



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

### HB4398

by Rep. Elaine Nekritz

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-114	from Ch. 108 1/2, par. 7-114
40 ILCS 5/7-116	from Ch. 108 1/2, par. 7-116
40 ILCS 5/7-139	from Ch. 108 1/2, par. 7-139
40 ILCS 5/9-219	from Ch. 108 1/2, par. 9-219
40 ILCS 5/9-220	from Ch. 108 1/2, par. 9-220
40 ILCS 5/14-104.3	from Ch. 108 1/2, par. 14-104.3
40 ILCS 5/14-106	from Ch. 108 1/2, par. 14-106
40 ILCS 5/15-112	from Ch. 108 1/2, par. 15-112
40 ILCS 5/15-113.4	from Ch. 108 1/2, par. 15-113.4
40 ILCS 5/16-121	from Ch. 108 1/2, par. 16-121
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/17-116	from Ch. 108 1/2, par. 17-116
40 ILCS 5/17-134	from Ch. 108 1/2, par. 17-134

Amends the Illinois Municipal Retirement Fund (IMRF), Cook County, State Employees, State Universities, Downstate Teachers, and Chicago Teachers Articles of the Illinois Pension Code. For participants who first become participants on or after the effective date of the amendatory Act, prohibits (i) payments for unused sick or vacation time from being used to calculate pensionable earnings and salary and (ii) unused sick or vacation time from being used to establish service credit. Effective immediately.

LRB099 15024 RPS 39226 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning 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 changing  
5 Sections 7-114, 7-116, 7-139, 9-219, 9-220, 14-104.3, 14-106,  
6 15-112, 15-113.4, 16-121, 16-127, 17-116, and 17-134 as  
7 follows:

8 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

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

11 Sec. 7-114. Earnings. "Earnings":

12 (a) An amount to be determined by the board, equal to the  
13 sum of:

14 1. The total amount of money paid to an employee for  
15 personal services or official duties as an employee (except  
16 those employed as independent contractors) paid out of the  
17 general fund, or out of any special funds controlled by the  
18 municipality, or by any instrumentality thereof, or  
19 participating instrumentality, including compensation,  
20 fees, allowances, or other emolument paid for official  
21 duties (but not including automobile maintenance, travel  
22 expense, or reimbursements for expenditures incurred in  
23 the performance of duties, or, in the case of a person who

1       first becomes a participant on or after the effective date  
2       of this amendatory Act of the 99th General Assembly,  
3       payments for unused sick or vacation time) and, for fee  
4       offices, the fees or earnings of the offices to the extent  
5       such fees are paid out of funds controlled by the  
6       municipality, or instrumentality or participating  
7       instrumentality; and

8             2. The money value, as determined by rules prescribed  
9       by the governing body of the municipality, or  
10       instrumentality thereof, of any board, lodging, fuel,  
11       laundry, and other allowances provided an employee in lieu  
12       of money.

13       (b) For purposes of determining benefits payable under this  
14       fund payments to a person who is engaged in an independently  
15       established trade, occupation, profession or business and who  
16       is paid for his service on a basis other than a monthly or  
17       other regular salary, are not earnings.

18       (c) If a disabled participating employee is eligible to  
19       receive Workers' Compensation for an accidental injury and the  
20       participating municipality or instrumentality which employed  
21       the participating employee when injured continues to pay the  
22       participating employee regular salary or other compensation or  
23       pays the employee an amount in excess of the Workers'  
24       Compensation amount, then earnings shall be deemed to be the  
25       total payments, including an amount equal to the Workers'  
26       Compensation payments. These payments shall be subject to

1 employee contributions and allocated as if paid to the  
2 participating employee when the regular payroll amounts would  
3 have been paid if the participating employee had continued  
4 working, and creditable service shall be awarded for this  
5 period.

6 (d) If an elected official who is a participating employee  
7 becomes disabled but does not resign and is not removed from  
8 office, then earnings shall include all salary payments made  
9 for the remainder of that term of office and the official shall  
10 be awarded creditable service for the term of office.

11 (e) If a participating employee is paid pursuant to "An Act  
12 to provide for the continuation of compensation for law  
13 enforcement officers, correctional officers and firemen who  
14 suffer disabling injury in the line of duty", approved  
15 September 6, 1973, as amended, the payments shall be deemed  
16 earnings, and the participating employee shall be awarded  
17 creditable service for this period.

18 (f) Additional compensation received by a person while  
19 serving as a supervisor of assessments, assessor, deputy  
20 assessor or member of a board of review from the State of  
21 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax  
22 Code shall not be earnings for purposes of this Article and  
23 shall not be included in the contribution formula or  
24 calculation of benefits for such person pursuant to this  
25 Article.

26 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

1 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

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

4 Sec. 7-116. "Final rate of earnings":

5 (a) For retirement and survivor annuities, the monthly  
6 earnings obtained by dividing the total earnings received by  
7 the employee during the period of either (1) the 48 consecutive  
8 months of service within the last 120 months of service in  
9 which his total earnings were the highest or (2) the employee's  
10 total period of service, by the number of months of service in  
11 such period.

12 (b) For death benefits, the higher of the rate determined  
13 under paragraph (a) of this Section or total earnings received  
14 in the last 12 months of service divided by twelve. If the  
15 deceased employee has less than 12 months of service, the  
16 monthly final rate shall be the monthly rate of pay the  
17 employee was receiving when he began service.

18 (c) For disability benefits, the total earnings of a  
19 participating employee in the last 12 calendar months of  
20 service prior to the date he becomes disabled divided by 12.

21 (d) In computing the final rate of earnings: (1) the  
22 earnings rate for all periods of prior service shall be  
23 considered equal to the average earnings rate for the last 3  
24 calendar years of prior service for which creditable service is  
25 received under Section 7-139 or, if there is less than 3 years

1 of creditable prior service, the average for the total prior  
2 service period for which creditable service is received under  
3 Section 7-139; (2) for out of state service and authorized  
4 leave, the earnings rate shall be the rate upon which service  
5 credits are granted; (3) periods of military leave shall not be  
6 considered; (4) the earnings rate for all periods of disability  
7 shall be considered equal to the rate of earnings upon which  
8 the employee's disability benefits are computed for such  
9 periods; (5) the earnings to be considered for each of the  
10 final three months of the final earnings period for persons who  
11 first became participants before January 1, 2012 and the  
12 earnings to be considered for each of the final 24 months for  
13 participants who first become participants on or after January  
14 1, 2012 shall not exceed 125% of the highest earnings of any  
15 other month in the final earnings period; ~~and~~ (6) the annual  
16 amount of final rate of earnings shall be the monthly amount  
17 multiplied by the number of months of service normally required  
18 by the position in a year; and (7) in the case of a person who  
19 first becomes a participant on or after the effective date of  
20 this amendatory Act of the 99th General Assembly, payments for  
21 unused sick or vacation time shall not be considered.

22 (Source: P.A. 97-609, eff. 1-1-12.)

23 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

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

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

6           1. For prior service: Each participating employee who  
7 is an employee of a participating municipality or  
8 participating instrumentality on the effective date shall  
9 be granted creditable service, but no credits under  
10 paragraph 2 of this subsection (a), for periods of prior  
11 service for which credit has not been received under any  
12 other pension fund or retirement system established under  
13 this Code, as follows:

14           If the effective date of participation for the  
15 participating municipality or participating  
16 instrumentality is on or before January 1, 1998, creditable  
17 service shall be granted for the entire period of prior  
18 service with that employer without any employee  
19 contribution.

20           If the effective date of participation for the  
21 participating municipality or participating  
22 instrumentality is after January 1, 1998, creditable  
23 service shall be granted for the last 20% of the period of  
24 prior service with that employer, but no more than 5 years,  
25 without any employee contribution. A participating  
26 employee may establish creditable service for the

1 remainder of the period of prior service with that employer  
2 by making an application in writing, accompanied by payment  
3 of an employee contribution in an amount determined by the  
4 Fund, based on the employee contribution rates in effect at  
5 the time of application for the creditable service and the  
6 employee's salary rate on the effective date of  
7 participation for that employer, plus interest at the  
8 effective rate from the date of the prior service to the  
9 date of payment. Application for this creditable service  
10 may be made at any time while the employee is still in  
11 service.

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

22 Any person who has withdrawn from the service of a  
23 participating municipality or participating  
24 instrumentality prior to the effective date, who reenters  
25 the service of the same municipality or participating  
26 instrumentality after the effective date and becomes a

1 participating employee is entitled to creditable service  
2 for prior service as otherwise provided in this subdivision  
3 (a)(1) only if he or she renders 2 years of service as a  
4 participating employee after the effective date.  
5 Application for such service must be made while in a  
6 participating status. The salary rate to be used in the  
7 calculation of the required employee contribution, if any,  
8 shall be the employee's salary rate at the time of first  
9 reentering service with the employer after the employer's  
10 effective date of participation.

11 2. For current service, each participating employee  
12 shall be credited with:

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

17 b. Normal credits of amounts equal to each payment  
18 of normal contributions received from him, as of the  
19 date the corresponding payment of earnings is payable  
20 to him, and normal contributions made for the purpose  
21 of establishing out-of-state service credits as  
22 permitted under the conditions set forth in paragraph 6  
23 of this subsection (a).

24 c. Municipality credits in an amount equal to 1.4  
25 times the normal credits, except those established by  
26 out-of-state service credits, as of the date of

1 computation of any benefit if these credits would  
2 increase the benefit.

3 d. Survivor credits equal to each payment of  
4 survivor contributions received from the participating  
5 employee as of the date the corresponding payment of  
6 earnings is payable, and survivor contributions made  
7 for the purpose of establishing out-of-state service  
8 credits.

9 3. For periods of temporary and total and permanent  
10 disability benefits, each employee receiving disability  
11 benefits shall be granted creditable service for the period  
12 during which disability benefits are payable. Normal and  
13 survivor credits, based upon the rate of earnings applied  
14 for disability benefits, shall also be granted if such  
15 credits would result in a higher benefit to any such  
16 employee or his beneficiary.

17 4. For authorized leave of absence without pay: A  
18 participating employee shall be granted credits and  
19 creditable service for periods of authorized leave of  
20 absence without pay under the following conditions:

21 a. An application for credits and creditable  
22 service is submitted to the board while the employee is  
23 in a status of active employment.

24 b. Not more than 12 complete months of creditable  
25 service for authorized leave of absence without pay  
26 shall be counted for purposes of determining any

1 benefits payable under this Article.

2 c. Credits and creditable service shall be granted  
3 for leave of absence only if such leave is approved by  
4 the governing body of the municipality, including  
5 approval of the estimated cost thereof to the  
6 municipality as determined by the fund, and employee  
7 contributions, plus interest at the effective rate  
8 applicable for each year from the end of the period of  
9 leave to date of payment, have been paid to the fund in  
10 accordance with Section 7-173. The contributions shall  
11 be computed upon the assumption earnings continued  
12 during the period of leave at the rate in effect when  
13 the leave began.

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

23 e. No credits or creditable service shall be  
24 allowed for leave of absence without pay during any  
25 period of prior service.

26 5. For military service: The governing body of a

1 municipality or participating instrumentality may elect to  
2 allow creditable service to participating employees who  
3 leave their employment to serve in the armed forces of the  
4 United States for all periods of such service, provided  
5 that the person returns to active employment within 90 days  
6 after completion of full time active duty, but no  
7 creditable service shall be allowed such person for any  
8 period that can be used in the computation of a pension or  
9 any other pay or benefit, other than pay for active duty,  
10 for service in any branch of the armed forces of the United  
11 States. If necessary to the computation of any benefit, the  
12 board shall establish municipality credits for  
13 participating employees under this paragraph on the  
14 assumption that the employee received earnings at the rate  
15 received at the time he left the employment to enter the  
16 armed forces. A participating employee in the armed forces  
17 shall not be considered an employee during such period of  
18 service and no additional death and no disability benefits  
19 are payable for death or disability during such period.

20 Any participating employee who left his employment  
21 with a municipality or participating instrumentality to  
22 serve in the armed forces of the United States and who  
23 again became a participating employee within 90 days after  
24 completion of full time active duty by entering the service  
25 of a different municipality or participating  
26 instrumentality, which has elected to allow creditable

1 service for periods of military service under the preceding  
2 paragraph, shall also be allowed creditable service for his  
3 period of military service on the same terms that would  
4 apply if he had been employed, before entering military  
5 service, by the municipality or instrumentality which  
6 employed him after he left the military service and the  
7 employer costs arising in relation to such grant of  
8 creditable service shall be charged to and paid by that  
9 municipality or instrumentality.

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

20 5.1. In addition to any creditable service established  
21 under paragraph 5 of this subsection (a), creditable  
22 service may be granted for up to 48 months of service in  
23 the armed forces of the United States.

24 In order to receive creditable service for military  
25 service under this paragraph 5.1, a participating employee  
26 must (1) apply to the Fund in writing and provide evidence

1 of the military service that is satisfactory to the Board;  
2 (2) obtain the written approval of the current employer;  
3 and (3) make contributions to the Fund equal to (i) the  
4 employee contributions that would have been required had  
5 the service been rendered as a member, plus (ii) an amount  
6 determined by the board to be equal to the employer's  
7 normal cost of the benefits accrued for that military  
8 service, plus (iii) interest on items (i) and (ii) from the  
9 date of first membership in the Fund to the date of  
10 payment. The required interest shall be calculated at the  
11 regular interest rate.

12 The changes made to this paragraph 5.1 by Public Acts  
13 95-483 and 95-486 apply only to participating employees in  
14 service on or after August 28, 2007 (the effective date of  
15 those Public Acts).

16 6. For out-of-state service: Creditable service shall  
17 be granted for service rendered to an out-of-state local  
18 governmental body under the following conditions: The  
19 employee had participated and has irrevocably forfeited  
20 all rights to benefits in the out-of-state public employees  
21 pension system; the governing body of his participating  
22 municipality or instrumentality authorizes the employee to  
23 establish such service; the employee has 2 years current  
24 service with this municipality or participating  
25 instrumentality; the employee makes a payment of  
26 contributions, which shall be computed at 8% (normal) plus

1           2% (survivor) times length of service purchased times the  
2           average rate of earnings for the first 2 years of service  
3           with the municipality or participating instrumentality  
4           whose governing body authorizes the service established  
5           plus interest at the effective rate on the date such  
6           credits are established, payable from the date the employee  
7           completes the required 2 years of current service to date  
8           of payment. In no case shall more than 120 months of  
9           creditable service be granted under this provision.

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

22           Any employee who is a participating employee on or  
23           after September 24, 1981 and who was excluded from  
24           participation by the age restrictions removed by Public Act  
25           82-596 may receive creditable service for the period, on or  
26           after January 1, 1979, excluded by the age restriction and,

1 in addition, if the governing body of the participating  
2 municipality or participating instrumentality elects to  
3 allow creditable service for all employees excluded by the  
4 age restriction prior to January 1, 1979, for service  
5 during the period prior to that date excluded by the age  
6 restriction. Any employee who was excluded from  
7 participation by the age restriction removed by Public Act  
8 82-596 and who is not a participating employee on or after  
9 September 24, 1981 may receive creditable service for  
10 service after January 1, 1979. Creditable service under  
11 this paragraph shall be granted upon payment of the  
12 employee contributions which would have been required had  
13 he participated, with interest at the effective rate for  
14 each year from the end of the period of service established  
15 to date of payment.

16 8. For accumulated unused sick leave: A participating  
17 employee who first becomes a participating employee before  
18 the effective date of this amendatory Act of the 99th  
19 General Assembly and who is applying for a retirement  
20 annuity shall be entitled to creditable service for that  
21 portion of the employee's accumulated unused sick leave for  
22 which payment is not received, as follows:

23 a. Sick leave days shall be limited to those  
24 accumulated under a sick leave plan established by a  
25 participating municipality or participating  
26 instrumentality which is available to all employees or

1 a class of employees.

2 b. Except as provided in item b-1, only sick leave  
3 days accumulated with a participating municipality or  
4 participating instrumentality with which the employee  
5 was in service within 60 days of the effective date of  
6 his retirement annuity shall be credited; If the  
7 employee was in service with more than one employer  
8 during this period only the sick leave days with the  
9 employer with which the employee has the greatest  
10 number of unpaid sick leave days shall be considered.

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

24 c. The creditable service granted shall be  
25 considered solely for the purpose of computing the  
26 amount of the retirement annuity and shall not be used

1 to establish any minimum service period required by any  
2 provision of the Illinois Pension Code, the effective  
3 date of the retirement annuity, or the final rate of  
4 earnings.

5 d. The creditable service shall be at the rate of  
6 1/20 of a month for each full sick day, provided that  
7 no more than 12 months may be credited under this  
8 subdivision 8.

9 e. Employee contributions shall not be required  
10 for creditable service under this subdivision 8.

11 f. Each participating municipality and  
12 participating instrumentality with which an employee  
13 has service within 60 days of the effective date of his  
14 retirement annuity shall certify to the board the  
15 number of accumulated unpaid sick leave days credited  
16 to the employee at the time of termination of service.

17 9. For service transferred from another system:  
18 Credits and creditable service shall be granted for service  
19 under Article 4, 5, 8, 14, or 16 of this Act, to any active  
20 member of this Fund, and to any inactive member who has  
21 been a county sheriff, upon transfer of such credits  
22 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or  
23 16-131.4, and payment by the member of the amount by which  
24 (1) the employer and employee contributions that would have  
25 been required if he had participated in this Fund as a  
26 sheriff's law enforcement employee during the period for

1       which credit is being transferred, plus interest thereon at  
2       the effective rate for each year, compounded annually, from  
3       the date of termination of the service for which credit is  
4       being transferred to the date of payment, exceeds (2) the  
5       amount actually transferred to the Fund. Such transferred  
6       service shall be deemed to be service as a sheriff's law  
7       enforcement employee for the purposes of Section 7-142.1.

8           10. (Blank).

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

1 under this paragraph prior to termination, and the true  
2 cost to the Fund of allowing that creditable service to be  
3 established, as determined by the board in accordance with  
4 the rules and procedures adopted under this paragraph.

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

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

14 a. Application for such credits is received by the  
15 Board while the employee is an active participant of  
16 the Fund or a reciprocal retirement system.

17 b. Eligibility for participation and earnings are  
18 verified by the Authorized Agent of the participating  
19 employer for which the service was rendered.

20 Creditable service under this paragraph shall be  
21 granted upon payment of the employee contributions that  
22 would have been required had he participated, which shall  
23 be calculated by the Fund using the member contribution  
24 rate in effect during the period that the service was  
25 rendered.

26 (b) Creditable service - amount:

1           1. One month of creditable service shall be allowed for  
2           each month for which a participating employee made  
3           contributions as required under Section 7-173, or for which  
4           creditable service is otherwise granted hereunder. Not  
5           more than 1 month of service shall be credited and counted  
6           for 1 calendar month, and not more than 1 year of service  
7           shall be credited and counted for any calendar year. A  
8           calendar month means a nominal month beginning on the first  
9           day thereof, and a calendar year means a year beginning  
10          January 1 and ending December 31.

11          2. A seasonal employee shall be given 12 months of  
12          creditable service if he renders the number of months of  
13          service normally required by the position in a 12-month  
14          period and he remains in service for the entire 12-month  
15          period. Otherwise a fractional year of service in the  
16          number of months of service rendered shall be credited.

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

20          (c) No application for correction of credits or creditable  
21          service shall be considered unless the board receives an  
22          application for correction while (1) the applicant is a  
23          participating employee and in active employment with a  
24          participating municipality or instrumentality, or (2) while  
25          the applicant is actively participating in a pension fund or  
26          retirement system which is a participating system under the

1 Retirement Systems Reciprocal Act. A participating employee or  
2 other applicant shall not be entitled to credits or creditable  
3 service unless the required employee contributions are made in  
4 a lump sum or in installments made in accordance with board  
5 rule.

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

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

16 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

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

19 Sec. 9-219. Computation of service.

20 (1) In computing the term of service of an employee prior  
21 to the effective date, the entire period beginning on the date  
22 he was first appointed and ending on the day before the  
23 effective date, except any intervening period during which he  
24 was separated by withdrawal from service, shall be counted for  
25 all purposes of this Article.

1           (2) In computing the term of service of any employee on or  
2 after the effective date, the following periods of time shall  
3 be counted as periods of service for age and service, widow's  
4 and child's annuity purposes:

5           (a) The time during which he performed the duties of  
6 his position.

7           (b) Vacations, leaves of absence with whole or part  
8 pay, and leaves of absence without pay not longer than 90  
9 days.

10           (c) For an employee who is a member of a county police  
11 department or a correctional officer with the county  
12 department of corrections, approved leaves of absence  
13 without pay during which the employee serves as a full-time  
14 officer or employee of an employee association, the  
15 membership of which consists of other participants in the  
16 Fund, provided that the employee contributes to the Fund  
17 (1) the amount that he would have contributed had he  
18 remained an active employee in the position he occupied at  
19 the time the leave of absence was granted, (2) an amount  
20 calculated by the Board representing employer  
21 contributions, and (3) regular interest thereon from the  
22 date of service to the date of payment. However, if the  
23 employee's application to establish credit under this  
24 subsection is received by the Fund on or after July 1, 2002  
25 and before July 1, 2003, the amount representing employer  
26 contributions specified in item (2) shall be waived.

1           For a former member of a county police department who  
2           has received a refund under Section 9-164, periods during  
3           which the employee serves as head of an employee  
4           association, the membership of which consists of other  
5           police officers, provided that the employee contributes to  
6           the Fund (1) the amount that he would have contributed had  
7           he remained an active member of the county police  
8           department in the position he occupied at the time he left  
9           service, (2) an amount calculated by the Board representing  
10          employer contributions, and (3) regular interest thereon  
11          from the date of service to the date of payment. However,  
12          if the former member of the county police department  
13          retires on or after January 1, 1993 but no later than March  
14          1, 1993, the amount representing employer contributions  
15          specified in item (2) shall be waived.

16          For leaves of absence to which this item (c) applies  
17          and for other periods to which this item (c) applies,  
18          including those leaves of absence and other periods of  
19          service beginning before the effective date of this  
20          amendatory Act of the 97th General Assembly, the employee  
21          or former member must continue to remain in sworn status,  
22          subject to the professional standards of the public  
23          employer or those terms established in statute.

24          (d) Any period of disability for which he received  
25          disability benefit or whole or part pay.

26          (e) For a person who first becomes an employee before

1       the effective date of this amendatory Act of the 99th  
2       General Assembly, accumulated ~~Accumulated~~ vacation or  
3       other time for which an employee who retires on or after  
4       November 1, 1990 receives a lump sum payment at the time of  
5       retirement, provided that contributions were made to the  
6       fund at the time such lump sum payment was received. The  
7       service granted for the lump sum payment shall not change  
8       the employee's date of withdrawal for computing the  
9       effective date of the annuity.

10       (f) An employee who first becomes an employee before  
11       the effective date of this amendatory Act of the 99th  
12       General Assembly may receive service credit for annuity  
13       purposes for accumulated sick leave as of the date of the  
14       employee's withdrawal from service, not to exceed a total  
15       of 180 days, provided that the amount of such accumulated  
16       sick leave is certified by the County Comptroller to the  
17       Board and the employee pays an amount equal to 8.5% (9% for  
18       members of the County Police Department who are eligible to  
19       receive an annuity under Section 9-128.1) of the amount  
20       that would have been paid had such accumulated sick leave  
21       been paid at the employee's final rate of salary. Such  
22       payment shall be made within 30 days after the date of  
23       withdrawal and prior to receipt of the first annuity check.  
24       The service credit granted for such accumulated sick leave  
25       shall not change the employee's date of withdrawal for the  
26       purpose of computing the effective date of the annuity.

1           (3) In computing the term of service of an employee on or  
2 after the effective date for ordinary disability benefit  
3 purposes, the following periods of time shall be counted as  
4 periods of service:

5           (a) Unless otherwise specified in Section 9-157, the  
6 time during which he performed the duties of his position.

7           (b) Paid vacations and leaves of absence with whole or  
8 part pay.

9           (c) Any period for which he received duty disability  
10 benefit.

11           (d) Any period of disability for which he received  
12 whole or part pay.

13           (4) For an employee who on January 1, 1958, was transferred  
14 by Act of the 70th General Assembly from his position in a  
15 department of welfare of any city located in the county in  
16 which this Article is in force and effect to a similar position  
17 in a department of such county, service shall also be credited  
18 for ordinary disability benefit and child's annuity for such  
19 period of department of welfare service during which period he  
20 was a contributor to a statutory annuity and benefit fund in  
21 such city and for which purposes service credit would otherwise  
22 not be credited by virtue of such involuntary transfer.

23           (5) An employee described in subsection (e) of Section  
24 9-108 shall receive credit for child's annuity and ordinary  
25 disability benefit for the period of time for which he was  
26 credited with service in the fund from which he was

1 involuntarily separated through class or group transfer;  
2 provided, that no such credit shall be allowed to the extent  
3 that it results in a duplication of credits or benefits, and  
4 neither shall such credit be allowed to the extent that it was  
5 or may be forfeited by the application for and acceptance of a  
6 refund from the fund from which the employee was transferred.

7 (6) Overtime or extra service shall not be included in  
8 computing service. Not more than 1 year of service shall be  
9 allowed for service rendered during any calendar year.

10 (7) Unused sick or vacation time shall not be used to  
11 compute the service of an employee who first becomes an  
12 employee on or after the effective date of this amendatory Act  
13 of the 99th General Assembly.

14 (Source: P.A. 97-651, eff. 1-5-12.)

15 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

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

18 Sec. 9-220. Basis of service credit.

19 (a) In computing the period of service of any employee for  
20 annuity purposes under Section 9-134, the following provisions  
21 shall govern:

22 (1) All periods prior to the effective date shall be  
23 computed in accordance with the provisions governing the  
24 computation of such service.

25 (2) Service on or after the effective date shall

1 include:

2 (i) The actual period of time the employee  
3 contributes or has contributed to the fund for service  
4 rendered to age 65 plus the actual period of time after  
5 age 65 for which the employee performs the duties of  
6 his position or performs such duties and is given a  
7 county contribution for age and service annuity or  
8 minimum annuity purposes.

9 (ii) Leaves of absence from duty, or vacation, for  
10 which an employee receives all or part of his salary.

11 (iii) For a person who first becomes an employee  
12 before the effective date of this amendatory Act of the  
13 99th General Assembly, accumulated ~~Accumulated~~  
14 vacation or other time for which an employee who  
15 retires on or after November 1, 1990 receives a lump  
16 sum payment at the time of retirement, provided that  
17 contributions were made to the fund at the time such  
18 lump sum payment was received. The service granted for  
19 the lump sum payment shall not change the employee's  
20 date of withdrawal for computing the effective date of  
21 the annuity.

22 (iv) For a person who first becomes an employee  
23 before the effective date of this amendatory Act of the  
24 99th General Assembly, accumulated ~~Accumulated~~ sick  
25 leave as of the date of the employee's withdrawal from  
26 service, not to exceed a total of 180 days, provided

1           that the amount of such accumulated sick leave is  
2 certified by the County Comptroller to the Board and  
3 the employee pays an amount equal to 8.5% (9% for  
4 members of the County Police Department who are  
5 eligible to receive an annuity under Section 9-128.1)  
6 of the amount that would have been paid had such  
7 accumulated sick leave been paid at the employee's  
8 final rate of salary. Such payment shall be made within  
9 30 days after the date of withdrawal and prior to  
10 receipt of the first annuity check. The service credit  
11 granted for such accumulated sick leave shall not  
12 change the employee's date of withdrawal for the  
13 purpose of computing the effective date of the annuity.

14           (v) Periods during which the employee has had  
15 contributions for annuity purposes made for him in  
16 accordance with law while on military leave of absence  
17 during World War II.

18           (vi) Periods during which the employee receives a  
19 disability benefit under this Article.

20           (vii) For any person who first becomes a member on  
21 or after January 1, 2011, the actual period of time the  
22 employee contributes or has contributed to the fund for  
23 service rendered up to the limitation on salary in  
24 subsection (b-5) of Section 1-160 plus the actual  
25 period of time thereafter for which the employee  
26 performs the duties of his position and ceased

1 contributing due to the salary limitation in  
2 subsection (b-5) of Section 1-160.

3 (3) The right to have certain periods of time  
4 considered as service as stated in paragraph (2) of Section  
5 9-164 shall not apply for annuity purposes unless the  
6 refunds shall have been repaid in accordance with this  
7 Article.

8 (4) All service shall be computed in whole calendar  
9 months, and at least 15 days of service in any one calendar  
10 month shall constitute one calendar month of service, and 1  
11 year of service shall be equal to the number of months,  
12 days or hours for which an appropriation was made in the  
13 annual appropriation ordinance for the position held by the  
14 employee.

15 (5) Unused sick or vacation time shall not be used to  
16 compute the service of an employee who first becomes an  
17 employee on or after the effective date of this amendatory  
18 Act of the 99th General Assembly.

19 (b) For all other annuity purposes of this Article the  
20 following schedule shall govern the computation of a year of  
21 service of an employee whose salary or wages is on the basis  
22 stated, and any fractional part of a year of service shall be  
23 determined according to said schedule:

24 Annual or Monthly Basis: Service during 4 months in any 1  
25 calendar year;

26 Weekly Basis: Service during any 17 weeks of any 1 calendar

1 year, and service during any week shall constitute a week of  
2 service;

3 Daily Basis: Service during 100 days in any 1 calendar  
4 year, and service during any day shall constitute a day of  
5 service;

6 Hourly Basis: Service during 800 hours in any 1 calendar  
7 year, and service during any hour shall constitute an hour of  
8 service.

9 (Source: P.A. 96-1490, eff. 1-1-11.)

10 (40 ILCS 5/14-104.3) (from Ch. 108 1/2, par. 14-104.3)

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

13 Sec. 14-104.3. Notwithstanding provisions contained in  
14 Section 14-103.10, any person who first becomes a member before  
15 the effective date of this amendatory Act of the 99th General  
16 Assembly and ~~member~~ who at the time of retirement and after  
17 December 6, 1983 receives compensation in a lump sum for  
18 accumulated vacation, sickness, or personal business may  
19 receive service credit for such periods by making contributions  
20 within 90 days of withdrawal, based on the rate of compensation  
21 in effect immediately prior to retirement and the contribution  
22 rate then in effect. Any person who first becomes a member on  
23 or after the effective date of this amendatory Act of the 99th  
24 General Assembly and who receives compensation in a lump sum  
25 for accumulated vacation, sickness, or personal business may

1 not receive service credit for such periods. Exercising the  
2 option provided in this Section shall not change a member's  
3 date of withdrawal or final average compensation for purposes  
4 of computing the amount or effective date of a retirement  
5 annuity. Any annuitant who establishes service credit as herein  
6 provided shall have his retirement annuity adjusted  
7 retroactively to the date of retirement.

8 (Source: P.A. 83-1362.)

9 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

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

12 Sec. 14-106. Membership service credit.

13 (a) After January 1, 1944, all service of a member since he  
14 last became a member with respect to which contributions are  
15 made shall count as membership service; provided, that for  
16 service on and after July 1, 1950, 12 months of service shall  
17 constitute a year of membership service, the completion of 15  
18 days or more of service during any month shall constitute 1  
19 month of membership service, 8 to 15 days shall constitute 1/2  
20 month of membership service and less than 8 days shall  
21 constitute 1/4 month of membership service. The payroll record  
22 of each department shall constitute conclusive evidence of the  
23 record of service rendered by a member.

24 (b) For a member who is employed and paid on an  
25 academic-year basis rather than on a 12-month annual basis,

1 employment for a full academic year shall constitute a full  
2 year of membership service, except that the member shall not  
3 receive more than one year of membership service credit (plus  
4 any additional service credit granted for unused sick leave)  
5 for service during any 12-month period. This subsection (b)  
6 applies to all such service for which the member has not begun  
7 to receive a retirement annuity before January 1, 2001.

8 (c) A person who first becomes a member before the  
9 effective date of this amendatory Act of the 99th General  
10 Assembly member shall be entitled to additional service credit,  
11 under rules prescribed by the Board, for accumulated unused  
12 sick leave credited to his account in the last Department on  
13 the date of withdrawal from service or for any period for which  
14 he would have been eligible to receive benefits under a sick  
15 pay plan authorized by law, if he had suffered a sickness or  
16 accident on the date of withdrawal from service. It shall be  
17 the responsibility of the last Department to certify to the  
18 Board the length of time salary or benefits would have been  
19 paid to the member based upon the accumulated unused sick leave  
20 or the applicable sick pay plan if he had become entitled  
21 thereto because of sickness on the date that his status as an  
22 employee terminated. This period of service credit granted  
23 under this paragraph shall not be considered in determining the  
24 date the retirement annuity is to begin, or final average  
25 compensation.

26 (d) A person who first becomes a member on or after the

1 effective date of this amendatory Act of the 99th General  
2 Assembly shall not be entitled to additional service credit for  
3 accumulated unused sick leave.

4 (Source: P.A. 92-14, eff. 6-28-01.)

5 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

6 Sec. 15-112. Final rate of earnings. "Final rate of  
7 earnings":

8 (a) This subsection (a) applies only to a Tier 1 member.

9 For an employee who is paid on an hourly basis or who  
10 receives an annual salary in installments during 12 months of  
11 each academic year, the average annual earnings during the 48  
12 consecutive calendar month period ending with the last day of  
13 final termination of employment or the 4 consecutive academic  
14 years of service in which the employee's earnings were the  
15 highest, whichever is greater. For any other employee, the  
16 average annual earnings during the 4 consecutive academic years  
17 of service in which his or her earnings were the highest. For  
18 an employee with less than 48 months or 4 consecutive academic  
19 years of service, the average earnings during his or her entire  
20 period of service. The earnings of an employee with more than  
21 36 months of service under item (a) of Section 15-113.1 prior  
22 to the date of becoming a participant are, for such period,  
23 considered equal to the average earnings during the last 36  
24 months of such service.

25 (b) This subsection (b) applies to a Tier 2 member.

1 For an employee who is paid on an hourly basis or who  
2 receives an annual salary in installments during 12 months of  
3 each academic year, the average annual earnings obtained by  
4 dividing by 8 the total earnings of the employee during the 96  
5 consecutive months in which the total earnings were the highest  
6 within the last 120 months prior to termination.

7 For any other employee, the average annual earnings during  
8 the 8 consecutive academic years within the 10 years prior to  
9 termination in which the employee's earnings were the highest.  
10 For an employee with less than 96 consecutive months or 8  
11 consecutive academic years of service, whichever is necessary,  
12 the average earnings during his or her entire period of  
13 service.

14 (c) For an employee on leave of absence with pay, or on  
15 leave of absence without pay who makes contributions during  
16 such leave, earnings are assumed to be equal to the basic  
17 compensation on the date the leave began.

18 (d) For an employee on disability leave, earnings are  
19 assumed to be equal to the basic compensation on the date  
20 disability occurs or the average earnings during the 24 months  
21 immediately preceding the month in which disability occurs,  
22 whichever is greater.

23 (e) For a Tier 1 member who retires on or after the  
24 effective date of this amendatory Act of 1997 with at least 20  
25 years of service as a firefighter or police officer under this  
26 Article, the final rate of earnings shall be the annual rate of

1 earnings received by the participant on his or her last day as  
2 a firefighter or police officer under this Article, if that is  
3 greater than the final rate of earnings as calculated under the  
4 other provisions of this Section.

5 (f) If a Tier 1 member is an employee for at least 6 months  
6 during the academic year in which his or her employment is  
7 terminated, the annual final rate of earnings shall be 25% of  
8 the sum of (1) the annual basic compensation for that year, and  
9 (2) the amount earned during the 36 months immediately  
10 preceding that year, if this is greater than the final rate of  
11 earnings as calculated under the other provisions of this  
12 Section.

13 (g) In the determination of the final rate of earnings for  
14 an employee, that part of an employee's earnings for any  
15 academic year beginning after June 30, 1997, which exceeds the  
16 employee's earnings with that employer for the preceding year  
17 by more than 20 percent shall be excluded; in the event that an  
18 employee has more than one employer this limitation shall be  
19 calculated separately for the earnings with each employer. In  
20 making such calculation, only the basic compensation of  
21 employees shall be considered, without regard to vacation or  
22 overtime or to contracts for summer employment.

23 (h) The following are not considered as earnings in  
24 determining final rate of earnings: (1) severance or separation  
25 pay, (2) retirement pay, (3) payment for unused sick leave, and  
26 (4) payments from an employer for the period used in

1 determining final rate of earnings for any purpose other than  
2 (i) services rendered, (ii) leave of absence or vacation  
3 granted during that period, and (iii) vacation of up to 56 work  
4 days allowed upon termination of employment; except that, if  
5 the benefit has been collectively bargained between the  
6 employer and the recognized collective bargaining agent  
7 pursuant to the Illinois Educational Labor Relations Act,  
8 payment received during a period of up to 2 academic years for  
9 unused sick leave may be considered as earnings in accordance  
10 with the applicable collective bargaining agreement, subject  
11 to the 20% increase limitation of this Section, and if the  
12 person first becomes a participant on or after the effective  
13 date of this amendatory Act of the 99th General Assembly,  
14 payments for unused sick or vacation time shall not be  
15 considered as earnings. Any unused sick leave considered as  
16 earnings under this Section shall not be taken into account in  
17 calculating service credit under Section 15-113.4.

18 (i) Intermittent periods of service shall be considered as  
19 consecutive in determining final rate of earnings.

20 (Source: P.A. 98-92, eff. 7-16-13; 99-450, eff. 8-24-15.)

21 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

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

24 Sec. 15-113.4. Service for unused sick leave. "Service for  
25 unused sick leave": A person who first becomes a participant

1 before the effective date of this amendatory Act of the 99th  
2 General Assembly and participant who is an employee under this  
3 System or one of the other systems subject to Article 20 of  
4 this Code within 60 days immediately preceding the date on  
5 which his or her retirement annuity begins, is entitled to  
6 credit for service for that portion of unused sick leave earned  
7 in the course of employment with an employer and credited on  
8 the date of termination of employment by an employer for which  
9 payment is not received, in accordance with the following  
10 schedule: 30 through 90 full calendar days and 20 through 59  
11 full work days of unused sick leave, 1/4 of a year of service;  
12 91 through 180 full calendar days and 60 through 119 full work  
13 days, 1/2 of a year of service; 181 through 270 full calendar  
14 days and 120 through 179 full work days, 3/4 of a year of  
15 service; 271 through 360 full calendar days and 180 through 240  
16 full work days, one year of service. Only uncompensated, unused  
17 sick leave earned in accordance with an employer's sick leave  
18 accrual policy generally applicable to employees or a class of  
19 employees shall be taken into account in calculating service  
20 credit under this Section. Any uncompensated, unused sick leave  
21 granted by an employer to facilitate the hiring, retirement,  
22 termination, or other special circumstances of an employee  
23 shall not be taken into account in calculating service credit  
24 under this Section. If a participant transfers from one  
25 employer to another, the unused sick leave credited by the  
26 previous employer shall be considered in determining service to

1 be credited under this Section, even if the participant  
2 terminated service prior to the effective date of P.A. 86-272  
3 (August 23, 1989); if necessary, the retirement annuity shall  
4 be recalculated to reflect such sick leave credit. Each  
5 employer shall certify to the board the number of days of  
6 unused sick leave accrued to the participant's credit on the  
7 date that the participant's status as an employee terminated.  
8 This period of unused sick leave shall not be considered in  
9 determining the date the retirement annuity begins. A person  
10 who first becomes a participant on or after the effective date  
11 of this amendatory Act of the 99th General Assembly shall not  
12 receive service credit for unused sick leave.

13 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

14 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

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

17 Sec. 16-121. Salary. "Salary": The actual compensation  
18 received by a teacher during any school year and recognized by  
19 the system in accordance with rules of the board. For purposes  
20 of this Section, "school year" includes the regular school term  
21 plus any additional period for which a teacher is compensated  
22 and such compensation is recognized by the rules of the board.

23 In the case of a person who first becomes a member on or  
24 after the effective date of this amendatory Act of the 99th  
25 General Assembly, "salary" shall not include any payment for

1 unused sick or vacation time.

2 (Source: P.A. 84-1028.)

3 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

6 Sec. 16-127. Computation of creditable service.

7 (a) Each member shall receive regular credit for all  
8 service as a teacher from the date membership begins, for which  
9 satisfactory evidence is supplied and all contributions have  
10 been paid.

11 (b) The following periods of service shall earn optional  
12 credit and each member shall receive credit for all such  
13 service for which satisfactory evidence is supplied and all  
14 contributions have been paid as of the date specified:

15 (1) Prior service as a teacher.

16 (2) Service in a capacity essentially similar or  
17 equivalent to that of a teacher, in the public common  
18 schools in school districts in this State not included  
19 within the provisions of this System, or of any other  
20 State, territory, dependency or possession of the United  
21 States, or in schools operated by or under the auspices of  
22 the United States, or under the auspices of any agency or  
23 department of any other State, and service during any  
24 period of professional speech correction or special  
25 education experience for a public agency within this State

1 or any other State, territory, dependency or possession of  
2 the United States, and service prior to February 1, 1951 as  
3 a recreation worker for the Illinois Department of Public  
4 Safety, for a period not exceeding the lesser of 2/5 of the  
5 total creditable service of the member or 10 years. The  
6 maximum service of 10 years which is allowable under this  
7 paragraph shall be reduced by the service credit which is  
8 validated by other retirement systems under paragraph (i)  
9 of Section 15-113 and paragraph 1 of Section 17-133. Credit  
10 granted under this paragraph may not be used in  
11 determination of a retirement annuity or disability  
12 benefits unless the member has at least 5 years of  
13 creditable service earned subsequent to this employment  
14 with one or more of the following systems: Teachers'  
15 Retirement System of the State of Illinois, State  
16 Universities Retirement System, and the Public School  
17 Teachers' Pension and Retirement Fund of Chicago. Whenever  
18 such service credit exceeds the maximum allowed for all  
19 purposes of this Article, the first service rendered in  
20 point of time shall be considered. The changes to this  
21 subdivision (b)(2) made by Public Act 86-272 shall apply  
22 not only to persons who on or after its effective date  
23 (August 23, 1989) are in service as a teacher under the  
24 System, but also to persons whose status as such a teacher  
25 terminated prior to such effective date, whether or not  
26 such person is an annuitant on that date.

1           (3) Any periods immediately following teaching  
2 service, under this System or under Article 17, (or  
3 immediately following service prior to February 1, 1951 as  
4 a recreation worker for the Illinois Department of Public  
5 Safety) spent in active service with the military forces of  
6 the United States; periods spent in educational programs  
7 that prepare for return to teaching sponsored by the  
8 federal government following such active military service;  
9 if a teacher returns to teaching service within one  
10 calendar year after discharge or after the completion of  
11 the educational program, a further period, not exceeding  
12 one calendar year, between time spent in military service  
13 or in such educational programs and the return to  
14 employment as a teacher under this System; and a period of  
15 up to 2 years of active military service not immediately  
16 following employment as a teacher.

17           The changes to this Section and Section 16-128 relating  
18 to military service made by P.A. 87-794 shall apply not  
19 only to persons who on or after its effective date are in  
20 service as a teacher under the System, but also to persons  
21 whose status as a teacher terminated prior to that date,  
22 whether or not the person is an annuitant on that date. In  
23 the case of an annuitant who applies for credit allowable  
24 under this Section for a period of military service that  
25 did not immediately follow employment, and who has made the  
26 required contributions for such credit, the annuity shall

1 be recalculated to include the additional service credit,  
2 with the increase taking effect on the date the System  
3 received written notification of the annuitant's intent to  
4 purchase the credit, if payment of all the required  
5 contributions is made within 60 days of such notice, or  
6 else on the first annuity payment date following the date  
7 of payment of the required contributions. In calculating  
8 the automatic annual increase for an annuity that has been  
9 recalculated under this Section, the increase attributable  
10 to the additional service allowable under P.A. 87-794 shall  
11 be included in the calculation of automatic annual  
12 increases accruing after the effective date of the  
13 recalculation.

14 Credit for military service shall be determined as  
15 follows: if entry occurs during the months of July, August,  
16 or September and the member was a teacher at the end of the  
17 immediately preceding school term, credit shall be granted  
18 from July 1 of the year in which he or she entered service;  
19 if entry occurs during the school term and the teacher was  
20 in teaching service at the beginning of the school term,  
21 credit shall be granted from July 1 of such year. In all  
22 other cases where credit for military service is allowed,  
23 credit shall be granted from the date of entry into the  
24 service.

25 The total period of military service for which credit  
26 is granted shall not exceed 5 years for any member unless

1 the service: (A) is validated before July 1, 1964, and (B)  
2 does not extend beyond July 1, 1963. Credit for military  
3 service shall be granted under this Section only if not  
4 more than 5 years of the military service for which credit  
5 is granted under this Section is used by the member to  
6 qualify for a military retirement allotment from any branch  
7 of the armed forces of the United States. The changes to  
8 this subdivision (b)(3) made by Public Act 86-272 shall  
9 apply not only to persons who on or after its effective  
10 date (August 23, 1989) are in service as a teacher under  
11 the System, but also to persons whose status as such a  
12 teacher terminated prior to such effective date, whether or  
13 not such person is an annuitant on that date.

14 (4) Any periods served as a member of the General  
15 Assembly.

16 (5) (i) Any periods for which a teacher, as defined in  
17 Section 16-106, is granted a leave of absence, provided he  
18 or she returns to teaching service creditable under this  
19 System or the State Universities Retirement System  
20 following the leave; (ii) periods during which a teacher is  
21 involuntarily laid off from teaching, provided he or she  
22 returns to teaching following the lay-off; (iii) periods  
23 prior to July 1, 1983 during which a teacher ceased covered  
24 employment due to pregnancy, provided that the teacher  
25 returned to teaching service creditable under this System  
26 or the State Universities Retirement System following the

1 pregnancy and submits evidence satisfactory to the Board  
2 documenting that the employment ceased due to pregnancy;  
3 and (iv) periods prior to July 1, 1983 during which a  
4 teacher ceased covered employment for the purpose of  
5 adopting an infant under 3 years of age or caring for a  
6 newly adopted infant under 3 years of age, provided that  
7 the teacher returned to teaching service creditable under  
8 this System or the State Universities Retirement System  
9 following the adoption and submits evidence satisfactory  
10 to the Board documenting that the employment ceased for the  
11 purpose of adopting an infant under 3 years of age or  
12 caring for a newly adopted infant under 3 years of age.  
13 However, total credit under this paragraph (5) may not  
14 exceed 3 years.

15 Any qualified member or annuitant may apply for credit  
16 under item (iii) or (iv) of this paragraph (5) without  
17 regard to whether service was terminated before the  
18 effective date of this amendatory Act of 1997. In the case  
19 of an annuitant who establishes credit under item (iii) or  
20 (iv), the annuity shall be recalculated to include the  
21 additional service credit. The increase in annuity shall  
22 take effect on the date the System receives written  
23 notification of the annuitant's intent to purchase the  
24 credit, if the required evidence is submitted and the  
25 required contribution paid within 60 days of that  
26 notification, otherwise on the first annuity payment date

1 following the System's receipt of the required evidence and  
2 contribution. The increase in an annuity recalculated  
3 under this provision shall be included in the calculation  
4 of automatic annual increases in the annuity accruing after  
5 the effective date of the recalculation.

6 Optional credit may be purchased under this subsection  
7 (b) (5) for periods during which a teacher has been granted  
8 a leave of absence pursuant to Section 24-13 of the School  
9 Code. A teacher whose service under this Article terminated  
10 prior to the effective date of P.A. 86-1488 shall be  
11 eligible to purchase such optional credit. If a teacher who  
12 purchases this optional credit is already receiving a  
13 retirement annuity under this Article, the annuity shall be  
14 recalculated as if the annuitant had applied for the leave  
15 of absence credit at the time of retirement. The difference  
16 between the entitled annuity and the actual annuity shall  
17 be credited to the purchase of the optional credit. The  
18 remainder of the purchase cost of the optional credit shall  
19 be paid on or before April 1, 1992.

20 The change in this paragraph made by Public Act 86-273  
21 shall be applicable to teachers who retire after June 1,  
22 1989, as well as to teachers who are in service on that  
23 date.

24 (6) For a person who first becomes a member before the  
25 effective date of this amendatory Act of the 99th General  
26 Assembly, any ~~Any~~ days of unused and uncompensated

1 accumulated sick leave earned by a teacher. The service  
2 credit granted under this paragraph shall be the ratio of  
3 the number of unused and uncompensated accumulated sick  
4 leave days to 170 days, subject to a maximum of 2 years of  
5 service credit. Prior to the member's retirement, each  
6 former employer shall certify to the System the number of  
7 unused and uncompensated accumulated sick leave days  
8 credited to the member at the time of termination of  
9 service. The period of unused sick leave shall not be  
10 considered in determining the effective date of  
11 retirement. A member is not required to make contributions  
12 in order to obtain service credit for unused sick leave.

13 Credit for sick leave shall, at retirement, be granted  
14 by the System for any retiring regional or assistant  
15 regional superintendent of schools who first becomes a  
16 member before the effective date of this amendatory Act of  
17 the 99th General Assembly at the rate of 6 days per year of  
18 creditable service or portion thereof established while  
19 serving as such superintendent or assistant  
20 superintendent.

21 (7) Periods prior to February 1, 1987 served as an  
22 employee of the Illinois Mathematics and Science Academy  
23 for which credit has not been terminated under Section  
24 15-113.9 of this Code.

25 (8) Service as a substitute teacher for work performed  
26 prior to July 1, 1990.

1           (9) Service as a part-time teacher for work performed  
2 prior to July 1, 1990.

3           (10) Up to 2 years of employment with Southern Illinois  
4 University - Carbondale from September 1, 1959 to August  
5 31, 1961, or with Governors State University from September  
6 1, 1972 to August 31, 1974, for which the teacher has no  
7 credit under Article 15. To receive credit under this item  
8 (10), a teacher must apply in writing to the Board and pay  
9 the required contributions before May 1, 1993 and have at  
10 least 12 years of service credit under this Article.

11          (b-1) A member may establish optional credit for up to 2  
12 years of service as a teacher or administrator employed by a  
13 private school recognized by the Illinois State Board of  
14 Education, provided that the teacher (i) was certified under  
15 the law governing the certification of teachers at the time the  
16 service was rendered, (ii) applies in writing on or after  
17 August 1, 2009 and on or before August 1, 2012, (iii) supplies  
18 satisfactory evidence of the employment, (iv) completes at  
19 least 10 years of contributing service as a teacher as defined  
20 in Section 16-106, and (v) pays the contribution required in  
21 subsection (d-5) of Section 16-128. The member may apply for  
22 credit under this subsection and pay the required contribution  
23 before completing the 10 years of contributing service required  
24 under item (iv), but the credit may not be used until the item  
25 (iv) contributing service requirement has been met.

26          (c) The service credits specified in this Section shall be

1 granted only if: (1) such service credits are not used for  
2 credit in any other statutory tax-supported public employee  
3 retirement system other than the federal Social Security  
4 program; and (2) the member makes the required contributions as  
5 specified in Section 16-128. Except as provided in subsection  
6 (b-1) of this Section, the service credit shall be effective as  
7 of the date the required contributions are completed.

8 Any service credits granted under this Section shall  
9 terminate upon cessation of membership for any cause.

10 Credit may not be granted under this Section covering any  
11 period for which an age retirement or disability retirement  
12 allowance has been paid.

13 (Source: P.A. 96-546, eff. 8-17-09.)

14 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

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

17 Sec. 17-116. Service retirement pension.

18 (a) Each teacher having 20 years of service upon attainment  
19 of age 55, or who thereafter attains age 55 shall be entitled  
20 to a service retirement pension upon or after attainment of age  
21 55; and each teacher in service on or after July 1, 1971, with  
22 5 or more but less than 20 years of service shall be entitled  
23 to receive a service retirement pension upon or after  
24 attainment of age 62.

25 (b) The service retirement pension for a teacher who

1 retires on or after June 25, 1971, at age 60 or over, shall be  
2 calculated as follows:

3 (1) For creditable service earned before July 1, 1998  
4 that has not been augmented under Section 17-119.1: 1.67%  
5 for each of the first 10 years of service; 1.90% for each  
6 of the next 10 years of service; 2.10% for each year of  
7 service in excess of 20 but not exceeding 30; and 2.30% for  
8 each year of service in excess of 30, based upon average  
9 salary as herein defined.

10 (2) For creditable service earned on or after July 1,  
11 1998 by a member who has at least 30 years of creditable  
12 service on July 1, 1998 and who does not elect to augment  
13 service under Section 17-119.1: 2.3% of average salary for  
14 each year of creditable service earned on or after July 1,  
15 1998.

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

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

20 1. Average salary shall consist of the average annual  
21 rate of salary for the 4 consecutive years of validated  
22 service within the last 10 years of service when such  
23 average annual rate was highest. In the determination of  
24 average salary for retirement allowance purposes, for  
25 members who commenced employment after August 31, 1979,  
26 that part of the salary for any year shall be excluded

1           which exceeds the annual full-time salary rate for the  
2           preceding year by more than 20%. In the case of a member  
3           who commenced employment before August 31, 1979 and who  
4           receives salary during any year after September 1, 1983  
5           which exceeds the annual full time salary rate for the  
6           preceding year by more than 20%, an Employer and other  
7           employers of eligible contributors as defined in Section  
8           17-106 shall pay to the Fund an amount equal to the present  
9           value of the additional service retirement pension  
10          resulting from such excess salary. The present value of the  
11          additional service retirement pension shall be computed by  
12          the Board on the basis of actuarial tables adopted by the  
13          Board. If a member elects to receive a pension from this  
14          Fund provided by Section 20-121, his salary under the State  
15          Universities Retirement System and the Teachers'  
16          Retirement System of the State of Illinois shall be  
17          considered in determining such average salary. Amounts  
18          paid after the effective date of this amendatory Act of  
19          1991 for unused vacation time earned after that effective  
20          date shall not under any circumstances be included in the  
21          calculation of average salary or the annual rate of salary  
22          for the purposes of this Article.

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

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

1           4. For separation from service below age 60 to a  
2           minimum age of 55, the pension shall be discounted at the  
3           rate of 1/2 of one per cent for each month that the age of  
4           the contributor is less than 60, but a teacher may elect to  
5           defer the effective date of pension in order to eliminate  
6           or reduce this discount. This discount shall not be  
7           applicable to any participant who has at least 34 years of  
8           service or a retirement pension of at least 74.6% of  
9           average salary on the date the retirement annuity begins.

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

14          6. Service retirement pensions shall begin on the  
15          effective date of resignation, retirement, the day  
16          following the close of the payroll period for which service  
17          credit was validated, or the time the person resigning or  
18          retiring attains age 55, or on a date elected by the  
19          teacher, whichever shall be latest.

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

25          8. A member retiring after the effective date of this  
26          amendatory Act of 1998 shall receive a pension equal to 75%

1 of average salary if the member is qualified to receive a  
2 retirement pension equal to at least 74.6% of average  
3 salary under this Article or as proportional annuities  
4 under Article 20 of this Code.

5 9. In the case of a person who first becomes a  
6 participant on or after the effective date of this  
7 amendatory Act of the 99th General Assembly, payments for  
8 unused sick or vacation time shall not be used in the  
9 calculation of average salary.

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

11 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

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

14 Sec. 17-134. Contributions for leaves of absence; military  
15 service; computing service. In computing service for pension  
16 purposes the following periods of service shall stand in lieu  
17 of a like number of years of teaching service upon payment  
18 therefor in the manner hereinafter provided: (a) time spent on  
19 a leave of absence granted by the employer; (b) service with  
20 teacher or labor organizations based upon special leaves of  
21 absence therefor granted by an Employer; (c) a maximum of 5  
22 years spent in the military service of the United States, of  
23 which up to 2 years may have been served outside the pension  
24 period; (d) unused sick days at termination of service to a  
25 maximum of 244 days; (e) time lost due to layoff and

1 curtailment of the school term from June 6 through June 21,  
2 1976; and (f) time spent after June 30, 1982 as a member of the  
3 Board of Education, if required to resign from an  
4 administrative or teaching position in order to qualify as a  
5 member of the Board of Education.

6 (1) For time spent on or after September 6, 1948 on  
7 sabbatical leaves of absence or sick leaves, for which  
8 salaries are paid, an Employer shall make payroll  
9 deductions at the applicable rates in effect during such  
10 periods.

11 (2) For time spent on a leave of absence granted by the  
12 employer for which no salaries are paid, teachers desiring  
13 credit therefor shall pay the required contributions at the  
14 rates in effect during such periods as though they were in  
15 teaching service. If an Employer pays salary for vacations  
16 which occur during a teacher's sick leave or maternity or  
17 paternity leave without salary, vacation pay for which the  
18 teacher would have qualified while in active service shall  
19 be considered part of the teacher's total salary for  
20 pension purposes. No more than 36 months of leave credit  
21 may be allowed any person during the entire term of  
22 service. Sabbatical leave credit shall be limited to the  
23 time the person on leave without salary under an Employer's  
24 rules is allowed to engage in an activity for which he  
25 receives salary or compensation.

26 (3) For time spent prior to September 6, 1948, on

1 sabbatical leaves of absence or sick leaves for which  
2 salaries were paid, teachers desiring service credit  
3 therefor shall pay the required contributions at the  
4 maximum applicable rates in effect during such periods.

5 (4) For service with teacher or labor organizations  
6 authorized by special leaves of absence, for which no  
7 payroll deductions are made by an Employer, teachers  
8 desiring service credit therefor shall contribute to the  
9 Fund upon the basis of the actual salary received from such  
10 organizations at the percentage rates in effect during such  
11 periods for certified positions with such Employer. To the  
12 extent the actual salary exceeds the regular salary, which  
13 shall be defined as the salary rate, as calculated by the  
14 Board, in effect for the teacher's regular position in  
15 teaching service on September 1, 1983 or on the effective  
16 date of the leave with the organization, whichever is  
17 later, the organization shall pay to the Fund the  
18 employer's normal cost as set by the Board on the  
19 increment. Notwithstanding any other provision of this  
20 subdivision (4), teachers are only eligible for credit for  
21 service under this subdivision (4) if the special leave of  
22 absence begins before the effective date of this amendatory  
23 Act of the 97th General Assembly.

24 (5) For time spent in the military service, teachers  
25 entitled to and desiring credit therefor shall contribute  
26 the amount required for each year of service or fraction

1       thereof at the rates in force (a) at the date of  
2       appointment, or (b) on return to teaching service as a  
3       regularly certified teacher, as the case may be; provided  
4       such rates shall not be less than \$450 per year of service.  
5       These conditions shall apply unless an Employer elects to  
6       and does pay into the Fund the amount which would have been  
7       due from such person had he been employed as a teacher  
8       during such time. In the case of credit for military  
9       service not during the pension period, the teacher must  
10      also pay to the Fund an amount determined by the Board to  
11      be equal to the employer's normal cost of the benefits  
12      accrued from such service, plus interest thereon at 5% per  
13      year, compounded annually, from the date of appointment to  
14      the date of payment.

15             The changes to this Section made by Public Act 87-795  
16      shall apply not only to persons who on or after its  
17      effective date are in service under the Fund, but also to  
18      persons whose status as a teacher terminated prior to that  
19      date, whether or not the person is an annuitant on that  
20      date. In the case of an annuitant who applies for credit  
21      allowable under this Section for a period of military  
22      service that did not immediately follow employment, and who  
23      has made the required contributions for such credit, the  
24      annuity shall be recalculated to include the additional  
25      service credit, with the increase taking effect on the date  
26      the Fund received written notification of the annuitant's

1 intent to purchase the credit, if payment of all the  
2 required contributions is made within 60 days of such  
3 notice, or else on the first annuity payment date following  
4 the date of payment of the required contributions. In  
5 calculating the automatic annual increase for an annuity  
6 that has been recalculated under this Section, the increase  
7 attributable to the additional service allowable under  
8 this amendatory Act of 1991 shall be included in the  
9 calculation of automatic annual increases accruing after  
10 the effective date of the recalculation.

11 The total credit for military service shall not exceed  
12 5 years, except that any teacher who on July 1, 1963, had  
13 validated credit for more than 5 years of military service  
14 shall be entitled to the total amount of such credit.

15 (6) For persons who first become teachers before the  
16 effective date of this amendatory Act of the 99th General  
17 Assembly, a ~~A~~ maximum of 244 unused sick days credited to  
18 his account by an Employer on the date of termination of  
19 employment. Members, upon verification of unused sick  
20 days, may add this service time to total creditable  
21 service.

22 (7) In all cases where time spent on leave is  
23 creditable and no payroll deductions therefor are made by  
24 an Employer, persons desiring service credit shall make the  
25 required contributions directly to the Fund.

26 (8) For time lost without pay due to layoff and

1 curtailment of the school term from June 6 through June 21,  
2 1976, as provided in item (e) of the first paragraph of  
3 this Section, persons who were contributors on the days  
4 immediately preceding such layoff shall receive credit  
5 upon paying to the Fund a contribution based on the rates  
6 of compensation and employee contributions in effect at the  
7 time of such layoff, together with an additional amount  
8 equal to 12.2% of the compensation computed for such period  
9 of layoff, plus interest on the entire amount at 5% per  
10 annum from January 1, 1978 to the date of payment. If such  
11 contribution is paid, salary for pension purposes for any  
12 year in which such a layoff occurred shall include the  
13 compensation recognized for purposes of computing that  
14 contribution.

15 (9) For time spent after June 30, 1982, as a  
16 nonsalaried member of the Board of Education, if required  
17 to resign from an administrative or teaching position in  
18 order to qualify as a member of the Board of Education, an  
19 administrator or teacher desiring credit therefor shall  
20 pay the required contributions at the rates and salaries in  
21 effect during such periods as though the member were in  
22 service.

23 Effective September 1, 1974, the interest charged for  
24 validation of service described in paragraphs (2) through (5)  
25 of this Section shall be compounded annually at a rate of 5%  
26 commencing one year after the termination of the leave or

1 return to service.

2 (Source: P.A. 97-651, eff. 1-5-12.)

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