AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Sections 7-141, 7-166, and 7-174 as follows:

(40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

Sec. 7-141. Retirement annuities; conditions. Retirement annuities shall be payable as hereinafter set forth:

(a) A participating employee who, regardless of cause, is separated from the service of the ~~all~~ participating municipalities and instrumentalities thereof and participating instrumentalities from which the participating employee is seeking to retire shall be entitled to a retirement annuity provided:

1. He is at least age 55 if he is a Tier 1 regular employee, he is age 62 if he is a Tier 2 regular employee, or, in the case of a person who is eligible to have his annuity calculated under Section 7-142.1, he is at least age 50;

2. He is not entitled to receive earnings for employment in a position requiring him~~, or entitling him to elect,~~ to be a participating employee as defined in Section 7-137 or under subsection (a) of Section 7-144;

3. The amount of his annuity, before the application of paragraph (b) of Section 7-142 is at least $10 per month;

4. If he first became a participating employee after December 31, 1961 and is a Tier 1 regular employee, he has at least 8 years of service, or, if he is a Tier 2 regular member, he has at least 10 years of service. This service requirement shall not apply to any participating employee, regardless of participation date, if the General Assembly terminates the Fund; ~~.~~

5. He has not prearranged to return to the service of the participating municipalities and instrumentalities thereof and participating instrumentalities from which the participating employee retired.

(b) Retirement annuities shall be payable:

1. As provided in Section 7-119;

2. Except as provided in item 3, upon receipt by the fund of a written application. The effective date may be not more than one year prior to the date of the receipt by the fund of the application;

3. Upon attainment of the required age of distribution under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, if the member (i) is no longer in service, and (ii) is otherwise entitled to an annuity under this Article;

4. To the beneficiary of the deceased annuitant for

the unpaid amount accrued to date of death, if any.

(Source: P.A. 102-210, Article 5, Section 5-5, eff. 7-30-21; 102-210, Article 10, Section 10-5, eff. 1-1-22; 102-813, eff. 5-13-22.)

(40 ILCS 5/7-166) (from Ch. 108 1/2, par. 7-166)

Sec. 7-166. Separation benefits; eligibility ~~benefits - eligibility~~. Separation benefits shall be payable as hereinafter set forth:

1. Any ~~Upon separation from the service of all participating municipalities and instrumentalities thereof and participating instrumentalities, any~~ participating employee who, on the date of application for such benefit, is not entitled to a retirement annuity and has separated from the service of the participating municipality or instrumentality with which the participating employee last participated in the Fund shall be entitled to a separation benefit.

2. Any ~~Upon separation from the service of all participating municipalities and instrumentalities thereof and participating instrumentalities, any~~ participating employee who, on the date of application for such benefit, is entitled to a retirement annuity of less than $100 per month for life and has separated from the service of the participating municipality or instrumentality with which the participating employee last

participated in the Fund may elect to take a separation benefit in lieu of the retirement annuity.

3. Any ~~Upon separation from the service of all participating municipalities and instrumentalities thereof and participating instrumentalities, any~~ participating employee who, on the date of application for such benefit, is entitled to a retirement annuity, but wishes instead to use the amounts to his or her credit in the Fund to purchase credit in another retirement plan, and has separated from the service of the participating municipality or instrumentality with which the participating employee last participated in the Fund may elect to take a separation benefit in lieu of the retirement annuity.

(Source: P.A. 99-747, eff. 1-1-17.)

(40 ILCS 5/7-174) (from Ch. 108 1/2, par. 7-174)

Sec. 7-174. Board created.

(a) A board of 8 members shall constitute a board of trustees authorized to carry out the provisions of this Article. Each trustee shall be a participating employee of a participating municipality or participating instrumentality or an annuitant of the Fund and no person shall be eligible to become a trustee after January 1, 1979 who does not have the minimum service credit in this Fund to qualify for a pension.

Notwithstanding any other provision of this subsection, on and after the effective date of this amendatory Act of the 104th General Assembly, no person who has earned creditable service through employment by the Fund shall be eligible to serve as a trustee.

(b) The board shall consist of representatives of various groups as follows:

1. 4 trustees shall be a chief executive officer, chief finance officer, or other officer, executive or department head of a participating municipality or participating instrumentality, and each such trustee shall be designated as an executive trustee.

2. 3 trustees shall be employees of a participating municipality or participating instrumentality and each such trustee shall be designated as an employee trustee. A person who meets the criteria to be an executive trustee may not serve as an employee trustee.

3. One trustee shall be an annuitant of the Fund, who shall be designated the annuitant trustee.

(c) A person elected as a trustee shall qualify as a trustee, after declaration by the board that he has been duly elected, upon taking and subscribing to the constitutional oath of office and filing same in the office of the Fund.

(d) The term of office of each trustee shall begin upon January 1 of the year following the year in which he is elected and shall continue for a period of 5 years and until a successor has been elected and qualified, or until prior resignation, death, incapacity or disqualification.

(e) Any elected trustee (other than the annuitant trustee) shall be disqualified immediately upon termination of employment with all participating municipalities and instrumentalities thereof or upon any change in status which removes any such trustee from all employments within the group he represents. The annuitant trustee shall be disqualified upon termination of his or her annuity.

(e-5) Notwithstanding any other provision, an elected trustee shall not be considered disqualified due to termination of participation under subsection (e) if:

(1) he or she thereafter begins participation with a different participating employer;

(2) there is no gap in service credit established under this Article; and

(3) the trustee continues to meet all eligibility requirements under subsection (b) for the same type of trustee position.

(f) The trustees shall fill any vacancy in the board by appointment, for the period until the next election of trustees, or, if the remaining term is less than 2 years, for the remainder of the term, and until his successor has been elected and qualified.

(g) Trustees shall serve without compensation, but shall be reimbursed for any reasonable expenses incurred in attending meetings of the board and in performing duties on behalf of the Fund and for the amount of any earnings withheld by any employing municipality or participating instrumentality because of attendance at any board meeting.

(h) Each trustee shall be entitled to one vote on any and all actions before the board. At least 5 concurring votes shall be necessary for every decision or action by the board at any of its meetings. No decision or action shall become effective unless presented and so approved at a regular or duly called special meeting of the board.

(Source: P.A. 102-479, eff. 8-20-21; 103-464, eff. 8-4-23.)