 2004. In the
9 case of such a person who begins to receive a retirement
10 annuity before the effective date of this amendatory Act of the
11 94th General Assembly, the annuity shall be recalculated
12 prospectively to reflect those changes, with the resulting
13 increase beginning to accrue on the first annuity payment date
14 following the effective date of this amendatory Act.

15 (e) Any elected county officer who was entitled to receive
16 a stipend from the State on or after July 1, 2009 and on or
17 before June 30, 2010 may establish earnings credit for the
18 amount of stipend not received, if the elected county official
19 applies in writing to the fund within 6 months after the
20 effective date of this amendatory Act of the 96th General
21 Assembly and pays to the fund an amount equal to (i) employee
22 contributions on the amount of stipend not received, (ii)
23 employer contributions determined by the Board equal to the
24 employer's normal cost of the benefit on the amount of stipend
25 not received, plus (iii) interest on items (i) and (ii) at the
26 actuarially assumed rate.

1 (f) Notwithstanding any other provision of this Article,
2 the provisions of this subsection (f) apply to a person who
3 first becomes a sheriff's law enforcement employee under this
4 Article on or after January 1, 2011.

5 A sheriff's law enforcement employee age 55 or more who has
6 10 or more years of service in that capacity shall be entitled
7 at his option to receive a monthly retirement annuity for his
8 or her service as a sheriff's law enforcement employee computed
9 by multiplying 2.5% for each year of such service by his or her
10 final rate of earnings.

11 The retirement annuity of a sheriff's law enforcement
12 employee who is retiring after attaining age 50 with 10 or more
13 years of creditable service shall be reduced by one-half of 1%
14 for each month that the sheriff's law enforcement employee's
15 age is under age 55.

16 The maximum retirement annuity under this subsection (f)
17 shall be 75% of final rate of earnings.

18 For the purposes of this subsection (f), "final rate of
19 earnings" means the average monthly earnings obtained by
20 dividing the total salary of the sheriff's law enforcement
21 employee during the 96 consecutive months of service within the
22 last 120 months of service in which the total earnings was the
23 highest by the number of months of service in that period.

24 Notwithstanding any other provision of this Article,
25 beginning on January 1, 2011, for all purposes under this Code
26 (including without limitation the calculation of benefits and

1 employee contributions), the annual earnings of a sheriff's law
2 enforcement employee to whom this Section applies shall not
3 include overtime and shall not exceed \$106,800; however, that
4 amount shall annually thereafter be increased by the lesser of
5 (i) 3% of that amount, including all previous adjustments, or
6 (ii) one-half the annual unadjusted percentage increase (but
7 not less than zero) in the consumer price index-u for the 12
8 months ending with the September preceding each November 1,
9 including all previous adjustments.

10 (g) Notwithstanding any other provision of this Article,
11 the monthly annuity of a person who first becomes a sheriff's
12 law enforcement employee under this Article on or after January
13 1, 2011 shall be increased on the January 1 occurring either on
14 or after the attainment of age 60 or the first anniversary of
15 the annuity start date, whichever is later. Each annual
16 increase shall be calculated at 3% or one-half the annual
17 unadjusted percentage increase (but not less than zero) in the
18 consumer price index-u for the 12 months ending with the
19 September preceding each November 1, whichever is less, of the
20 originally granted retirement annuity. If the annual
21 unadjusted percentage change in the consumer price index-u for
22 a 12-month period ending in September is zero or, when compared
23 with the preceding period, decreases, then the annuity shall
24 not be increased.

25 (h) Notwithstanding any other provision of this Article,
26 for a person who first becomes a sheriff's law enforcement

1 employee under this Article on or after January 1, 2011, the
2 annuity to which the surviving spouse, children, or parents are
3 entitled under this subsection (h) shall be in the amount of 66
4 2/3% of the sheriff's law enforcement employee's earned annuity
5 at the date of death.

6 (i) Notwithstanding any other provision of this Article,
7 the monthly annuity of a survivor of a person who first becomes
8 a sheriff's law enforcement employee under this Article on or
9 after January 1, 2011 shall be increased on the January 1 after
10 attainment of age 60 by the recipient of the survivor's annuity
11 and each January 1 thereafter by 3% or one-half the annual
12 unadjusted percentage increase in the consumer price index-u
13 for the 12 months ending with the September preceding each
14 November 1, whichever is less, of the originally granted
15 pension. If the annual unadjusted percentage change in the
16 consumer price index-u for a 12-month period ending in
17 September is zero or, when compared with the preceding period,
18 decreases, then the annuity shall not be increased.

19 (j) For the purposes of this Section, "consumer price
20 index-u" means the index published by the Bureau of Labor
21 Statistics of the United States Department of Labor that
22 measures the average change in prices of goods and services
23 purchased by all urban consumers, United States city average,
24 all items, 1982-84 = 100. The new amount resulting from each
25 annual adjustment shall be determined by the Public Pension
26 Division of the Department of Insurance and made available to

1 the boards of the pension funds.

2 (Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11;
3 97-272, eff. 8-8-11; 97-609, eff. 8-26-11.)

4 (40 ILCS 5/7-145.1)

5 Sec. 7-145.1. Alternative annuity for county officers.

6 (a) The benefits provided in this Section and Section
7 7-145.2 are available only if, prior to the effective date of
8 this amendatory Act of the 97th General Assembly, the county
9 board has filed with the Board of the Fund a resolution or
10 ordinance expressly consenting to the availability of these
11 benefits for its elected county officers. The county board's
12 consent is irrevocable with respect to persons participating in
13 the program, but may be revoked at any time with respect to
14 persons who have not paid an additional optional contribution
15 under this Section before the date of revocation.

16 An elected county officer may elect to establish
17 alternative credits for an alternative annuity by electing in
18 writing before the effective date of this amendatory Act of the
19 97th General Assembly to make additional optional
20 contributions in accordance with this Section and procedures
21 established by the board. These alternative credits are
22 available only for periods of service as an elected county
23 officer. The elected county officer may discontinue making the
24 additional optional contributions by notifying the Fund in
25 writing in accordance with this Section and procedures

1 established by the board.

2 Additional optional contributions for the alternative
3 annuity shall be as follows:

4 (1) For service as an elected county officer after the
5 option is elected, an additional contribution of 3% of
6 salary shall be contributed to the Fund on the same basis
7 and under the same conditions as contributions required
8 under Section 7-173.

9 (2) For service as an elected county officer before the
10 option is elected, an additional contribution of 3% of the
11 salary for the applicable period of service, plus interest
12 at the effective rate from the date of service to the date
13 of payment, plus any additional amount required by the
14 county board under paragraph (3). All payments for past
15 service must be paid in full before credit is given.
16 Payment must be received by the Board while the member is
17 an active participant, except that one payment will be
18 permitted after termination of participation.

19 (3) With respect to service as an elected county
20 officer before the option is elected, if payment is made
21 after the county board has filed with the Board of the Fund
22 a resolution or ordinance requiring an additional
23 contribution under this paragraph, then the contribution
24 required under paragraph (2) shall include an amount to be
25 determined by the Fund, equal to the actuarial present
26 value of the additional employer cost that would otherwise

1 result from the alternative credits being established for
2 that service. A county board's resolution or ordinance
3 requiring additional contributions under this paragraph
4 (3) is irrevocable. Payment must be received by the Board
5 while the member is an active participant, except that one
6 payment will be permitted after termination of
7 participation.

8 No additional optional contributions may be made for any
9 period of service for which credit has been previously
10 forfeited by acceptance of a refund, unless the refund is
11 repaid in full with interest at the effective rate from the
12 date of refund to the date of repayment.

13 Notwithstanding Section 1-103.1, the changes made to this
14 Section by this amendatory Act of the 100th General Assembly
15 apply without regard to whether the participant was in service
16 on or after the effective date of the amendatory Act.

17 (b) In lieu of the retirement annuity otherwise payable
18 under this Article, an elected county officer who (1) has
19 elected to participate in the Fund and make additional optional
20 contributions in accordance with this Section, (2) has held and
21 made additional optional contributions with respect to the same
22 elected county office for at least 8 years, and (3) has
23 attained age 55 with at least 8 years of service credit (or has
24 attained age 50 with at least 20 years of service as a
25 sheriff's law enforcement employee) may elect to have his
26 retirement annuity computed as follows: 3% of the participant's

1 salary for each of the first 8 years of service credit, plus 4%
2 of that salary for each of the next 4 years of service credit,
3 plus 5% of that salary for each year of service credit in
4 excess of 12 years, subject to a maximum of 80% of that salary.

5 This formula applies only to service in an elected county
6 office that the officer held for at least 8 years, and only to
7 service for which additional optional contributions have been
8 paid under this Section. If an elected county officer qualifies
9 to have this formula applied to service in more than one
10 elected county office, the qualifying service shall be
11 accumulated for purposes of determining the applicable accrual
12 percentages, but the salary used for each office shall be the
13 separate salary calculated for that office, as defined in
14 subsection (g).

15 To the extent that the elected county officer has service
16 credit that does not qualify for this formula, his retirement
17 annuity will first be determined in accordance with this
18 formula with respect to the service to which this formula
19 applies, and then in accordance with the remaining Sections of
20 this Article with respect to the service to which this formula
21 does not apply.

22 (c) In lieu of the disability benefits otherwise payable
23 under this Article, an elected county officer who (1) has
24 elected to participate in the Fund, and (2) has become
25 permanently disabled and as a consequence is unable to perform
26 the duties of his office, and (3) was making optional

1 contributions in accordance with this Section at the time the
2 disability was incurred, may elect to receive a disability
3 annuity calculated in accordance with the formula in subsection
4 (b). For the purposes of this subsection, an elected county
5 officer shall be considered permanently disabled only if: (i)
6 disability occurs while in service as an elected county officer
7 and is of such a nature as to prevent him from reasonably
8 performing the duties of his office at the time; and (ii) the
9 board has received a written certification by at least 2
10 licensed physicians appointed by it stating that the officer is
11 disabled and that the disability is likely to be permanent.

12 (d) Refunds of additional optional contributions shall be
13 made on the same basis and under the same conditions as
14 provided under Section 7-166, 7-167 and 7-168. Interest shall
15 be credited at the effective rate on the same basis and under
16 the same conditions as for other contributions.

17 If an elected county officer fails to hold that same
18 elected county office for at least 8 years, he or she shall be
19 entitled after leaving office to receive a refund of the
20 additional optional contributions made with respect to that
21 office, plus interest at the effective rate.

22 (e) The plan of optional alternative benefits and
23 contributions shall be available to persons who are elected
24 county officers and active contributors to the Fund on or after
25 November 15, 1994 and elected to establish alternative credit
26 before the effective date of this amendatory Act of the 97th

1 General Assembly. A person who was an elected county officer
2 and an active contributor to the Fund on November 15, 1994 but
3 is no longer an active contributor may apply to make additional
4 optional contributions under this Section at any time within 90
5 days after the effective date of this amendatory Act of 1997;
6 if the person is an annuitant, the resulting increase in
7 annuity shall begin to accrue on the first day of the month
8 following the month in which the required payment is received
9 by the Fund.

10 (f) For the purposes of this Section and Section 7-145.2,
11 the terms "elected county officer" and "elected county office"
12 include, but are not limited to: (1) the county clerk,
13 recorder, treasurer, coroner, assessor (if elected), auditor,
14 sheriff, and State's Attorney; members of the county board; and
15 the clerk of the circuit court; and (2) a person who has been
16 appointed to fill a vacancy in an office that is normally
17 filled by election on a countywide basis, for the duration of
18 his or her service in that office. The terms "elected county
19 officer" and "elected county office" do not include any officer
20 or office of a county that has not consented to the
21 availability of benefits under this Section and Section
22 7-145.2.

23 (g) For the purposes of this Section and Section 7-145.2,
24 the term "salary" means the final rate of earnings for the
25 elected county office held, calculated in a manner consistent
26 with Section 7-116, but for that office only. If an elected

1 county officer qualifies to have the formula in subsection (b)
2 applied to service in more than one elected county office, a
3 separate salary shall be calculated and applied with respect to
4 each such office.

5 (h) The changes to this Section made by this amendatory Act
6 of the 91st General Assembly apply to persons who first make an
7 additional optional contribution under this Section on or after
8 the effective date of this amendatory Act.

9 (i) Any elected county officer who was entitled to receive
10 a stipend from the State on or after July 1, 2009 and on or
11 before June 30, 2010 may establish earnings credit for the
12 amount of stipend not received, if the elected county official
13 applies in writing to the fund within 6 months after the
14 effective date of this amendatory Act of the 96th General
15 Assembly and pays to the fund an amount equal to (i) employee
16 contributions on the amount of stipend not received, (ii)
17 employer contributions determined by the Board equal to the
18 employer's normal cost of the benefit on the amount of stipend
19 not received, plus (iii) interest on items (i) and (ii) at the
20 actuarially assumed rate.

21 (Source: P.A. 96-961, eff. 7-2-10; 97-272, eff. 8-8-11; 97-609,
22 eff. 8-26-11.)

23 (40 ILCS 5/7-169) (from Ch. 108 1/2, par. 7-169)

24 Sec. 7-169. Separation benefits; repayments.

25 (a) If an employee who has received a separation benefit

1 subsequently becomes a participating employee, and renders at
2 least 2 years of contributing service from the date of such
3 re-entry, he may pay to the fund the amount of the separation
4 benefit, plus interest at the effective rate for each year from
5 the date of payment of the separation benefit to the date of
6 repayment. Upon payment his creditable service shall be
7 reinstated and the payment shall be credited to his account as
8 normal contributions. Application must be received by the Board
9 while the employee is an active participant in the Fund or a
10 reciprocal retirement system. Payment must be received while
11 the member is an active participant, except that one payment
12 will be permitted after termination of participation in the
13 Fund or a reciprocal retirement system. Notwithstanding
14 Section 1-103.1, the changes made to this Section by this
15 amendatory Act of the 100th General Assembly apply without
16 regard to whether the participant was in service on or after
17 the effective date of the amendatory Act.

18 (b) Beginning July 1, 2004, the requirement of returning
19 to service for at least 2 years does not apply to persons who
20 return to service as a sheriff's law enforcement employee. This
21 subsection applies only to persons in service on or after July
22 1, 2004. In the case of such a person who begins to receive a
23 retirement annuity before the effective date of this amendatory
24 Act of the 94th General Assembly, the annuity shall be
25 recalculated prospectively to reflect any credits reinstated
26 as a result of this subsection, with the resulting increase in

1 annuity beginning to accrue on the first annuity payment date
2 following the effective date of this amendatory Act, but not
3 earlier than the date the repayment is received by the Fund.
4 (Source: P.A. 94-712, eff. 6-1-06.)

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