

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 Article 1.

5 Section 1-5. The Illinois Pension Code is amended by
6 changing Section 17-149 as follows:

7 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

8 Sec. 17-149. Cancellation of pensions.

9 (a) If any person receiving a disability retirement
10 pension from the Fund is re-employed as a teacher by an
11 Employer, the pension shall be cancelled on the date the
12 re-employment begins, or on the first day of a payroll period
13 for which service credit was validated, whichever is earlier.

14 (b) If any person receiving a service retirement pension
15 from the Fund is re-employed as a teacher on a permanent or
16 annual basis by an Employer, the pension shall be cancelled on
17 the date the re-employment begins, or on the first day of a
18 payroll period for which service credit was validated,
19 whichever is earlier. However, subject to the limitations and
20 requirements of subsection (c-5), (c-6), (c-7), or (c-10), the
21 pension shall not be cancelled in the case of a service
22 retirement pensioner who is re-employed on a temporary and

1 non-annual basis or on an hourly basis.

2 (c) If the date of re-employment on a permanent or annual
3 basis occurs within 5 school months after the date of previous
4 retirement, exclusive of any vacation period, the member shall
5 be deemed to have been out of service only temporarily and not
6 permanently retired. Such person shall be entitled to pension
7 payments for the time he could have been employed as a teacher
8 and received salary, but shall not be entitled to pension for
9 or during the summer vacation prior to his return to service.

10 When the member again retires on pension, the time of
11 service and the money contributed by him during re-employment
12 shall be added to the time and money previously credited. Such
13 person must acquire 3 consecutive years of additional
14 contributing service before he may retire again on a pension
15 at a rate and under conditions other than those in force or
16 attained at the time of his previous retirement.

17 (c-5) For school years beginning on or after July 1, 2019
18 and before July 1, 2022, the service retirement pension shall
19 not be cancelled in the case of a service retirement pensioner
20 who is re-employed as a teacher on a temporary and non-annual
21 basis or on an hourly basis, so long as the person (1) does not
22 work as a teacher for compensation on more than 120 days in a
23 school year or (2) does not accept gross compensation for the
24 re-employment in a school year in excess of (i) \$30,000 or (ii)
25 in the case of a person who retires with at least 5 years of
26 service as a principal, an amount that is equal to the daily

1 rate normally paid to retired principals multiplied by 100.
2 These limitations apply only to school years that begin on or
3 after July 1, 2019 and before July 1, 2022. Such re-employment
4 does not require contributions, result in service credit, or
5 constitute active membership in the Fund.

6 The service retirement pension shall not be cancelled in
7 the case of a service retirement pensioner who is re-employed
8 as a teacher on a temporary and non-annual basis or on an
9 hourly basis, so long as the person (1) does not work as a
10 teacher for compensation on more than 100 days in a school year
11 or (2) does not accept gross compensation for the
12 re-employment in a school year in excess of (i) \$30,000 or (ii)
13 in the case of a person who retires with at least 5 years of
14 service as a principal, an amount that is equal to the daily
15 rate normally paid to retired principals multiplied by 100.
16 These limitations apply only to school years that begin on or
17 after August 8, 2012 (the effective date of Public Act 97-912)
18 and before July 1, 2019. Such re-employment does not require
19 contributions, result in service credit, or constitute active
20 membership in the Fund.

21 Notwithstanding the 120-day limit set forth in item (1) of
22 this subsection (c-5), the service retirement pension shall
23 not be cancelled in the case of a service retirement pensioner
24 who teaches only driver education courses after regular school
25 hours and does not teach any other subject area, so long as the
26 person does not work as a teacher for compensation for more

1 than 900 hours in a school year. The \$30,000 limit set forth in
2 subitem (i) of item (2) of this subsection (c-5) shall apply to
3 a service retirement pensioner who teaches only driver
4 education courses after regular school hours and does not
5 teach any other subject area.

6 To be eligible for such re-employment without cancellation
7 of pension, the pensioner must notify the Fund and the Board of
8 Education of his or her intention to accept re-employment
9 under this subsection (c-5) before beginning that
10 re-employment (or if the re-employment began before August 8,
11 2012 (the effective date of Public Act 97-912), then within 30
12 days after that effective date).

13 An Employer must certify to the Fund the temporary and
14 non-annual or hourly status and the compensation of each
15 pensioner re-employed under this subsection at least
16 quarterly, and when the pensioner is approaching the earnings
17 limitation under this subsection.

18 If the pensioner works more than 100 days or accepts
19 excess gross compensation for such re-employment in any school
20 year that begins on or after August 8, 2012 (the effective date
21 of Public Act 97-912), the service retirement pension shall
22 thereupon be cancelled.

23 If the pensioner who only teaches drivers education
24 courses after regular school hours works more than 900 hours
25 or accepts excess gross compensation for such re-employment in
26 any school year that begins on or after August 12, 2016 (the

1 effective date of Public Act 99-786), the service retirement
2 pension shall thereupon be cancelled.

3 If the pensioner works more than 120 days or accepts
4 excess gross compensation for such re-employment in any school
5 year that begins on or after July 1, 2019, the service
6 retirement pension shall thereupon be cancelled.

7 The Board of the Fund shall adopt rules for the
8 implementation and administration of this subsection.

9 (c-6) For school years beginning on or after July 1, 2022
10 and before July 1, 2027, the service retirement pension shall
11 not be cancelled in the case of a service retirement pensioner
12 who is re-employed as a teacher or an administrator on a
13 temporary and non-annual basis or on an hourly basis, so long
14 as the person does not work as a teacher or an administrator
15 for compensation on more than 140 days in a school year. Such
16 re-employment does not require contributions, result in
17 service credit, or constitute active membership in the Fund.

18 (c-7) For school years beginning on or after July 1, 2027,
19 the service retirement pension shall not be cancelled in the
20 case of a service retirement pensioner who is re-employed as a
21 teacher or an administrator on a temporary and non-annual
22 basis or on an hourly basis, so long as the person does not
23 work as a teacher or an administrator for compensation on more
24 than 120 days in a school year. Such re-employment does not
25 require contributions, result in service credit, or constitute
26 active membership in the Fund.

1 (c-10) Until June 30, 2027, the service retirement pension
2 of a service retirement pensioner shall not be cancelled if
3 the service retirement pensioner is employed in a subject
4 shortage area and the Employer that is employing the service
5 retirement pensioner meets the following requirements:

6 (1) If the Employer has honorably dismissed, within
7 the calendar year preceding the beginning of the school
8 term for which it seeks to employ a service retirement
9 pensioner under this subsection, any teachers who are
10 legally qualified to hold positions in the subject
11 shortage area and have not yet begun to receive their
12 service retirement pensions under this Article, the vacant
13 positions must first be tendered to those teachers.

14 (2) For a period of at least 90 days during the 6
15 months preceding the beginning of either the fall or
16 spring term for which it seeks to employ a service
17 retirement pensioner under this subsection, the Employer
18 must, on an ongoing basis, (i) advertise its vacancies in
19 the subject shortage area in employment bulletins
20 published by college and university placement offices
21 located near the school; (ii) search for teachers legally
22 qualified to fill those vacancies through the Illinois
23 Education Job Bank; and (iii) post all vacancies on the
24 Employer's website and list the vacancy in an online job
25 portal or database.

26 An Employer of a teacher who is unable to continue

1 employment with the Employer because of documented illness,
2 injury, or disability that occurred after being hired by the
3 Employer under this subsection is exempt from the provisions
4 of paragraph (2) for 90 school days. However, the Employer
5 must on an ongoing basis comply with items (i), (ii), and (iii)
6 of paragraph (2).

7 The Employer must submit documentation of its compliance
8 with this subsection to the regional superintendent. Upon
9 receiving satisfactory documentation from the Employer, the
10 regional superintendent shall certify the Employer's
11 compliance with this subsection to the Fund.

12 (c-15) If a service retirement pension is required to be
13 canceled because the service retirement pensioner worked more
14 than the number of days allowed under this Section in any
15 school year, the service retirement pension benefit shall be
16 withheld on a pro rata basis for each day worked in excess of
17 the number of days allowed under this Section.

18 If a service retirement pensioner who only teaches drivers
19 education courses after regular school hours works more than
20 900 hours in any school year, the service retirement pension
21 benefit shall be withheld on a pro rata basis for each period
22 of 7.5 hours in excess of 900 hours.

23 (d) Notwithstanding Sections 1-103.1 and 17-157, the
24 changes to this Section made by Public Act 90-32 apply without
25 regard to whether termination of service occurred before the
26 effective date of that Act and apply retroactively to August

1 23, 1989.

2 Notwithstanding Sections 1-103.1 and 17-157, the changes
3 to this Section and Section 17-106 made by Public Act 92-599
4 apply without regard to whether termination of service
5 occurred before June 28, 2002 (the effective date of Public
6 Act 92-599).

7 Notwithstanding Sections 1-103.1 and 17-157, the changes
8 to this Section made by Public Act 97-912 apply without regard
9 to whether termination of service occurred before August 8,
10 2012 (the effective date of Public Act 97-912).

11 The changes made by this amendatory Act of the 104th
12 General Assembly are retroactive to July 1, 2020. All service
13 retirement pensioners whose service retirement pensions were
14 canceled as a result of re-employment as a teacher pursuant to
15 this Section during the period of July 1, 2020 through the
16 effective date of this amendatory Act of the 104th General
17 Assembly shall have their overpayments recalculated on a pro
18 rata basis consistent with the changes made by this amendatory
19 Act of the 104th General Assembly, and the difference between
20 the initial overpayment and the recalculated overpayment shall
21 be refunded to those service retirement pensioners with
22 interest.

23 (Source: P.A. 102-1013, eff. 5-27-22; 102-1090, eff. 6-10-22;
24 103-154, eff. 6-30-23; 103-588, eff. 6-5-24.)

25 Article 2.

1 Section 2-5. The Illinois Pension Code is amended by
2 changing Section 7-137.1 as follows:

3 (40 ILCS 5/7-137.1) (from Ch. 108 1/2, par. 7-137.1)

4 Sec. 7-137.1. Elected officials.

5 (a) A person holding an elective office who has elected to
6 participate in the Fund while in that office may revoke that
7 election and cease participating in the Fund by notifying the
8 Board in writing before January 1, 1992.

9 Upon such revocation, the person shall forfeit all
10 creditable service earned while holding that office, and the
11 Board shall refund to the person, without interest, all
12 employee contributions paid for the forfeited creditable
13 service. The Board shall also refund or credit to the
14 employing municipality, without interest, the employer
15 contributions relating to the forfeited service, except those
16 for death and disability.

17 (b) Notwithstanding the provisions of Sections 7-141 and
18 7-144, beginning January 1, 1992, a person who holds an
19 elective office and has not elected to participate in the Fund
20 with respect to that office (or has revoked his election to
21 participate with respect to that office under subsection (a)
22 of this Section) shall not be disqualified from receiving a
23 retirement annuity by reason of holding such office, provided
24 that the annuity is not based on any credits received for

1 participating while holding that office.

2 (c) Notwithstanding any other provision, a person who
3 holds an elective office and has not elected to participate in
4 the Fund with respect to that office shall not be disqualified
5 from receiving service credit for service in that elected
6 office as long as:

7 (1) the member participated in a non-elected position
8 with the employer for which the member is now an elected
9 official;

10 (2) the employer has continued to make member
11 contributions for that period of service; and

12 (3) there is no gap in service credit between the 2
13 positions.

14 (Source: P.A. 87-740.)

15 Article 3.

16 Section 3-5. The Illinois Pension Code is amended by
17 changing Sections 13-207, 13-310, and 13-706 as follows:

18 (40 ILCS 5/13-207) (from Ch. 108 1/2, par. 13-207)

19 Sec. 13-207. "Salary": The salary paid to an employee for
20 service to the District or to the Board, including salary paid
21 for vacation and sick leave and any amounts deferred under a
22 deferred compensation plan established under this Code, but
23 excluding (1) payment for unused vacation or sick leave, (2)

1 overtime pay, (3) termination pay, and (4) any compensation in
2 the form of benefits other than the salary. Salary for a member
3 on a disability benefit is the salary on which the disability
4 benefit is based.

5 (Source: P.A. 90-12, eff. 6-13-97.)

6 (40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

7 Sec. 13-310. Ordinary disability benefit.

8 (a) Any employee who becomes disabled as the result of any
9 cause other than injury or illness incurred in the performance
10 of duty for the employer or any other employer, or while
11 engaged in self-employment activities, shall be entitled to an
12 ordinary disability benefit. The eligible period for this
13 benefit shall be 25% of the employee's total actual service
14 prior to the date of disability with a cumulative maximum
15 period of 5 years.

16 (b) The benefit shall be allowed only if the employee
17 files an application in writing with the Board that includes,
18 ~~and a medical report is submitted~~ by at least one licensed
19 health care professional and the employee is examined, at
20 least annually, by a licensed health care professional
21 appointed by the Board as part of the employee's application.

22 The benefit is not payable for any disability which begins
23 during any period of unpaid leave of absence. No benefit shall
24 be allowed for any period of disability prior to 30 days before
25 application is made, unless the Board finds good cause for the

1 delay in filing the application. The benefit shall not be paid
2 during any period for which the employee receives or is
3 entitled to receive any part of salary.

4 The benefit is not payable for any disability which begins
5 during any period of absence from duty other than allowable
6 vacation time in any calendar year. An employee whose
7 disability begins during any such ineligible period of absence
8 from service may not receive benefits until the employee
9 recovers from the disability and is in service for at least 15
10 consecutive working days after such recovery.

11 In the case of an employee who first enters service on or
12 after June 13, 1997, an ordinary disability benefit is not
13 payable for the first 3 days of disability that would
14 otherwise be payable under this Section if the disability does
15 not continue for at least 11 additional days.

16 Beginning on August 18, 2005 (the effective date of Public
17 Act 94-621) ~~this amendatory Act of the 94th General Assembly,~~
18 an employee who first entered service on or after June 13, 1997
19 is also eligible for ordinary disability benefits on the 31st
20 day after the last day worked, provided all sick leave is
21 exhausted.

22 (c) The benefit shall be 50% of the employee's salary at
23 the date of disability, and shall terminate when the earliest
24 of the following occurs:

25 (1) The employee returns to work or receives a
26 retirement annuity paid wholly or in part under this

1 Article;

2 (2) The disability ceases;

3 (3) The employee willfully and continuously refuses to
4 follow medical advice and treatment to enable the employee
5 to return to work. However, this provision does not apply
6 to an employee who relies in good faith on treatment by
7 prayer through spiritual means alone in accordance with
8 the tenets and practice of a recognized church or
9 religious denomination, by a duly accredited practitioner
10 thereof;

11 (4) The employee (i) refuses to submit to a reasonable
12 physical examination within 30 days of application by a
13 licensed health care professional appointed by the Board,
14 (ii) in the case of chronic alcoholism, the employee
15 refuses to join a rehabilitation program licensed by the
16 Department of Public Health of the State of Illinois and
17 certified by the Joint Commission on the Accreditation of
18 Hospitals, (iii) fails or refuses to consent to and sign
19 an authorization allowing the Board to receive copies of
20 or to examine the employee's medical and hospital records,
21 or (iv) fails or refuses to provide complete information
22 regarding any other employment for compensation he or she
23 has received since becoming disabled; or

24 (5) The eligibility ~~eligible~~ period for this benefit
25 has been exhausted.

26 The first payment of the benefit shall be made not later

1 than one month after the same has been granted, and subsequent
2 payments shall be made at least monthly.

3 (Source: P.A. 102-210, eff. 7-30-21; 103-523, eff. 1-1-24;
4 revised 7-17-24.)

5 (40 ILCS 5/13-706) (from Ch. 108 1/2, par. 13-706)

6 Sec. 13-706. Board powers and duties. The Board shall have
7 the powers and duties set forth in this Section, in addition to
8 such other powers and duties as may be provided in this Article
9 and in this Code:

10 (a) To supervise collections. To see that all amounts
11 specified in this Article to be applied to the Fund, from
12 any source, are collected and applied.

13 (b) To notify of deductions. To notify the Clerk of
14 the Water Reclamation District of the deductions to be
15 made from the salaries of employees.

16 (c) To accept gifts. To accept by gift, grant, bequest
17 or otherwise any money or property of any kind and use the
18 same for the purposes of the Fund.

19 (d) To invest the reserves. To invest the reserves of
20 the Fund in accordance with the provisions set forth in
21 Section 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and
22 1-115 of this Code. Investments made in accordance with
23 Section 1-113 of Article 1 of this Code shall be deemed
24 prudent. The Board is also authorized to transfer
25 securities to the Illinois State Board of Investment for

1 the purpose of participation in any commingled investment
2 fund as provided in Article 22A of this Code.

3 (e) To authorize payments. To consider and pass upon
4 all applications for annuities and benefits; to authorize
5 or suspend the payment of any annuity or benefit; to
6 inquire into the validity and legality of any grant of
7 annuity or benefit paid from or payable out of the Fund; to
8 increase, reduce, or suspend any such annuity or benefit
9 whenever the annuity or benefit, or any part thereof, was
10 secured or granted, or the amount thereof fixed, as the
11 result of misrepresentation, fraud, or error. No such
12 annuity or benefit shall be permanently reduced or
13 suspended until the affected annuitant or beneficiary is
14 first notified of the proposed action and given an
15 opportunity to be heard. No trustee of the Board shall
16 vote upon that trustee's own personal claim for annuity,
17 benefit or refund, or participate in the deliberations of
18 the Board as to the validity of any such claim. The Board
19 shall have exclusive original jurisdiction in all matters
20 of claims for annuities, benefits and refunds.

21 (f) To submit an annual report. To submit a report in
22 July of each year to the Board of Commissioners of the
23 Water Reclamation District as of the close of business on
24 December 31st of the preceding year. The report shall
25 include the following:

26 (1) A balance sheet, showing the financial and

1 actuarial condition of the Fund as of the end of the
2 calendar year;

3 (2) A statement of receipts and disbursements
4 during such year;

5 (3) A statement showing changes in the asset,
6 liability, reserve and surplus accounts during such
7 year;

8 (4) A detailed statement of investments as of the
9 end of the year; and

10 (5) Any additional information as is deemed
11 necessary for proper interpretation of the condition
12 of the Fund.

13 (g) To subpoena witnesses and compel the production of
14 records. To issue subpoenas to compel the attendance of
15 witnesses to testify before the Board and to compel the
16 production of documents and records upon any matter
17 concerning the Fund, including, but not limited to, in
18 conjunction with:

19 (1) a disability claim;

20 (2) an administrative review proceeding;

21 (3) an attempt to obtain information to assist in
22 the collection of sums due to the Fund;

23 (4) obtaining any and all personal identifying
24 information necessary for the administration of
25 benefits;

26 (5) the determination of the death of a benefit

1 recipient or a potential benefit recipient; or

2 (6) a felony forfeiture investigation.

3 The fees of witnesses for attendance and travel shall be
4 the same as the fees of witnesses before the circuit courts of
5 this State and shall be paid by the party seeking the subpoena.
6 The Board may apply to any circuit court in the State for an
7 order requiring compliance with a subpoena issued under this
8 Section. Subpoenas issued under this Section shall be subject
9 to the applicable provisions of the Code of Civil Procedure.
10 The President or other members of the Board may administer
11 oaths to witnesses. ~~To compel witnesses to attend and testify~~
12 ~~before it upon any matter concerning the Fund and allow~~
13 ~~witness fees not in excess of \$6 for attendance upon any one~~
14 ~~day. The President and other members of the Board may~~
15 ~~administer oaths to witnesses.~~

16 (h) To appoint employees and consultants. To appoint
17 such actuarial, medical, legal, investigational, clerical
18 or financial employees and consultants as are necessary,
19 and fix their compensation.

20 (i) To make rules. To make rules and regulations
21 necessary for the administration of the affairs of the
22 Fund.

23 (j) To waive guardianship. To waive the requirement of
24 legal guardianship of a person under legal disability or
25 any minor unmarried beneficiary of the Fund for a
26 representative managing such person or beneficiary's

1 affairs, whenever the Board deems such waiver to be in the
2 best interest of the person or beneficiary.

3 (k) To collect amounts due. To collect any amounts due
4 to the Fund from any participant or beneficiary prior to
5 payment of any annuity, benefit or refund.

6 (l) To invoke rule of offset. To offset against any
7 amount payable to an employee or to any other person such
8 sums as may be due to the Fund or may have been paid by the
9 Fund due to misrepresentation, fraud or error.

10 (m) To assess and collect interest on amounts due to
11 the Fund using the annual rate as shall from time to time
12 be determined by the Board, compounded annually from the
13 date of notification to the date of payment.

14 (Source: P.A. 103-523, eff. 1-1-24.)

15 Article 4.

16 Section 4-5. The Illinois Pension Code is amended by
17 changing Section 17-114 as follows:

18 (40 ILCS 5/17-114) (from Ch. 108 1/2, par. 17-114)

19 Sec. 17-114. Computation of service.

20 (a) When computing days of validated service, contributors
21 shall receive the greater of: (1) one day of service credit for
22 each day for which they are paid salary representing a partial
23 or a full day of employment rendered to an Employer or the

1 Board; or (2) 10 days of service credit for each 10-day period
2 of employment in which the contributor worked 50% or more of
3 the regularly scheduled hours.

4 (b) When computing months of validated service, 17 or more
5 days of service rendered to an Employer or the Board in a
6 calendar month shall entitle a contributor to one month of
7 service credit for purposes of this Article.

8 (c) When computing years of validated service rendered,
9 170 or more days of service in a fiscal year or 10 or more
10 months of service in a fiscal year shall constitute one year of
11 service credit.

12 (d) Notwithstanding subsections (b) and (c) of this
13 Section, validated service in any fiscal year shall be that
14 fraction of a year equal to the ratio of the number of days of
15 service to 170 days.

16 (e) For purposes of this Section, no contributor shall
17 earn (i) more than one year of service credit per fiscal year,
18 (ii) more than one day of service credit per calendar day, or
19 (iii) more than 10 days of service credit in a 2 calendar week
20 period as determined by the Fund.

21 (Source: P.A. 99-176, eff. 7-29-15.)

22 Article 8.

23 Section 8-5. The Illinois Pension Code is amended by
24 changing Section 1-107 as follows:

(40 ILCS 5/1-107) (from Ch. 108 1/2, par. 1-107)

Sec. 1-107. Indemnification of trustees, consultants, and employees of retirement systems and pension funds. Every retirement system, pension fund, or other system or fund established under this Code shall ~~may~~ indemnify and protect the trustees and ~~staff and consultants~~ against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees. Every retirement system, pension fund, or other system or fund established under this Code may indemnify and protect its consultants against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees. However, the trustees, staff, and consultants shall not be indemnified for willful ~~wilful~~ misconduct and gross negligence. Each board is authorized to insure against loss or liability of the trustees, staff and consultants which may result from these damage claims. This insurance shall be carried in a company which is licensed to write such coverage in this State.

(Source: P.A. 80-1364.)

1 Section 9-5. The Illinois Pension Code is amended by
2 changing Section 6-151.1 as follows:

3 (40 ILCS 5/6-151.1) (from Ch. 108 1/2, par. 6-151.1)

4 Sec. 6-151.1. The General Assembly finds and declares that
5 service in the Fire Department requires that firemen, in times
6 of stress and danger, must perform unusual tasks; that by
7 reason of their occupation, firemen are subject to exposure to
8 great heat and to extreme cold in certain seasons while in
9 performance of their duties; that by reason of their
10 employment firemen are required to work in the midst of and are
11 subject to heavy smoke fumes and carcinogenic, poisonous,
12 toxic or chemical gases from fires; and that in the course of
13 their rescue and paramedic duties firemen are exposed to
14 disabling infectious diseases, including AIDS, hepatitis C,
15 and stroke. The General Assembly further finds and declares
16 that all the aforementioned conditions exist and arise out of
17 or in the course of such employment.

18 Any active fireman who has completed 7 or more years of
19 service and is unable to perform his duties in the Fire
20 Department by reason of heart disease, tuberculosis, breast
21 cancer, any disease of the lungs or respiratory tract, AIDS,
22 hepatitis C, stroke, or a contagious staph infection,
23 including methicillin-resistant Staphylococcus aureus (MRSA),
24 resulting from his service as a fireman, shall be entitled to

1 receive an occupational disease disability benefit during any
2 period of such disability for which he does not have a right to
3 receive salary.

4 Any active fireman who has completed 7 or more years of
5 service and is unable to perform his duties in the fire
6 department by reason of a disabling cancer, which develops or
7 manifests itself during a period while the fireman is in the
8 service of the department, shall be entitled to receive an
9 occupational disease disability benefit during any period of
10 such disability for which he does not have a right to receive
11 salary. In order to receive this occupational disease
12 disability benefit, the type of cancer involved must be a type
13 which may be caused by exposure to heat, radiation or a known
14 carcinogen as defined by the International Agency for Research
15 on Cancer.

16 Any fireman receiving a retirement annuity shall be
17 entitled to an occupational disease disability benefit under
18 this Section if the fireman (1) has not reached the age of
19 compulsory retirement, (2) has not been receiving a retirement
20 annuity for more than 5 years, and (3) has a condition that
21 would have qualified the fireman for an occupational disease
22 disability benefit under this Section if he or she was an
23 active fireman. A fireman who receives an occupational disease
24 disability benefit in accordance with this paragraph may not
25 receive a retirement annuity during the period in which he or
26 she receives an occupational disease disability benefit. The

1 occupational disease disability benefit shall terminate upon
2 the fireman reaching the age of compulsory retirement.

3 Any fireman who shall enter the service after the
4 effective date of this amendatory Act shall be examined by one
5 or more practicing physicians appointed by the Board, and if
6 that examination discloses impairment of the heart, lungs, or
7 respiratory tract, or the existence of AIDS, hepatitis C,
8 stroke, cancer, or a contagious staph infection, including
9 methicillin-resistant Staphylococcus aureus (MRSA), then the
10 fireman shall not be entitled to receive an occupational
11 disease disability benefit unless and until a subsequent
12 examination reveals no such impairment, AIDS, hepatitis C,
13 stroke, cancer, or contagious staph infection, including
14 methicillin-resistant Staphylococcus aureus (MRSA).

15 The occupational disease disability benefit shall be 65%
16 of the fireman's salary at the time of his removal from the
17 Department payroll. However, beginning January 1, 1994, no
18 occupational disease disability benefit that has been payable
19 under this Section for at least 10 years shall be less than 50%
20 of the current salary attached from time to time to the rank
21 and grade held by the fireman at the time of his removal from
22 the Department payroll, regardless of whether that removal
23 occurred before the effective date of this amendatory Act of
24 1993.

25 Such fireman also shall have a right to receive child's
26 disability benefit of \$30 per month on account of each

1 unmarried child who is less than 18 years of age or
2 handicapped, dependent upon the fireman for support, and
3 either the issue of the fireman or legally adopted by him. The
4 total amount of child's disability benefit payable to the
5 fireman, when added to his occupational disease disability
6 benefit, shall not exceed 75% of the amount of salary which he
7 was receiving at the time of the grant of occupational disease
8 disability benefit.

9 The first payment of occupational disease disability
10 benefit or child's disability benefit shall be made not later
11 than one month after the benefit is granted. Each subsequent
12 payment shall be made not later than one month after the date
13 of the latest payment.

14 Occupational disease disability benefit shall be payable
15 during the period of the disability until the fireman reaches
16 the age of compulsory retirement. Child's disability benefit
17 shall be paid to such a fireman during the period of disability
18 until such child or children attain age 18 or marry, whichever
19 event occurs first; except that attainment of age 18 by a child
20 who is so physically or mentally handicapped as to be
21 dependent upon the fireman for support, shall not render the
22 child ineligible for child's disability benefit. The fireman
23 thereafter shall receive such annuity or annuities as are
24 provided for him in accordance with other provisions of this
25 Article.

26 (Source: P.A. 102-91, eff. 7-9-21; 102-1064, eff. 6-10-22.)

1 Article 11.

2 Section 11-5. The Illinois Pension Code is amended by
3 changing Section 15-148 as follows:

4 (40 ILCS 5/15-148) (from Ch. 108 1/2, par. 15-148)

5 Sec. 15-148. Survivors insurance benefits; general
6 ~~benefits—General~~ provisions. The survivors annuity is
7 payable monthly. Any annuity due but unpaid upon the death of
8 the annuitant, shall be paid to the annuitant's estate.

9 A person who becomes entitled to more than one survivors
10 insurance benefit because of the death of 2 or more persons
11 shall receive only the largest of the benefits; except that
12 this limitation does not apply to a survivors insurance
13 beneficiary who is entitled to a survivor's annuity by reason
14 of a mental or physical disability.

15 A survivors insurance beneficiary or the personal
16 representative of the estate of a deceased survivors insurance
17 beneficiary or the personal representative of a survivors
18 insurance beneficiary who is under a legal disability may
19 waive the right to receive survivorship benefits, provided
20 written notice of the waiver is given by the beneficiary or
21 representative to the board within 6 months after the System
22 notified that person of the benefits payable upon the death of
23 the participant or annuitant and before any payment is made

1 pursuant to an application filed by such person.

2 (Source: P.A. 92-424, eff. 8-17-01.)

3 Article 12.

4 Section 12-5. The Illinois Pension Code is amended by
5 changing Section 7-172 as follows:

6 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

7 Sec. 7-172. Contributions by participating municipalities
8 and participating instrumentalities.

9 (a) Each participating municipality and each participating
10 instrumentality shall make payment to the fund as follows:

11 1. municipality contributions in an amount determined
12 by applying the municipality contribution rate to each
13 payment of earnings paid to each of its participating
14 employees;

15 2. an amount equal to the employee contributions
16 provided by paragraph (a) of Section 7-173, whether or not
17 the employee contributions are withheld as permitted by
18 that Section;

19 3. all accounts receivable, together with interest
20 charged thereon, as provided in Section 7-209, and any
21 amounts due under subsection (a-5) of Section 7-144;

22 4. if it has no participating employees with current
23 earnings, an amount payable which, over a closed period of

1 20 years for participating municipalities and 10 years for
2 participating instrumentalities, will amortize, at the
3 effective rate for that year, any unfunded obligation. The
4 unfunded obligation shall be computed as provided in
5 paragraph 2 of subsection (b);

6 5. if it has fewer than 7 participating employees or a
7 negative balance in its municipality reserve, the greater
8 of (A) an amount payable that, over a period of 20 years,
9 will amortize at the effective rate for that year any
10 unfunded obligation, computed as provided in paragraph 2
11 of subsection (b) or (B) the amount required by paragraph
12 1 of this subsection (a).

13 (b) A separate municipality contribution rate shall be
14 determined for each calendar year for all participating
15 municipalities together with all instrumentalities thereof.
16 The municipality contribution rate shall be determined for
17 participating instrumentalities as if they were participating
18 municipalities. The municipality contribution rate shall be
19 the sum of the following percentages:

20 1. The percentage of earnings of all the participating
21 employees of all participating municipalities and
22 participating instrumentalities which, if paid over the
23 entire period of their service, will be sufficient when
24 combined with all employee contributions available for the
25 payment of benefits, to provide all annuities for
26 participating employees, and the \$3,000 death benefit

1 payable under Sections 7-158 and 7-164, such percentage to
2 be known as the normal cost rate.

3 2. The percentage of earnings of the participating
4 employees of each participating municipality and
5 participating instrumentalities necessary to adjust for
6 the difference between the present value of all benefits,
7 excluding temporary and total and permanent disability and
8 death benefits, to be provided for its participating
9 employees and the sum of its accumulated municipality
10 contributions and the accumulated employee contributions
11 and the present value of expected future employee and
12 municipality contributions pursuant to subparagraph 1 of
13 this paragraph (b). This adjustment shall be spread over a
14 period determined by the Board, not to exceed 30 years for
15 participating municipalities or 10 years for participating
16 instrumentalities.

17 3. The percentage of earnings of the participating
18 employees of all municipalities and participating
19 instrumentalities necessary to provide the present value
20 of all temporary and total and permanent disability
21 benefits granted during the most recent year for which
22 information is available.

23 4. The percentage of earnings of the participating
24 employees of all participating municipalities and
25 participating instrumentalities necessary to provide the
26 present value of the net single sum death benefits

1 expected to become payable from the reserve established
2 under Section 7-206 during the year for which this rate is
3 fixed.

4 5. The percentage of earnings necessary to meet any
5 deficiency arising in the Terminated Municipality Reserve.

6 (c) A separate municipality contribution rate shall be
7 computed for each participating municipality or participating
8 instrumentality for its sheriff's law enforcement employees.

9 A separate municipality contribution rate shall be
10 computed for the sheriff's law enforcement employees of each
11 forest preserve district that elects to have such employees.
12 For the period from January 1, 1986 to December 31, 1986, such
13 rate shall be the forest preserve district's regular rate plus
14 2%.

15 In the event that the Board determines that there is an
16 actuarial deficiency in the account of any municipality with
17 respect to a person who has elected to participate in the Fund
18 under Section 3-109.1 of this Code, the Board may adjust the
19 municipality's contribution rate so as to make up that
20 deficiency over such reasonable period of time as the Board
21 may determine.

22 (d) The Board may establish a separate municipality
23 contribution rate for all employees who are program
24 participants employed under the federal Comprehensive
25 Employment Training Act by all of the participating
26 municipalities and instrumentalities. The Board may also

1 provide that, in lieu of a separate municipality rate for
2 these employees, a portion of the municipality contributions
3 for such program participants shall be refunded or an extra
4 charge assessed so that the amount of municipality
5 contributions retained or received by the fund for all CETA
6 program participants shall be an amount equal to that which
7 would be provided by the separate municipality contribution
8 rate for all such program participants. Refunds shall be made
9 to prime sponsors of programs upon submission of a claim
10 therefor and extra charges shall be assessed to participating
11 municipalities and instrumentalities. In establishing the
12 municipality contribution rate as provided in paragraph (b) of
13 this Section, the use of a separate municipality contribution
14 rate for program participants or the refund of a portion of the
15 municipality contributions, as the case may be, may be
16 considered.

17 (e) Computations of municipality contribution rates for
18 the following calendar year shall be made prior to the
19 beginning of each year, from the information available at the
20 time the computations are made, and on the assumption that the
21 employees in each participating municipality or participating
22 instrumentality at such time will continue in service until
23 the end of such calendar year at their respective rates of
24 earnings at such time.

25 (f) Any municipality which is the recipient of State
26 allocations representing that municipality's contributions for

1 retirement annuity purposes on behalf of its employees as
2 provided in Section 12-21.16 of the Illinois Public Aid Code
3 shall pay the allocations so received to the Board for such
4 purpose. Estimates of State allocations to be received during
5 any taxable year shall be considered in the determination of
6 the municipality's tax rate for that year under Section 7-171.
7 If a special tax is levied under Section 7-171, none of the
8 proceeds may be used to reimburse the municipality for the
9 amount of State allocations received and paid to the Board.
10 Any multiple-county or consolidated health department which
11 receives contributions from a county under Section 11.2 of "An
12 Act in relation to establishment and maintenance of county and
13 multiple-county health departments", approved July 9, 1943, as
14 amended, or distributions under Section 3 of the Department of
15 Public Health Act, shall use these only for municipality
16 contributions by the health department.

17 (g) Municipality contributions for the several purposes
18 specified shall, for township treasurers and employees in the
19 offices of the township treasurers who meet the qualifying
20 conditions for coverage hereunder, be allocated among the
21 several school districts and parts of school districts
22 serviced by such treasurers and employees in the proportion
23 which the amount of school funds of each district or part of a
24 district handled by the treasurer bears to the total amount of
25 all school funds handled by the treasurer.

26 From the funds subject to allocation among districts and

1 parts of districts pursuant to the School Code, the trustees
2 shall withhold the proportionate share of the liability for
3 municipality contributions imposed upon such districts by this
4 Section, in respect to such township treasurers and employees
5 and remit the same to the Board.

6 The municipality contribution rate for an educational
7 service center shall initially be the same rate for each year
8 as the regional office of education or school district which
9 serves as its administrative agent. When actuarial data become
10 available, a separate rate shall be established as provided in
11 subparagraph (i) of this Section.

12 The municipality contribution rate for a public agency,
13 other than a vocational education cooperative, formed under
14 the Intergovernmental Cooperation Act shall initially be the
15 average rate for the municipalities which are parties to the
16 intergovernmental agreement. When actuarial data become
17 available, a separate rate shall be established as provided in
18 subparagraph (i) of this Section.

19 (h) Each participating municipality and participating
20 instrumentality shall make the contributions in the amounts
21 provided in this Section in the manner prescribed from time to
22 time by the Board and all such contributions shall be
23 obligations of the respective participating municipalities and
24 participating instrumentalities to this fund. The failure to
25 deduct any employee contributions shall not relieve the
26 participating municipality or participating instrumentality of

1 its obligation to this fund. Delinquent payments of
2 contributions due under this Section may, with interest, be
3 recovered by civil action against the participating
4 municipalities or participating instrumentalities.
5 Municipality contributions, other than the amount necessary
6 for employee contributions, for periods of service by
7 employees from whose earnings no deductions were made for
8 employee contributions to the fund, may be charged to the
9 municipality reserve for the municipality or participating
10 instrumentality.

11 (i) Contributions by participating instrumentalities shall
12 be determined as provided herein except that the percentage
13 derived under subparagraph 2 of paragraph (b) of this Section,
14 and the amount payable under subparagraph 4 of paragraph (a)
15 of this Section, shall be based on an amortization period of 10
16 years.

17 (j) Notwithstanding the other provisions of this Section,
18 the additional unfunded liability accruing as a result of
19 Public Act 94-712 shall be amortized over a period of 30 years
20 beginning on January 1 of the second calendar year following
21 the calendar year in which Public Act 94-712 takes effect,
22 except that the employer may provide for a longer amortization
23 period by adopting a resolution or ordinance specifying a
24 35-year or 40-year period and submitting a certified copy of
25 the ordinance or resolution to the fund no later than June 1 of
26 the calendar year following the calendar year in which Public

1 Act 94-712 takes effect.

2 (k) If the amount of a participating employee's reported
3 earnings for any of the 12-month periods used to determine the
4 final rate of earnings exceeds the employee's 12-month
5 reported earnings with the same employer for the previous year
6 by the greater of 6% or 1.5 times the annual increase in the
7 Consumer Price Index-U, as established by the United States
8 Department of Labor for the preceding September, the
9 participating municipality or participating instrumentality
10 that paid those earnings shall pay to the Fund, in addition to
11 any other contributions required under this Article, the
12 present value of the increase in the pension resulting from
13 the portion of the increase in reported earnings that is in
14 excess of the greater of 6% or 1.5 times the annual increase in
15 the Consumer Price Index-U, as determined by the Fund. This
16 present value shall be computed on the basis of the actuarial
17 assumptions and tables used in the most recent actuarial
18 valuation of the Fund that is available at the time of the
19 computation.

20 Whenever it determines that a payment is or may be
21 required under this subsection (k), the fund shall calculate
22 the amount of the payment and bill the participating
23 municipality or participating instrumentality for that amount.
24 The bill shall specify the calculations used to determine the
25 amount due. If the participating municipality or participating
26 instrumentality disputes the amount of the bill, it may,

1 within 30 days after receipt of the bill, apply to the fund in
2 writing for a recalculation. The application must specify in
3 detail the grounds of the dispute. Upon receiving a timely
4 application for recalculation, the fund shall review the
5 application and, if appropriate, recalculate the amount due.
6 The participating municipality and participating
7 instrumentality contributions required under this subsection
8 (k) may be paid in the form of a lump sum within 90 days after
9 receipt of the bill. If the participating municipality and
10 participating instrumentality contributions are not paid
11 within 90 days after receipt of the bill, then interest will be
12 charged at a rate equal to the fund's annual actuarially
13 assumed rate of return on investment compounded annually from
14 the 91st day after receipt of the bill. Payments must be
15 concluded within 7 ~~3~~ years after receipt of the bill by the
16 participating municipality or participating instrumentality.

17 When assessing payment for any amount due under this
18 subsection (k), the fund shall exclude earnings increases
19 resulting from overload or overtime earnings.

20 When assessing payment for any amount due under this
21 subsection (k), the fund shall exclude earnings increases
22 resulting from payments for unused vacation time, but only for
23 payments for unused vacation time made in the final 3 months of
24 the final rate of earnings period.

25 When assessing payment for any amount due under this
26 subsection (k), the fund shall also exclude earnings increases

1 attributable to standard employment promotions resulting in
2 increased responsibility and workload.

3 When assessing payment for any amount due under this
4 subsection (k), the fund shall exclude reportable earnings
5 increases resulting from periods where the member was paid
6 through workers' compensation.

7 This subsection (k) does not apply to earnings increases
8 due to amounts paid as required by federal or State law or
9 court mandate or to earnings increases due to the
10 participating employee returning to the regular number of
11 hours worked after having a temporary reduction in the number
12 of hours worked.

13 This subsection (k) does not apply to earnings increases
14 paid to individuals under contracts or collective bargaining
15 agreements entered into, amended, or renewed before January 1,
16 2012 (the effective date of Public Act 97-609), earnings
17 increases paid to members who are 10 years or more from
18 retirement eligibility, or earnings increases resulting from
19 an increase in the number of hours required to be worked.

20 When assessing payment for any amount due under this
21 subsection (k), the fund shall also exclude earnings
22 attributable to personnel policies adopted before January 1,
23 2012 (the effective date of Public Act 97-609) as long as those
24 policies are not applicable to employees who begin service on
25 or after January 1, 2012 (the effective date of Public Act
26 97-609).

1 The change made to this Section by Public Act 100-139 is a
2 clarification of existing law and is intended to be
3 retroactive to January 1, 2012 (the effective date of Public
4 Act 97-609).

5 (Source: P.A. 102-849, eff. 5-13-22; 103-464, eff. 8-4-23.)

6 Article 13.

7 Section 13-5. The Illinois Pension Code is amended by
8 changing Section 16-204 as follows:

9 (40 ILCS 5/16-204)

10 Sec. 16-204. Optional defined contribution benefit. As
11 soon as practicable after the effective date of this
12 amendatory Act of the 100th General Assembly, the System shall
13 offer a defined contribution benefit to active full-time or
14 part-time contractual members of the System who are employed
15 by an employer eligible to participate in the defined
16 contribution benefit under applicable law. The defined
17 contribution benefit shall be an optional benefit to any
18 full-time or part-time contractual member who chooses to
19 participate. The defined contribution benefit shall collect
20 optional employee and optional employer contributions into an
21 account and shall offer investment options to the participant.
22 The benefit under this Section shall be operated in full
23 compliance with any applicable State and federal laws, and the

1 System shall utilize generally accepted practices in creating
2 and maintaining the benefit for the best interest of the
3 participants. In administering the defined contribution
4 benefit, the System shall require that the defined
5 contribution benefit recordkeeper agree that, in performing
6 services with respect to the defined contribution benefit, the
7 recordkeeper: (i) will not use information received as a
8 result of providing services with respect to the defined
9 contribution benefit or the participants in the defined
10 contribution benefit to solicit the participants in the
11 defined contribution benefit for the purpose of cross-selling
12 nonplan products and services, unless in response to a request
13 by a participant in the defined contribution benefit; and (ii)
14 will not promote, recommend, endorse, or solicit participants
15 in the defined contribution benefit to purchase any financial
16 products or services outside of the defined contribution
17 benefit, except that links to parts of the recordkeeper's
18 website that are generally available to the public, are about
19 commercial products, and may be encountered by a participant
20 in the regular course of navigating the recordkeeper's website
21 will not constitute a violation of this item (ii). The System
22 may use funds from the employee and employer contributions to
23 defray any and all costs of creating and maintaining the
24 benefit. In addition, the System may use funds provided under
25 Section 16-158 of this Code to defray any and all costs of
26 creating and maintaining the benefit and then shall reimburse

1 those costs from funds received from the employee and employer
2 contributions under this Section. All employers must comply
3 with the reporting and administrative functions established by
4 the System and are required to implement the benefits
5 established under this Section. The System shall produce an
6 annual report on the participation in the benefit and shall
7 make the report public.

8 As soon as is practicable on or after January 1, 2022, the
9 System shall automatically enroll any employee who first
10 becomes an active full-time or part-time contractual member ~~or~~
11 ~~participant~~ in the System. A member automatically enrolled
12 under this Section shall have 3% of his or her pre-tax ~~gross~~
13 compensation ~~for each compensation period~~ deferred into his or
14 her deferred compensation account, ~~unless the member otherwise~~
15 ~~instructs the System on forms approved by the System~~. A member
16 may elect, in a manner provided for by the System, to not
17 participate in the defined contribution benefit or to increase
18 or reduce the amount of pre-tax ~~gross~~ compensation
19 contributed, consistent with State or federal law. A member
20 shall be automatically enrolled in the benefit beginning the
21 first day of the pay period following the close of the notice
22 period, or as soon as practicable, unless the employee elects
23 otherwise within the notice period ~~member's 30th day of~~
24 ~~employment~~. For the purposes of this Section, "notice period"
25 means a reasonable period of time after the employee is
26 provided with an automatic enrollment notice as required under

1 Section 414(w) of the Internal Revenue Code of 1986, as
2 amended. An active full-time or part-time contractual A member
3 who has been automatically enrolled in the benefit may elect,
4 within 90 days following the member's initial contribution
5 ~~days of enrollment,~~ to withdraw ~~from~~ the contribution benefit
6 and receive a refund of amounts deferred, as adjusted for plus
7 ~~or minus any~~ applicable earnings and fees. A member making
8 such an election shall forfeit all employer matching
9 contributions, if any, made with respect to the initial
10 contribution and the forfeited amounts shall be used to defray
11 plan expenses ~~earnings, investment fees, and administrative~~
12 ~~fees.~~ Any refunded amount shall be included in the member's
13 gross income for the taxable year in which the refund is
14 issued.

15 On or after January 1, 2023, the System may elect to
16 increase the automatic annual contributions under this
17 Section. The increase in the rate of contribution, however,
18 shall not exceed 2% of a member's pre-tax ~~gross~~ compensation
19 per year, and at no time shall any total contribution exceed
20 any contribution limits established by State or federal law.

21 Notwithstanding any other provision of this Section,
22 active members eligible to participate in the defined
23 contribution benefit do not include employees of a department
24 as defined in Section 14-103.04.

25 (Source: P.A. 102-540, eff. 8-20-21; 103-552, eff. 8-11-23.)

1 Article 14.

2 Section 14-5. The Illinois Pension Code is amended by
3 changing Sections 3-110.14 and 7-139.1a as follows:

4 (40 ILCS 5/3-110.14)

5 Sec. 3-110.14. Transfer to Article 7.

6 (a) On and after July 1, 2022 but no later than December 1,
7 2023, a participating employee who is actively employed as a
8 sheriff's law enforcement employee under Article 7 may make a
9 written election to transfer up to 10 years of creditable
10 service from a fund established under this Article to the
11 Illinois Municipal Retirement Fund established under Article
12 7. Upon receiving a written election by a participant under
13 this Section, the creditable service shall be transferred to
14 the Illinois Municipal Retirement Fund as soon as practicable
15 upon payment by the police pension fund to the Illinois
16 Municipal Retirement Fund of an amount equal to:

17 (1) the amounts accumulated to the credit of the
18 applicant on the books of the fund on the date of the
19 transfer; and

20 (2) employer contributions in an amount equal to the
21 amount determined under paragraph (1).

22 Participation in the police pension fund with respect to the
23 service to be transferred shall terminate on the date of
24 transfer. This Section does not allow reinstatement of credits

1 in this Article that were previously forfeited.

2 (b) On and after the effective date of this amendatory Act
3 of the 104th General Assembly but no later than 6 months after
4 the effective date of this amendatory Act of the 104th General
5 Assembly, a participating employee who is actively employed as
6 a sheriff's law enforcement employee under Article 7 may make
7 a written election to transfer creditable service from a fund
8 established under this Article to the Illinois Municipal
9 Retirement Fund established under Article 7. Upon receiving a
10 written election by a participant under this Section, the
11 creditable service shall be transferred to the Illinois
12 Municipal Retirement Fund as soon as practicable upon payment
13 by the police pension fund to the Illinois Municipal
14 Retirement Fund of an amount equal to:

15 (1) the amounts accumulated to the credit of the
16 applicant on the books of the fund on the date of the
17 transfer; and

18 (2) employer contributions in an amount equal to the
19 amount determined under paragraph (1).

20 Participation in the police pension fund with respect to
21 the service to be transferred shall terminate on the date of
22 transfer. This Section does not allow reinstatement of credits
23 in this Article that were previously forfeited.

24 (Source: P.A. 102-1061, eff. 6-10-22.)

25 (40 ILCS 5/7-139.1a)

1 Sec. 7-139.1a. Transfer from Article 3.

2 (a) On and after July 1, 2022 but no later than January 1,
3 2023, a participating sheriff's law enforcement employee may
4 elect to transfer up to 10 years of service credit to the Fund
5 as set forth in Section 3-110.14. To establish creditable
6 service under this Section, the sheriff's law enforcement
7 employee may elect to do either of the following:

8 (1) pay to the Fund an amount to be determined by the
9 Board, equal to (i) the difference between the amount of
10 employee and employer contributions transferred to the
11 Fund under Section 3-110.14 and the amounts that would
12 have been contributed had such contributions been made at
13 the rates applicable to a sheriff's law enforcement
14 employee under this Article, plus (ii) interest thereon at
15 the actuarially assumed rate, compounded annually, from
16 the date of service to the date of payment; or

17 (2) have the amount of his or her creditable service
18 established under this Section reduced by an amount
19 corresponding to the amount by which (i) the employer and
20 employee contributions that would have been required if he
21 or she had participated in the Fund as a sheriff's law
22 enforcement employee during the period for which credit is
23 being transferred, plus interest thereon at the
24 actuarially assumed rate, compounded annually, from the
25 date of termination of the service for which credit is
26 being transferred to the date of payment, exceeds (ii) the

1 amount actually transferred to the Fund.

2 Notwithstanding the amount transferred by the Article 3
3 fund pursuant to Section 3-110.14, in no event shall the
4 service credit established under this Section exceed the
5 lesser of 10 years or the actual amount of service credit that
6 had been earned in the Article 3 fund. If an amount greater
7 than the amount described under paragraph (1) is transferred
8 to the Fund, the additional amount shall be credited to the
9 account of the sheriff's law enforcement employee's employer.

10 (b) On and after the effective date of this amendatory Act
11 of the 104th General Assembly but no later than 6 months after
12 the effective date of this amendatory Act of the 104th General
13 Assembly, a participating sheriff's law enforcement employee
14 may elect to transfer service credit to the Fund as set forth
15 in Section 3-110.14. To establish creditable service under
16 this Section, the sheriff's law enforcement employee may elect
17 to do either of the following:

18 (1) pay to the Fund an amount to be determined by the
19 Board, equal to (i) the difference between the amount of
20 employee and employer contributions transferred to the
21 Fund under Section 3-110.14 and the amounts that would
22 have been contributed had such contributions been made at
23 the rates applicable to a sheriff's law enforcement
24 employee under this Article, plus (ii) interest thereon at
25 the actuarially assumed rate, compounded annually, from
26 the date of service to the date of payment; or

1 (2) have the amount of his or her creditable service
2 established under this Section reduced by an amount
3 corresponding to the amount by which (i) the employer and
4 employee contributions that would have been required if he
5 or she had participated in the Fund as a sheriff's law
6 enforcement employee during the period for which credit is
7 being transferred, plus interest thereon at the
8 actuarially assumed rate, compounded annually, from the
9 date of termination of the service for which credit is
10 being transferred to the date of payment, exceeds (ii) the
11 amount actually transferred to the Fund.

12 Notwithstanding the amount transferred by the Article 3
13 fund pursuant to Section 3-110.14, in no event shall the
14 service credit established under this Section exceed the
15 actual amount of service credit that had been earned in the
16 Article 3 fund. If an amount greater than the amount described
17 under paragraph (1) is transferred to the Fund, the additional
18 amount shall be credited to the account of the sheriff's law
19 enforcement employee's employer.

20 (Source: P.A. 102-1061, eff. 6-10-22.)

21 Article 15.

22 Section 15-5. The Illinois Pension Code is amended by
23 changing Section 15-112 as follows:

1 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)
2 Sec. 15-112. Final rate of earnings. "Final rate of
3 earnings":

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

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

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

22 For an employee who is paid on an hourly basis or who
23 receives an annual salary in installments during 12 months of
24 each academic year, the average annual earnings obtained by
25 dividing by 8 the total earnings of the employee during the 96
26 consecutive months in which the total earnings were the

1 highest within the last 120 months prior to termination or the
2 average annual earnings during the 8 consecutive academic
3 years of service within the 10 years of service prior to
4 termination in which the employee's earnings were the highest,
5 whichever is greater.

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

13 The changes made to this subsection (b) by this amendatory
14 Act of the 104th General Assembly are corrections and
15 clarifications of existing law and are intended to be
16 retroactive to January 1, 2011 (the effective date of Public
17 Act 96-1490), notwithstanding the provisions of Section
18 1-103.1 of this Code.

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

23 (d) For an employee on disability leave, earnings are
24 assumed to be equal to the basic compensation on the date
25 disability occurs or the average earnings during the 24 months
26 immediately preceding the month in which disability occurs,

1 whichever is greater.

2 (e) For a Tier 1 member who retires on or after August 22,
3 1997 (the effective date of Public Act 90-511) ~~this amendatory~~
4 ~~Act of 1997~~ with at least 20 years of service as a firefighter
5 or police officer under this Article, the final rate of
6 earnings shall be the annual rate of earnings received by the
7 participant on his or her last day as a firefighter or police
8 officer under this Article, if that is greater than the final
9 rate of earnings as calculated under the other provisions of
10 this Section.

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

19 (g) In the determination of the final rate of earnings for
20 an employee, that part of an employee's earnings for any
21 academic year beginning after June 30, 1997, which exceeds the
22 employee's earnings with that employer for the preceding year
23 by more than 20% ~~20 percent~~ shall be excluded; in the event
24 that an employee has more than one employer this limitation
25 shall be calculated separately for the earnings with each
26 employer. In making such calculation, only the basic

1 compensation of employees shall be considered, without regard
2 to vacation or overtime or to contracts for summer employment.
3 Beginning September 1, 2024, this subsection (g) also applies
4 to an employee who has been employed at 1/2 time or less for 3
5 or more years.

6 (h) The following are not considered as earnings in
7 determining the final rate of earnings: (1) severance or
8 separation pay, (2) retirement pay, (3) payment for unused
9 sick leave, and (4) payments from an employer for the period
10 used in determining the final rate of earnings for any purpose
11 other than (i) services rendered, (ii) leave of absence or
12 vacation granted during that period, and (iii) vacation of up
13 to 56 work days allowed upon termination of employment; except
14 that, if the benefit has been collectively bargained between
15 the employer and the recognized collective bargaining agent
16 pursuant to the Illinois Educational Labor Relations Act,
17 payment received during a period of up to 2 academic years for
18 unused sick leave may be considered as earnings in accordance
19 with the applicable collective bargaining agreement, subject
20 to the 20% increase limitation of this Section. Any unused
21 sick leave considered as earnings under this Section shall not
22 be taken into account in calculating service credit under
23 Section 15-113.4.

24 (i) Intermittent periods of service shall be considered as
25 consecutive in determining the final rate of earnings.

26 (Source: P.A. 103-548, eff. 8-11-23; revised 7-18-24.)

1 Article 17.

2 Section 17-5. The Illinois Pension Code is amended by
3 changing Section 22C-116 as follows:

4 (40 ILCS 5/22C-116)

5 Sec. 22C-116. Conduct and administration of elections;
6 terms of office.

7 (a) For the election of the permanent trustees, the
8 transition board shall administer the initial elections and
9 the permanent board shall administer all subsequent elections.
10 Each board shall develop and implement such procedures as it
11 determines to be appropriate for the conduct of such
12 elections. For the purposes of obtaining information necessary
13 to conduct elections under this Section, participating pension
14 funds shall cooperate with the Fund.

15 (b) All nominations for election shall be by petition.
16 Each petition for a trustee shall be executed as follows:

17 (1) for trustees to be elected by the mayors and
18 presidents of municipalities or fire protection districts
19 that have participating pension funds, by at least 20 such
20 mayors and presidents; except that this item (1) shall
21 apply only with respect to participating pension funds;

22 (2) for trustees to be elected by participants, by at
23 least 200 ~~400~~ participants; and

1 (3) for trustees to be elected by beneficiaries, by at
2 least 100 beneficiaries.

3 (c) A separate ballot shall be used for each class of
4 trustee. The board shall prepare and send ballots and ballot
5 envelopes to eligible voters in accordance with rules adopted
6 by the board. The ballots shall contain the names of all
7 candidates in alphabetical order.

8 Eligible voters, upon receipt of the ballot, shall vote
9 the ballot and place it in the ballot envelope, seal the
10 envelope, and return the ballot to the Fund.

11 The board shall set a final date for ballot return, and
12 ballots received prior to that date in a ballot envelope shall
13 be valid ballots.

14 The board shall set a day for counting the ballots and name
15 judges and clerks of election to conduct the count of ballots
16 and shall make any rules necessary for the conduct of the
17 count.

18 The candidate or candidates receiving the highest number
19 of votes for each class of trustee shall be elected. In the
20 case of a tie vote, the winner shall be determined in
21 accordance with procedures developed by the Department of
22 Insurance.

23 In lieu of or in addition to conducting elections via mail
24 balloting as described in this Section, the board may ~~instead~~
25 adopt rules to provide for elections to be carried out ~~solely~~
26 via Internet balloting, ~~or~~ phone balloting, or a combination

1 thereof. Nothing in this Section prohibits the Fund from
2 contracting with a third party to administer the election in
3 accordance with this Section.

4 (d) At any election, voting shall be as follows:

5 (1) Each person authorized to vote for an elected
6 trustee may cast one vote for each related position for
7 which such person is entitled to vote and may cast such
8 vote for any candidate or candidates on the ballot for
9 such trustee position.

10 (2) If only one candidate for each position is
11 properly nominated in petitions received, that candidate
12 shall be deemed the winner and no election under this
13 Section shall be required.

14 (3) The results shall be entered in the minutes of the
15 first meeting of the board following the tally of votes.

16 (e) The initial election for permanent trustees shall be
17 held and the permanent board shall be seated no later than 12
18 months after the effective date of this amendatory Act of the
19 101st General Assembly. Each subsequent election shall be held
20 no later than 30 days prior to the end of the term of the
21 incumbent trustees.

22 (f) The elected trustees shall each serve for terms of 4
23 years commencing on the first business day of the first month
24 after election; except that the terms of office of the
25 initially elected trustees shall be as follows:

26 (1) One trustee elected pursuant to item (1) of

1 subsection (b) of Section 22C-115 shall serve for a term
2 of 2 years and 2 trustees elected pursuant to item (1) of
3 subsection (b) of Section 22C-115 shall serve for a term
4 of 4 years;

5 (2) One trustee elected pursuant to item (2) of
6 subsection (b) of Section 22C-115 shall serve for a term
7 of 2 years and 2 trustees elected pursuant to item (2) of
8 subsection (b) of Section 22C-115 shall serve for a term
9 of 4 years; and

10 (3) The trustee elected pursuant to item (3) of
11 subsection (b) of Section 22C-115 shall serve for a term
12 of 2 years.

13 (g) The trustees appointed pursuant to items (4) and (5)
14 of subsection (b) of Section 22C-115 shall each serve for a
15 term of 4 years commencing on the first business day of the
16 first month after the election of the elected trustees.

17 (h) A member of the board who was elected pursuant to item
18 (1) of subsection (b) of Section 22C-115 who ceases to serve as
19 a mayor, president, chief executive officer, chief financial
20 officer, or other officer, executive, or department head of a
21 municipality or fire protection district that has a
22 participating pension fund shall not be eligible to serve as a
23 member of the board and his or her position shall be deemed
24 vacant. A member of the board who was elected by the
25 participants of participating pension funds who ceases to be a
26 participant may serve the remainder of his or her elected

1 term.

2 For a vacancy of an elected trustee, the vacancy shall be
3 filled by appointment by the board as follows: a vacancy of a
4 member elected pursuant to item (1) of subsection (b) of
5 Section 22C-115 shall be filled by a mayor, president, chief
6 executive officer, chief financial officer, or other officer,
7 executive, or department head of a municipality or fire
8 protection district that has a participating pension fund; a
9 vacancy of a member elected pursuant to item (2) of subsection
10 (b) of Section 22C-115 shall be filled by a participant of a
11 participating pension fund; and a vacancy of a member elected
12 under item (3) of subsection (b) of Section 22C-115 shall be
13 filled by a beneficiary of a participating pension fund. A
14 trustee appointed to fill the vacancy of an elected trustee
15 shall serve until a successor is elected. Special elections to
16 fill the remainder of an unexpired term vacated by an elected
17 trustee shall be held concurrently with and in the same manner
18 as the next regular election for an elected trustee position.

19 Vacancies among the appointed trustees shall be filled for
20 unexpired terms by appointment in like manner as for the
21 original appointments.

22 (Source: P.A. 103-552, eff. 8-11-23.)

23 Article 18.

24 Section 18-5. The Illinois Pension Code is amended by

1 changing Sections 15-155 and 16-158 as follows:

2 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

3 Sec. 15-155. Employer contributions.

4 (a) The State of Illinois shall make contributions by
5 appropriations of amounts which, together with the other
6 employer contributions from trust, federal, and other funds,
7 employee contributions, income from investments, and other
8 income of this System, will be sufficient to meet the cost of
9 maintaining and administering the System on a 90% funded basis
10 in accordance with actuarial recommendations.

11 The Board shall determine the amount of State
12 contributions required for each fiscal year on the basis of
13 the actuarial tables and other assumptions adopted by the
14 Board and the recommendations of the actuary, using the
15 formula in subsection (a-1).

16 (a-1) For State fiscal years 2012 through 2045, the
17 minimum contribution to the System to be made by the State for
18 each fiscal year shall be an amount determined by the System to
19 be sufficient to bring the total assets of the System up to 90%
20 of the total actuarial liabilities of the System by the end of
21 State fiscal year 2045. In making these determinations, the
22 required State contribution shall be calculated each year as a
23 level percentage of payroll over the years remaining to and
24 including fiscal year 2045 and shall be determined under the
25 projected unit credit actuarial cost method.

1 For each of State fiscal years 2018, 2019, and 2020, the
2 State shall make an additional contribution to the System
3 equal to 2% of the total payroll of each employee who is deemed
4 to have elected the benefits under Section 1-161 or who has
5 made the election under subsection (c) of Section 1-161.

6 A change in an actuarial or investment assumption that
7 increases or decreases the required State contribution and
8 first applies in State fiscal year 2018 or thereafter shall be
9 implemented in equal annual amounts over a 5-year period
10 beginning in the State fiscal year in which the actuarial
11 change first applies to the required State contribution.

12 A change in an actuarial or investment assumption that
13 increases or decreases the required State contribution and
14 first applied to the State contribution in fiscal year 2014,
15 2015, 2016, or 2017 shall be implemented:

16 (i) as already applied in State fiscal years before
17 2018; and

18 (ii) in the portion of the 5-year period beginning in
19 the State fiscal year in which the actuarial change first
20 applied that occurs in State fiscal year 2018 or
21 thereafter, by calculating the change in equal annual
22 amounts over that 5-year period and then implementing it
23 at the resulting annual rate in each of the remaining
24 fiscal years in that 5-year period.

25 For State fiscal years 1996 through 2005, the State
26 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual
2 increments so that by State fiscal year 2011, the State is
3 contributing at the rate required under this Section.

4 Notwithstanding any other provision of this Article, the
5 total required State contribution for State fiscal year 2006
6 is \$166,641,900.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2007
9 is \$252,064,100.

10 For each of State fiscal years 2008 through 2009, the
11 State contribution to the System, as a percentage of the
12 applicable employee payroll, shall be increased in equal
13 annual increments from the required State contribution for
14 State fiscal year 2007, so that by State fiscal year 2011, the
15 State is contributing at the rate otherwise required under
16 this Section.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2010
19 is \$702,514,000 and shall be made from the State Pensions Fund
20 and proceeds of bonds sold in fiscal year 2010 pursuant to
21 Section 7.2 of the General Obligation Bond Act, less (i) the
22 pro rata share of bond sale expenses determined by the
23 System's share of total bond proceeds, (ii) any amounts
24 received from the General Revenue Fund in fiscal year 2010,
25 (iii) any reduction in bond proceeds due to the issuance of
26 discounted bonds, if applicable.

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2011
3 is the amount recertified by the System on or before April 1,
4 2011 pursuant to Section 15-165 and shall be made from the
5 State Pensions Fund and proceeds of bonds sold in fiscal year
6 2011 pursuant to Section 7.2 of the General Obligation Bond
7 Act, less (i) the pro rata share of bond sale expenses
8 determined by the System's share of total bond proceeds, (ii)
9 any amounts received from the General Revenue Fund in fiscal
10 year 2011, and (iii) any reduction in bond proceeds due to the
11 issuance of discounted bonds, if applicable.

12 Beginning in State fiscal year 2046, the minimum State
13 contribution for each fiscal year shall be the amount needed
14 to maintain the total assets of the System at 90% of the total
15 actuarial liabilities of the System.

16 Amounts received by the System pursuant to Section 25 of
17 the Budget Stabilization Act or Section 8.12 of the State
18 Finance Act in any fiscal year do not reduce and do not
19 constitute payment of any portion of the minimum State
20 contribution required under this Article in that fiscal year.
21 Such amounts shall not reduce, and shall not be included in the
22 calculation of, the required State contributions under this
23 Article in any future year until the System has reached a
24 funding ratio of at least 90%. A reference in this Article to
25 the "required State contribution" or any substantially similar
26 term does not include or apply to any amounts payable to the

1 System under Section 25 of the Budget Stabilization Act.

2 Notwithstanding any other provision of this Section, the
3 required State contribution for State fiscal year 2005 and for
4 fiscal year 2008 and each fiscal year thereafter, as
5 calculated under this Section and certified under Section
6 15-165, shall not exceed an amount equal to (i) the amount of
7 the required State contribution that would have been
8 calculated under this Section for that fiscal year if the
9 System had not received any payments under subsection (d) of
10 Section 7.2 of the General Obligation Bond Act, minus (ii) the
11 portion of the State's total debt service payments for that
12 fiscal year on the bonds issued in fiscal year 2003 for the
13 purposes of that Section 7.2, as determined and certified by
14 the Comptroller, that is the same as the System's portion of
15 the total moneys distributed under subsection (d) of Section
16 7.2 of the General Obligation Bond Act. In determining this
17 maximum for State fiscal years 2008 through 2010, however, the
18 amount referred to in item (i) shall be increased, as a
19 percentage of the applicable employee payroll, in equal
20 increments calculated from the sum of the required State
21 contribution for State fiscal year 2007 plus the applicable
22 portion of the State's total debt service payments for fiscal
23 year 2007 on the bonds issued in fiscal year 2003 for the
24 purposes of Section 7.2 of the General Obligation Bond Act, so
25 that, by State fiscal year 2011, the State is contributing at
26 the rate otherwise required under this Section.

1 (a-2) Beginning in fiscal year 2018, each employer under
2 this Article shall pay to the System a required contribution
3 determined as a percentage of projected payroll and sufficient
4 to produce an annual amount equal to:

5 (i) for each of fiscal years 2018, 2019, and 2020, the
6 defined benefit normal cost of the defined benefit plan,
7 less the employee contribution, for each employee of that
8 employer who has elected or who is deemed to have elected
9 the benefits under Section 1-161 or who has made the
10 election under subsection (c) of Section 1-161; for fiscal
11 year 2021 and each fiscal year thereafter, the defined
12 benefit normal cost of the defined benefit plan, less the
13 employee contribution, plus 2%, for each employee of that
14 employer who has elected or who is deemed to have elected
15 the benefits under Section 1-161 or who has made the
16 election under subsection (c) of Section 1-161; plus

17 (ii) the amount required for that fiscal year to
18 amortize any unfunded actuarial accrued liability
19 associated with the present value of liabilities
20 attributable to the employer's account under Section
21 15-155.2, determined as a level percentage of payroll over
22 a 30-year rolling amortization period.

23 In determining contributions required under item (i) of
24 this subsection, the System shall determine an aggregate rate
25 for all employers, expressed as a percentage of projected
26 payroll.

1 In determining the contributions required under item (ii)
2 of this subsection, the amount shall be computed by the System
3 on the basis of the actuarial assumptions and tables used in
4 the most recent actuarial valuation of the System that is
5 available at the time of the computation.

6 The contributions required under this subsection (a-2)
7 shall be paid by an employer concurrently with that employer's
8 payroll payment period. The State, as the actual employer of
9 an employee, shall make the required contributions under this
10 subsection.

11 As used in this subsection, "academic year" means the
12 12-month period beginning September 1.

13 (b) If an employee is paid from trust or federal funds, the
14 employer shall pay to the Board contributions from those funds
15 which are sufficient to cover the accruing normal costs on
16 behalf of the employee. However, universities having employees
17 who are compensated out of local auxiliary funds, income
18 funds, or service enterprise funds are not required to pay
19 such contributions on behalf of those employees. The local
20 auxiliary funds, income funds, and service enterprise funds of
21 universities shall not be considered trust funds for the
22 purpose of this Article, but funds of alumni associations,
23 foundations, and athletic associations which are affiliated
24 with the universities included as employers under this Article
25 and other employers which do not receive State appropriations
26 are considered to be trust funds for the purpose of this

1 Article.

2 (b-1) The City of Urbana and the City of Champaign shall
3 each make employer contributions to this System for their
4 respective firefighter employees who participate in this
5 System pursuant to subsection (h) of Section 15-107. The rate
6 of contributions to be made by those municipalities shall be
7 determined annually by the Board on the basis of the actuarial
8 assumptions adopted by the Board and the recommendations of
9 the actuary, and shall be expressed as a percentage of salary
10 for each such employee. The Board shall certify the rate to the
11 affected municipalities as soon as may be practical. The
12 employer contributions required under this subsection shall be
13 remitted by the municipality to the System at the same time and
14 in the same manner as employee contributions.

15 (c) Through State fiscal year 1995: The total employer
16 contribution shall be apportioned among the various funds of
17 the State and other employers, whether trust, federal, or
18 other funds, in accordance with actuarial procedures approved
19 by the Board. State of Illinois contributions for employers
20 receiving State appropriations for personal services shall be
21 payable from appropriations made to the employers or to the
22 System. The contributions for Class I community colleges
23 covering earnings other than those paid from trust and federal
24 funds, shall be payable solely from appropriations to the
25 Illinois Community College Board or the System for employer
26 contributions.

1 (d) Beginning in State fiscal year 1996, the required
2 State contributions to the System shall be appropriated
3 directly to the System and shall be payable through vouchers
4 issued in accordance with subsection (c) of Section 15-165,
5 except as provided in subsection (g).

6 (e) The State Comptroller shall draw warrants payable to
7 the System upon proper certification by the System or by the
8 employer in accordance with the appropriation laws and this
9 Code.

10 (f) Normal costs under this Section means liability for
11 pensions and other benefits which accrues to the System
12 because of the credits earned for service rendered by the
13 participants during the fiscal year and expenses of
14 administering the System, but shall not include the principal
15 of or any redemption premium or interest on any bonds issued by
16 the Board or any expenses incurred or deposits required in
17 connection therewith.

18 (g) If the amount of a participant's earnings for any
19 academic year used to determine the final rate of earnings,
20 determined on a full-time equivalent basis, exceeds the amount
21 of his or her earnings with the same employer for the previous
22 academic year, determined on a full-time equivalent basis, by
23 more than 6%, the participant's employer shall pay to the
24 System, in addition to all other payments required under this
25 Section and in accordance with guidelines established by the
26 System, the present value of the increase in benefits

1 resulting from the portion of the increase in earnings that is
2 in excess of 6%. This present value shall be computed by the
3 System on the basis of the actuarial assumptions and tables
4 used in the most recent actuarial valuation of the System that
5 is available at the time of the computation. The System may
6 require the employer to provide any pertinent information or
7 documentation.

8 Whenever it determines that a payment is or may be
9 required under this subsection (g), the System shall calculate
10 the amount of the payment and bill the employer for that
11 amount. The bill shall specify the calculations used to
12 determine the amount due. If the employer disputes the amount
13 of the bill, it may, within 30 days after receipt of the bill,
14 apply to the System in writing for a recalculation. The
15 application must specify in detail the grounds of the dispute
16 and, if the employer asserts that the calculation is subject
17 to subsection (h), (h-5), or (i) of this Section, must include
18 an affidavit setting forth and attesting to all facts within
19 the employer's knowledge that are pertinent to the
20 applicability of that subsection. Upon receiving a timely
21 application for recalculation, the System shall review the
22 application and, if appropriate, recalculate the amount due.

23 The employer contributions required under this subsection
24 (g) may be paid in the form of a lump sum within 90 days after
25 receipt of the bill. If the employer contributions are not
26 paid within 90 days after receipt of the bill, then interest

1 will be charged at a rate equal to the System's annual
2 actuarially assumed rate of return on investment compounded
3 annually from the 91st day after receipt of the bill. Payments
4 must be concluded within 7 ~~3~~ years after the employer's
5 receipt of the bill.

6 When assessing payment for any amount due under this
7 subsection (g), the System shall include earnings, to the
8 extent not established by a participant under Section
9 15-113.11 or 15-113.12, that would have been paid to the
10 participant had the participant not taken (i) periods of
11 voluntary or involuntary furlough occurring on or after July
12 1, 2015 and on or before June 30, 2017 or (ii) periods of
13 voluntary pay reduction in lieu of furlough occurring on or
14 after July 1, 2015 and on or before June 30, 2017. Determining
15 earnings that would have been paid to a participant had the
16 participant not taken periods of voluntary or involuntary
17 furlough or periods of voluntary pay reduction shall be the
18 responsibility of the employer, and shall be reported in a
19 manner prescribed by the System.

20 This subsection (g) does not apply to (1) Tier 2 hybrid
21 plan members and (2) Tier 2 defined benefit members who first
22 participate under this Article on or after the implementation
23 date of the Optional Hybrid Plan.

24 (g-1) (Blank).

25 (h) This subsection (h) applies only to payments made or
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not
2 require the System to refund any payments received before July
3 31, 2006 (the effective date of Public Act 94-1057).

4 When assessing payment for any amount due under subsection
5 (g), the System shall exclude earnings increases paid to
6 participants under contracts or collective bargaining
7 agreements entered into, amended, or renewed before June 1,
8 2005.

9 When assessing payment for any amount due under subsection
10 (g), the System shall exclude earnings increases paid to a
11 participant at a time when the participant is 10 or more years
12 from retirement eligibility under Section 15-135.

13 When assessing payment for any amount due under subsection
14 (g), the System shall exclude earnings increases resulting
15 from overload work, including a contract for summer teaching,
16 or overtime when the employer has certified to the System, and
17 the System has approved the certification, that: (i) in the
18 case of overloads (A) the overload work is for the sole purpose
19 of academic instruction in excess of the standard number of
20 instruction hours for a full-time employee occurring during
21 the academic year that the overload is paid and (B) the
22 earnings increases are equal to or less than the rate of pay
23 for academic instruction computed using the participant's
24 current salary rate and work schedule; and (ii) in the case of
25 overtime, the overtime was necessary for the educational
26 mission.

1 When assessing payment for any amount due under subsection
2 (g), the System shall exclude any earnings increase resulting
3 from (i) a promotion for which the employee moves from one
4 classification to a higher classification under the State
5 Universities Civil Service System, (ii) a promotion in
6 academic rank for a tenured or tenure-track faculty position,
7 or (iii) a promotion that the Illinois Community College Board
8 has recommended in accordance with subsection (k) of this
9 Section. These earnings increases shall be excluded only if
10 the promotion is to a position that has existed and been filled
11 by a member for no less than one complete academic year and the
12 earnings increase as a result of the promotion is an increase
13 that results in an amount no greater than the average salary
14 paid for other similar positions.

15 (h-5) When assessing payment for any amount due under
16 subsection (g), the System shall exclude any earnings increase
17 paid in an academic year beginning on or after July 1, 2020
18 resulting from overload work performed in an academic year
19 subsequent to an academic year in which the employer was
20 unable to offer or allow to be conducted overload work due to
21 an emergency declaration limiting such activities.

22 (i) When assessing payment for any amount due under
23 subsection (g), the System shall exclude any salary increase
24 described in subsection (h) of this Section given on or after
25 July 1, 2011 but before July 1, 2014 under a contract or
26 collective bargaining agreement entered into, amended, or

1 renewed on or after June 1, 2005 but before July 1, 2011.
2 Except as provided in subsection (h-5), any payments made or
3 salary increases given after June 30, 2014 shall be used in
4 assessing payment for any amount due under subsection (g) of
5 this Section.

6 (j) The System shall prepare a report and file copies of
7 the report with the Governor and the General Assembly by
8 January 1, 2007 that contains all of the following
9 information:

10 (1) The number of recalculations required by the
11 changes made to this Section by Public Act 94-1057 for
12 each employer.

13 (2) The dollar amount by which each employer's
14 contribution to the System was changed due to
15 recalculations required by Public Act 94-1057.

16 (3) The total amount the System received from each
17 employer as a result of the changes made to this Section by
18 Public Act 94-4.

19 (4) The increase in the required State contribution
20 resulting from the changes made to this Section by Public
21 Act 94-1057.

22 (j-5) For State fiscal years beginning on or after July 1,
23 2017, if the amount of a participant's earnings for any State
24 fiscal year exceeds the amount of the salary set by law for the
25 Governor that is in effect on July 1 of that fiscal year, the
26 participant's employer shall pay to the System, in addition to

1 all other payments required under this Section and in
2 accordance with guidelines established by the System, an
3 amount determined by the System to be equal to the employer
4 normal cost, as established by the System and expressed as a
5 total percentage of payroll, multiplied by the amount of
6 earnings in excess of the amount of the salary set by law for
7 the Governor. This amount shall be computed by the System on
8 the basis of the actuarial assumptions and tables used in the
9 most recent actuarial valuation of the System that is
10 available at the time of the computation. The System may
11 require the employer to provide any pertinent information or
12 documentation.

13 Whenever it determines that a payment is or may be
14 required under this subsection, the System shall calculate the
15 amount of the payment and bill the employer for that amount.
16 The bill shall specify the calculation used to determine the
17 amount due. If the employer disputes the amount of the bill, it
18 may, within 30 days after receipt of the bill, apply to the
19 System in writing for a recalculation. The application must
20 specify in detail the grounds of the dispute. Upon receiving a
21 timely application for recalculation, the System shall review
22 the application and, if appropriate, recalculate the amount
23 due.

24 The employer contributions required under this subsection
25 may be paid in the form of a lump sum within 90 days after
26 issuance of the bill. If the employer contributions are not

1 paid within 90 days after issuance of the bill, then interest
2 will be charged at a rate equal to the System's annual
3 actuarially assumed rate of return on investment compounded
4 annually from the 91st day after issuance of the bill. All
5 payments must be received within 3 years after issuance of the
6 bill. If the employer fails to make complete payment,
7 including applicable interest, within 3 years, then the System
8 may, after giving notice to the employer, certify the
9 delinquent amount to the State Comptroller, and the
10 Comptroller shall thereupon deduct the certified delinquent
11 amount from State funds payable to the employer and pay them
12 instead to the System.

13 This subsection (j-5) does not apply to a participant's
14 earnings to the extent an employer pays the employer normal
15 cost of such earnings.

16 The changes made to this subsection (j-5) by Public Act
17 100-624 are intended to apply retroactively to July 6, 2017
18 (the effective date of Public Act 100-23).

19 (k) The Illinois Community College Board shall adopt rules
20 for recommending lists of promotional positions submitted to
21 the Board by community colleges and for reviewing the
22 promotional lists on an annual basis. When recommending
23 promotional lists, the Board shall consider the similarity of
24 the positions submitted to those positions recognized for
25 State universities by the State Universities Civil Service
26 System. The Illinois Community College Board shall file a copy

1 of its findings with the System. The System shall consider the
2 findings of the Illinois Community College Board when making
3 determinations under this Section. The System shall not
4 exclude any earnings increases resulting from a promotion when
5 the promotion was not submitted by a community college.
6 Nothing in this subsection (k) shall require any community
7 college to submit any information to the Community College
8 Board.

9 (l) For purposes of determining the required State
10 contribution to the System, the value of the System's assets
11 shall be equal to the actuarial value of the System's assets,
12 which shall be calculated as follows:

13 As of June 30, 2008, the actuarial value of the System's
14 assets shall be equal to the market value of the assets as of
15 that date. In determining the actuarial value of the System's
16 assets for fiscal years after June 30, 2008, any actuarial
17 gains or losses from investment return incurred in a fiscal
18 year shall be recognized in equal annual amounts over the
19 5-year period following that fiscal year.

20 (m) For purposes of determining the required State
21 contribution to the system for a particular year, the
22 actuarial value of assets shall be assumed to earn a rate of
23 return equal to the system's actuarially assumed rate of
24 return.

25 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
26 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.

1 5-13-22.)

2 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

3 Sec. 16-158. Contributions by State and other employing
4 units.

5 (a) The State shall make contributions to the System by
6 means of appropriations from the Common School Fund and other
7 State funds of amounts which, together with other employer
8 contributions, employee contributions, investment income, and
9 other income, will be sufficient to meet the cost of
10 maintaining and administering the System on a 90% funded basis
11 in accordance with actuarial recommendations.

12 The Board shall determine the amount of State
13 contributions required for each fiscal year on the basis of
14 the actuarial tables and other assumptions adopted by the
15 Board and the recommendations of the actuary, using the
16 formula in subsection (b-3).

17 (a-1) Annually, on or before November 15 until November
18 15, 2011, the Board shall certify to the Governor the amount of
19 the required State contribution for the coming fiscal year.
20 The certification under this subsection (a-1) shall include a
21 copy of the actuarial recommendations upon which it is based
22 and shall specifically identify the System's projected State
23 normal cost for that fiscal year.

24 On or before May 1, 2004, the Board shall recalculate and
25 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2005, taking
2 into account the amounts appropriated to and received by the
3 System under subsection (d) of Section 7.2 of the General
4 Obligation Bond Act.

5 On or before July 1, 2005, the Board shall recalculate and
6 recertify to the Governor the amount of the required State
7 contribution to the System for State fiscal year 2006, taking
8 into account the changes in required State contributions made
9 by Public Act 94-4.

10 On or before April 1, 2011, the Board shall recalculate
11 and recertify to the Governor the amount of the required State
12 contribution to the System for State fiscal year 2011,
13 applying the changes made by Public Act 96-889 to the System's
14 assets and liabilities as of June 30, 2009 as though Public Act
15 96-889 was approved on that date.

16 (a-5) On or before November 1 of each year, beginning
17 November 1, 2012, the Board shall submit to the State Actuary,
18 the Governor, and the General Assembly a proposed
19 certification of the amount of the required State contribution
20 to the System for the next fiscal year, along with all of the
21 actuarial assumptions, calculations, and data upon which that
22 proposed certification is based. On or before January 1 of
23 each year, beginning January 1, 2013, the State Actuary shall
24 issue a preliminary report concerning the proposed
25 certification and identifying, if necessary, recommended
26 changes in actuarial assumptions that the Board must consider

1 before finalizing its certification of the required State
2 contributions. On or before January 15, 2013 and each January
3 15 thereafter, the Board shall certify to the Governor and the
4 General Assembly the amount of the required State contribution
5 for the next fiscal year. The Board's certification must note
6 any deviations from the State Actuary's recommended changes,
7 the reason or reasons for not following the State Actuary's
8 recommended changes, and the fiscal impact of not following
9 the State Actuary's recommended changes on the required State
10 contribution.

11 (a-10) By November 1, 2017, the Board shall recalculate
12 and recertify to the State Actuary, the Governor, and the
13 General Assembly the amount of the State contribution to the
14 System for State fiscal year 2018, taking into account the
15 changes in required State contributions made by Public Act
16 100-23. The State Actuary shall review the assumptions and
17 valuations underlying the Board's revised certification and
18 issue a preliminary report concerning the proposed
19 recertification and identifying, if necessary, recommended
20 changes in actuarial assumptions that the Board must consider
21 before finalizing its certification of the required State
22 contributions. The Board's final certification must note any
23 deviations from the State Actuary's recommended changes, the
24 reason or reasons for not following the State Actuary's
25 recommended changes, and the fiscal impact of not following
26 the State Actuary's recommended changes on the required State

1 contribution.

2 (a-15) On or after June 15, 2019, but no later than June
3 30, 2019, the Board shall recalculate and recertify to the
4 Governor and the General Assembly the amount of the State
5 contribution to the System for State fiscal year 2019, taking
6 into account the changes in required State contributions made
7 by Public Act 100-587. The recalculation shall be made using
8 assumptions adopted by the Board for the original fiscal year
9 2019 certification. The monthly voucher for the 12th month of
10 fiscal year 2019 shall be paid by the Comptroller after the
11 recertification required pursuant to this subsection is
12 submitted to the Governor, Comptroller, and General Assembly.
13 The recertification submitted to the General Assembly shall be
14 filed with the Clerk of the House of Representatives and the
15 Secretary of the Senate in electronic form only, in the manner
16 that the Clerk and the Secretary shall direct.

17 (b) Through State fiscal year 1995, the State
18 contributions shall be paid to the System in accordance with
19 Section 18-7 of the School Code.

20 (b-1) Unless otherwise directed by the Comptroller under
21 subsection (b-1.1), the Board shall submit vouchers for
22 payment of State contributions to the System for the
23 applicable month on the 15th day of each month, or as soon
24 thereafter as may be practicable. The amount vouchered for a
25 monthly payment shall total one-twelfth of the required annual
26 State contribution certified under subsection (a-1).

1 (b-1.1) Beginning in State fiscal year 2025, if the
2 Comptroller requests that the Board submit, during a State
3 fiscal year, vouchers for multiple monthly payments for the
4 advance payment of State contributions due to the System for
5 that State fiscal year, then the Board shall submit those
6 additional vouchers as directed by the Comptroller,
7 notwithstanding subsection (b-1). Unless an act of
8 appropriations provides otherwise, nothing in this Section
9 authorizes the Board to submit, in a State fiscal year,
10 vouchers for the payment of State contributions to the System
11 in an amount that exceeds the rate of payroll that is certified
12 by the System under this Section for that State fiscal year.

13 (b-1.2) The vouchers described in subsections (b-1) and
14 (b-1.1) shall be paid by the State Comptroller and Treasurer
15 by warrants drawn on the funds appropriated to the System for
16 that fiscal year.

17 If in any month the amount remaining unexpended from all
18 other appropriations to the System for the applicable fiscal
19 year (including the appropriations to the System under Section
20 8.12 of the State Finance Act and Section 1 of the State
21 Pension Funds Continuing Appropriation Act) is less than the
22 amount lawfully vouchered under this subsection, the
23 difference shall be paid from the Common School Fund under the
24 continuing appropriation authority provided in Section 1.1 of
25 the State Pension Funds Continuing Appropriation Act.

26 (b-2) Allocations from the Common School Fund apportioned

1 to school districts not coming under this System shall not be
2 diminished or affected by the provisions of this Article.

3 (b-3) For State fiscal years 2012 through 2045, the
4 minimum contribution to the System to be made by the State for
5 each fiscal year shall be an amount determined by the System to
6 be sufficient to bring the total assets of the System up to 90%
7 of the total actuarial liabilities of the System by the end of
8 State fiscal year 2045. In making these determinations, the
9 required State contribution shall be calculated each year as a
10 level percentage of payroll over the years remaining to and
11 including fiscal year 2045 and shall be determined under the
12 projected unit credit actuarial cost method.

13 For each of State fiscal years 2018, 2019, and 2020, the
14 State shall make an additional contribution to the System
15 equal to 2% of the total payroll of each employee who is deemed
16 to have elected the benefits under Section 1-161 or who has
17 made the election under subsection (c) of Section 1-161.

18 A change in an actuarial or investment assumption that
19 increases or decreases the required State contribution and
20 first applies in State fiscal year 2018 or thereafter shall be
21 implemented in equal annual amounts over a 5-year period
22 beginning in the State fiscal year in which the actuarial
23 change first applies to the required State contribution.

24 A change in an actuarial or investment assumption that
25 increases or decreases the required State contribution and
26 first applied to the State contribution in fiscal year 2014,

1 2015, 2016, or 2017 shall be implemented:

2 (i) as already applied in State fiscal years before
3 2018; and

4 (ii) in the portion of the 5-year period beginning in
5 the State fiscal year in which the actuarial change first
6 applied that occurs in State fiscal year 2018 or
7 thereafter, by calculating the change in equal annual
8 amounts over that 5-year period and then implementing it
9 at the resulting annual rate in each of the remaining
10 fiscal years in that 5-year period.

11 For State fiscal years 1996 through 2005, the State
12 contribution to the System, as a percentage of the applicable
13 employee payroll, shall be increased in equal annual
14 increments so that by State fiscal year 2011, the State is
15 contributing at the rate required under this Section; except
16 that in the following specified State fiscal years, the State
17 contribution to the System shall not be less than the
18 following indicated percentages of the applicable employee
19 payroll, even if the indicated percentage will produce a State
20 contribution in excess of the amount otherwise required under
21 this subsection and subsection (a), and notwithstanding any
22 contrary certification made under subsection (a-1) before May
23 27, 1998 (the effective date of Public Act 90-582): 10.02% in
24 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
25 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2006
2 is \$534,627,700.

3 Notwithstanding any other provision of this Article, the
4 total required State contribution for State fiscal year 2007
5 is \$738,014,500.

6 For each of State fiscal years 2008 through 2009, the
7 State contribution to the System, as a percentage of the
8 applicable employee payroll, shall be increased in equal
9 annual increments from the required State contribution for
10 State fiscal year 2007, so that by State fiscal year 2011, the
11 State is contributing at the rate otherwise required under
12 this Section.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2010
15 is \$2,089,268,000 and shall be made from the proceeds of bonds
16 sold in fiscal year 2010 pursuant to Section 7.2 of the General
17 Obligation Bond Act, less (i) the pro rata share of bond sale
18 expenses determined by the System's share of total bond
19 proceeds, (ii) any amounts received from the Common School
20 Fund in fiscal year 2010, and (iii) any reduction in bond
21 proceeds due to the issuance of discounted bonds, if
22 applicable.

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2011
25 is the amount recertified by the System on or before April 1,
26 2011 pursuant to subsection (a-1) of this Section and shall be

1 made from the proceeds of bonds sold in fiscal year 2011
2 pursuant to Section 7.2 of the General Obligation Bond Act,
3 less (i) the pro rata share of bond sale expenses determined by
4 the System's share of total bond proceeds, (ii) any amounts
5 received from the Common School Fund in fiscal year 2011, and
6 (iii) any reduction in bond proceeds due to the issuance of
7 discounted bonds, if applicable. This amount shall include, in
8 addition to the amount certified by the System, an amount
9 necessary to meet employer contributions required by the State
10 as an employer under paragraph (e) of this Section, which may
11 also be used by the System for contributions required by
12 paragraph (a) of Section 16-127.

13 Beginning in State fiscal year 2046, the minimum State
14 contribution for each fiscal year shall be the amount needed
15 to maintain the total assets of the System at 90% of the total
16 actuarial liabilities of the System.

17 Amounts received by the System pursuant to Section 25 of
18 the Budget Stabilization Act or Section 8.12 of the State
19 Finance Act in any fiscal year do not reduce and do not
20 constitute payment of any portion of the minimum State
21 contribution required under this Article in that fiscal year.
22 Such amounts shall not reduce, and shall not be included in the
23 calculation of, the required State contributions under this
24 Article in any future year until the System has reached a
25 funding ratio of at least 90%. A reference in this Article to
26 the "required State contribution" or any substantially similar

1 term does not include or apply to any amounts payable to the
2 System under Section 25 of the Budget Stabilization Act.

3 Notwithstanding any other provision of this Section, the
4 required State contribution for State fiscal year 2005 and for
5 fiscal year 2008 and each fiscal year thereafter, as
6 calculated under this Section and certified under subsection
7 (a-1), shall not exceed an amount equal to (i) the amount of
8 the required State contribution that would have been
9 calculated under this Section for that fiscal year if the
10 System had not received any payments under subsection (d) of
11 Section 7.2 of the General Obligation Bond Act, minus (ii) the
12 portion of the State's total debt service payments for that
13 fiscal year on the bonds issued in fiscal year 2003 for the
14 purposes of that Section 7.2, as determined and certified by
15 the Comptroller, that is the same as the System's portion of
16 the total moneys distributed under subsection (d) of Section
17 7.2 of the General Obligation Bond Act. In determining this
18 maximum for State fiscal years 2008 through 2010, however, the
19 amount referred to in item (i) shall be increased, as a
20 percentage of the applicable employee payroll, in equal
21 increments calculated from the sum of the required State
22 contribution for State fiscal year 2007 plus the applicable
23 portion of the State's total debt service payments for fiscal
24 year 2007 on the bonds issued in fiscal year 2003 for the
25 purposes of Section 7.2 of the General Obligation Bond Act, so
26 that, by State fiscal year 2011, the State is contributing at

1 the rate otherwise required under this Section.

2 (b-4) Beginning in fiscal year 2018, each employer under
3 this Article shall pay to the System a required contribution
4 determined as a percentage of projected payroll and sufficient
5 to produce an annual amount equal to:

6 (i) for each of fiscal years 2018, 2019, and 2020, the
7 defined benefit normal cost of the defined benefit plan,
8 less the employee contribution, for each employee of that
9 employer who has elected or who is deemed to have elected
10 the benefits under Section 1-161 or who has made the
11 election under subsection (b) of Section 1-161; for fiscal
12 year 2021 and each fiscal year thereafter, the defined
13 benefit normal cost of the defined benefit plan, less the
14 employee contribution, plus 2%, for each employee of that
15 employer who has elected or who is deemed to have elected
16 the benefits under Section 1-161 or who has made the
17 election under subsection (b) of Section 1-161; plus

18 (ii) the amount required for that fiscal year to
19 amortize any unfunded actuarial accrued liability
20 associated with the present value of liabilities
21 attributable to the employer's account under Section
22 16-158.3, determined as a level percentage of payroll over
23 a 30-year rolling amortization period.

24 In determining contributions required under item (i) of
25 this subsection, the System shall determine an aggregate rate
26 for all employers, expressed as a percentage of projected

1 payroll.

2 In determining the contributions required under item (ii)
3 of this subsection, the amount shall be computed by the System
4 on the basis of the actuarial assumptions and tables used in
5 the most recent actuarial valuation of the System that is
6 available at the time of the computation.

7 The contributions required under this subsection (b-4)
8 shall be paid by an employer concurrently with that employer's
9 payroll payment period. The State, as the actual employer of
10 an employee, shall make the required contributions under this
11 subsection.

12 (c) Payment of the required State contributions and of all
13 pensions, retirement annuities, death benefits, refunds, and
14 other benefits granted under or assumed by this System, and
15 all expenses in connection with the administration and
16 operation thereof, are obligations of the State.

17 If members are paid from special trust or federal funds
18 which are administered by the employing unit, whether school
19 district or other unit, the employing unit shall pay to the
20 System from such funds the full accruing retirement costs
21 based upon that service, which, beginning July 1, 2017, shall
22 be at a rate, expressed as a percentage of salary, equal to the
23 total employer's normal cost, expressed as a percentage of
24 payroll, as determined by the System. Employer contributions,
25 based on salary paid to members from federal funds, may be
26 forwarded by the distributing agency of the State of Illinois

1 to the System prior to allocation, in an amount determined in
2 accordance with guidelines established by such agency and the
3 System. Any contribution for fiscal year 2015 collected as a
4 result of the change made by Public Act 98-674 shall be
5 considered a State contribution under subsection (b-3) of this
6 Section.

7 (d) Effective July 1, 1986, any employer of a teacher as
8 defined in paragraph (8) of Section 16-106 shall pay the
9 employer's normal cost of benefits based upon the teacher's
10 service, in addition to employee contributions, as determined
11 by the System. Such employer contributions shall be forwarded
12 monthly in accordance with guidelines established by the
13 System.

14 However, with respect to benefits granted under Section
15 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
16 of Section 16-106, the employer's contribution shall be 12%
17 (rather than 20%) of the member's highest annual salary rate
18 for each year of creditable service granted, and the employer
19 shall also pay the required employee contribution on behalf of
20 the teacher. For the purposes of Sections 16-133.4 and
21 16-133.5, a teacher as defined in paragraph (8) of Section
22 16-106 who is serving in that capacity while on leave of
23 absence from another employer under this Article shall not be
24 considered an employee of the employer from which the teacher
25 is on leave.

26 (e) Beginning July 1, 1998, every employer of a teacher

1 shall pay to the System an employer contribution computed as
2 follows:

3 (1) Beginning July 1, 1998 through June 30, 1999, the
4 employer contribution shall be equal to 0.3% of each
5 teacher's salary.

6 (2) Beginning July 1, 1999 and thereafter, the
7 employer contribution shall be equal to 0.58% of each
8 teacher's salary.

9 The school district or other employing unit may pay these
10 employer contributions out of any source of funding available
11 for that purpose and shall forward the contributions to the
12 System on the schedule established for the payment of member
13 contributions.

14 These employer contributions are intended to offset a
15 portion of the cost to the System of the increases in
16 retirement benefits resulting from Public Act 90-582.

17 Each employer of teachers is entitled to a credit against
18 the contributions required under this subsection (e) with
19 respect to salaries paid to teachers for the period January 1,
20 2002 through June 30, 2003, equal to the amount paid by that
21 employer under subsection (a-5) of Section 6.6 of the State
22 Employees Group Insurance Act of 1971 with respect to salaries
23 paid to teachers for that period.

24 The additional 1% employee contribution required under
25 Section 16-152 by Public Act 90-582 is the responsibility of
26 the teacher and not the teacher's employer, unless the

1 employer agrees, through collective bargaining or otherwise,
2 to make the contribution on behalf of the teacher.

3 If an employer is required by a contract in effect on May
4 1, 1998 between the employer and an employee organization to
5 pay, on behalf of all its full-time employees covered by this
6 Article, all mandatory employee contributions required under
7 this Article, then the employer shall be excused from paying
8 the employer contribution required under this subsection (e)
9 for the balance of the term of that contract. The employer and
10 the employee organization shall jointly certify to the System
11 the existence of the contractual requirement, in such form as
12 the System may prescribe. This exclusion shall cease upon the
13 termination, extension, or renewal of the contract at any time
14 after May 1, 1998.

15 (f) If the amount of a teacher's salary for any school year
16 used to determine final average salary exceeds the member's
17 annual full-time salary rate with the same employer for the
18 previous school year by more than 6%, the teacher's employer
19 shall pay to the System, in addition to all other payments
20 required under this Section and in accordance with guidelines
21 established by the System, the present value of the increase
22 in benefits resulting from the portion of the increase in
23 salary that is in excess of 6%. This present value shall be
24 computed by the System on the basis of the actuarial
25 assumptions and tables used in the most recent actuarial
26 valuation of the System that is available at the time of the

1 computation. If a teacher's salary for the 2005-2006 school
2 year is used to determine final average salary under this
3 subsection (f), then the changes made to this subsection (f)
4 by Public Act 94-1057 shall apply in calculating whether the
5 increase in his or her salary is in excess of 6%. For the
6 purposes of this Section, change in employment under Section
7 10-21.12 of the School Code on or after June 1, 2005 shall
8 constitute a change in employer. The System may require the
9 employer to provide any pertinent information or
10 documentation. The changes made to this subsection (f) by
11 Public Act 94-1111 apply without regard to whether the teacher
12 was in service on or after its effective date.

13 Whenever it determines that a payment is or may be
14 required under this subsection, the System shall calculate the
15 amount of the payment and bill the employer for that amount.
16 The bill shall specify the calculations used to determine the
17 amount due. If the employer disputes the amount of the bill, it
18 may, within 30 days after receipt of the bill, apply to the
19 System in writing for a recalculation. The application must
20 specify in detail the grounds of the dispute and, if the
21 employer asserts that the calculation is subject to subsection
22 (g), (g-5), (g-10), (g-15), (g-20), or (h) of this Section,
23 must include an affidavit setting forth and attesting to all
24 facts within the employer's knowledge that are pertinent to
25 the applicability of that subsection. Upon receiving a timely
26 application for recalculation, the System shall review the

1 application and, if appropriate, recalculate the amount due.

2 The employer contributions required under this subsection
3 (f) may be paid in the form of a lump sum within 90 days after
4 receipt of the bill. If the employer contributions are not
5 paid within 90 days after receipt of the bill, then interest
6 will be charged at a rate equal to the System's annual
7 actuarially assumed rate of return on investment compounded
8 annually from the 91st day after receipt of the bill. Payments
9 must be concluded within 7 ~~3~~ years after the employer's
10 receipt of the bill.

11 (f-1) (Blank).

12 (g) This subsection (g) applies only to payments made or
13 salary increases given on or after June 1, 2005 but before July
14 1, 2011. The changes made by Public Act 94-1057 shall not
15 require the System to refund any payments received before July
16 31, 2006 (the effective date of Public Act 94-1057).

17 When assessing payment for any amount due under subsection
18 (f), the System shall exclude salary increases paid to
19 teachers under contracts or collective bargaining agreements
20 entered into, amended, or renewed before June 1, 2005.

21 When assessing payment for any amount due under subsection
22 (f), the System shall exclude salary increases paid to a
23 teacher at a time when the teacher is 10 or more years from
24 retirement eligibility under Section 16-132 or 16-133.2.

25 When assessing payment for any amount due under subsection
26 (f), the System shall exclude salary increases resulting from

1 overload work, including summer school, when the school
2 district has certified to the System, and the System has
3 approved the certification, that (i) the overload work is for
4 the sole purpose of classroom instruction in excess of the
5 standard number of classes for a full-time teacher in a school
6 district during a school year and (ii) the salary increases
7 are equal to or less than the rate of pay for classroom
8 instruction computed on the teacher's current salary and work
9 schedule.

10 When assessing payment for any amount due under subsection
11 (f), the System shall exclude a salary increase resulting from
12 a promotion (i) for which the employee is required to hold a
13 certificate or supervisory endorsement issued by the State
14 Teacher Certification Board that is a different certification
15 or supervisory endorsement than is required for the teacher's
16 previous position and (ii) to a position that has existed and
17 been filled by a member for no less than one complete academic
18 year and the salary increase from the promotion is an increase
19 that results in an amount no greater than the lesser of the
20 average salary paid for other similar positions in the
21 district requiring the same certification or the amount
22 stipulated in the collective bargaining agreement for a
23 similar position requiring the same certification.

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude any payment to the teacher from
26 the State of Illinois or the State Board of Education over

1 which the employer does not have discretion, notwithstanding
2 that the payment is included in the computation of final
3 average salary.

4 (g-5) When assessing payment for any amount due under
5 subsection (f), the System shall exclude salary increases
6 resulting from overload or stipend work performed in a school
7 year subsequent to a school year in which the employer was
8 unable to offer or allow to be conducted overload or stipend
9 work due to an emergency declaration limiting such activities.

10 (g-10) When assessing payment for any amount due under
11 subsection (f), the System shall exclude salary increases
12 resulting from increased instructional time that exceeded the
13 instructional time required during the 2019-2020 school year.

14 (g-15) When assessing payment for any amount due under
15 subsection (f), the System shall exclude salary increases
16 resulting from teaching summer school on or after May 1, 2021
17 and before September 15, 2022.

18 (g-20) When assessing payment for any amount due under
19 subsection (f), the System shall exclude salary increases
20 necessary to bring a school board in compliance with Public
21 Act 101-443 or this amendatory Act of the 103rd General
22 Assembly.

23 (h) When assessing payment for any amount due under
24 subsection (f), the System shall exclude any salary increase
25 described in subsection (g) of this Section given on or after
26 July 1, 2011 but before July 1, 2014 under a contract or

1 collective bargaining agreement entered into, amended, or
2 renewed on or after June 1, 2005 but before July 1, 2011.
3 Notwithstanding any other provision of this Section, any
4 payments made or salary increases given after June 30, 2014
5 shall be used in assessing payment for any amount due under
6 subsection (f) of this Section.

7 (i) The System shall prepare a report and file copies of
8 the report with the Governor and the General Assembly by
9 January 1, 2007 that contains all of the following
10 information:

11 (1) The number of recalculations required by the
12 changes made to this Section by Public Act 94-1057 for
13 each employer.

14 (2) The dollar amount by which each employer's
15 contribution to the System was changed due to
16 recalculations required by Public Act 94-1057.

17 (3) The total amount the System received from each
18 employer as a result of the changes made to this Section by
19 Public Act 94-4.

20 (4) The increase in the required State contribution
21 resulting from the changes made to this Section by Public
22 Act 94-1057.

23 (i-5) For school years beginning on or after July 1, 2017,
24 if the amount of a participant's salary for any school year
25 exceeds the amount of the salary set for the Governor, the
26 participant's employer shall pay to the System, in addition to

1 all other payments required under this Section and in
2 accordance with guidelines established by the System, an
3 amount determined by the System to be equal to the employer
4 normal cost, as established by the System and expressed as a
5 total percentage of payroll, multiplied by the amount of
6 salary in excess of the amount of the salary set for the
7 Governor. This amount shall be computed by the System on the
8 basis of the actuarial assumptions and tables used in the most
9 recent actuarial valuation of the System that is available at
10 the time of the computation. The System may require the
11 employer to provide any pertinent information or
12 documentation.

13 Whenever it determines that a payment is or may be
14 required under this subsection, the System shall calculate the
15 amount of the payment and bill the employer for that amount.
16 The bill shall specify the calculations used to determine the
17 amount due. If the employer disputes the amount of the bill, it
18 may, within 30 days after receipt of the bill, apply to the
19 System in writing for a recalculation. The application must
20 specify in detail the grounds of the dispute. Upon receiving a
21 timely application for recalculation, the System shall review
22 the application and, if appropriate, recalculate the amount
23 due.

24 The employer contributions required under this subsection
25 may be paid in the form of a lump sum within 90 days after
26 receipt of the bill. If the employer contributions are not

1 paid within 90 days after receipt of the bill, then interest
2 will be charged at a rate equal to the System's annual
3 actuarially assumed rate of return on investment compounded
4 annually from the 91st day after receipt of the bill. Payments
5 must be concluded within 3 years after the employer's receipt
6 of the bill.

7 (j) For purposes of determining the required State
8 contribution to the System, the value of the System's assets
9 shall be equal to the actuarial value of the System's assets,
10 which shall be calculated as follows:

11 As of June 30, 2008, the actuarial value of the System's
12 assets shall be equal to the market value of the assets as of
13 that date. In determining the actuarial value of the System's
14 assets for fiscal years after June 30, 2008, any actuarial
15 gains or losses from investment return incurred in a fiscal
16 year shall be recognized in equal annual amounts over the
17 5-year period following that fiscal year.

18 (k) For purposes of determining the required State
19 contribution to the system for a particular year, the
20 actuarial value of assets shall be assumed to earn a rate of
21 return equal to the system's actuarially assumed rate of
22 return.

23 (Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21;
24 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff.
25 8-11-23; 103-588, eff. 6-5-24.)

1 Article 19.

2 Section 19-5. The Illinois Pension Code is amended by
3 changing Section 7-217 as follows:

4 (40 ILCS 5/7-217) (from Ch. 108 1/2, par. 7-217)

5 Sec. 7-217. Payment of benefits and assignments.

6 (a) Except as otherwise provided in this Section, all
7 moneys in the Fund created by this Article, and all securities
8 and other property of the Fund, and all annuities and other
9 benefits payable under this Article, and all accumulated
10 contributions and other credits of employees in this Fund, and
11 the right of any person to receive an annuity or other benefit
12 under this Article, or a refund or return of contributions,
13 shall not be subject to judgment, execution, garnishment,
14 attachment, or other seizure by process, in bankruptcy or
15 otherwise, nor to sale, pledge, mortgage or other alienation,
16 and shall not be assignable. Notwithstanding Section 1-103.1,
17 the changes in this Section made by this amendatory Act of 1991
18 shall not be limited to persons in service on or after its
19 effective date. All annuities and other benefits payable under
20 this Fund and all accumulated credits of employees in the Fund
21 shall be exempt from state and municipal taxes.

22 (b) The board, in its discretion, may:

23 1. Pay to the wife of any annuitant or employee such
24 portion, or all, of any retirement annuity, disability

1 benefit, or separation benefit payable to an annuitant or
2 employee, in the event of the disappearance or unexplained
3 absence, or the failure to support such wife or children,
4 as the board may consider necessary for the support of the
5 wife or children of the annuitant or employee.

6 2. Where a temporary or total and permanent disability
7 benefit becomes payable and the amount may be reduced by
8 application of Section 7-148(b) or Section 7-152(b),
9 postpone making the reduction, if there is a delay in the
10 determination whether a disability benefit is payable
11 under the Federal Social Security Act, until the
12 determination has been made. The Board may retain out of
13 any annuity or benefit to the participating employee or to
14 any person taking through him the amount of any payment
15 which is not reduced by reason of this paragraph.

16 3. Pay amounts payable to a minor or person under
17 legal disability to a representative payee assuming
18 responsibility for such minor or person under legal
19 disability, waiving guardianship.

20 (c) The board may retain out of any annuity or benefit
21 payable to any person such amount or amounts as the board may
22 determine are owing to the fund because required employee
23 contributions were not made, in whole or in part, or employee
24 obligations to return refunds were not made, or because money
25 was paid to any annuitant or employee through
26 misrepresentation, fraud or error.

1 (d) The board and the fund shall be held free from any
2 liability for any money retained or paid in accordance with
3 this section and the employee shall be assumed to have
4 assented and agreed to any such disposition of money due.

5 (e) An annuitant entitled to receive an annuity may, for
6 personal reasons and without disclosure thereof, request the
7 board in writing to suspend for any period payment of all or
8 any part of such annuity otherwise payable hereunder. The
9 board, on receipt of such request, shall authorize such
10 suspension, in which event the annuitant shall be deemed to
11 have forfeited all rights to the amount of annuity so
12 suspended, but shall retain the right to have full annuity
13 otherwise payable reinstated as to future monthly payments
14 upon written notice to the board of his desire to revoke his
15 prior request for a suspension under this paragraph.

16 (f) The board may reimburse any municipality or
17 participating instrumentality for employee contributions due
18 such municipality or participating instrumentality, from funds
19 withheld by the board pursuant to this Section.

20 (g) An annuitant may authorize the withholding of a
21 portion of his annuity for payment ~~of due~~ to any labor
22 organization designated by the annuitant; however, no portion
23 of annuities may be withheld pursuant to this subsection for
24 payment to any one labor organization unless a minimum of 100
25 annuitants authorize such withholding, except that the Board
26 may allow such withholding for less than 100 annuitants during

1 a probationary period of between 3 and 6 months, as determined
2 by the Board. The Board shall prescribe a form for the
3 authorization of such withholding, and shall provide such
4 forms to employees, annuitants and labor organizations upon
5 request. Amounts withheld by the Board under this subsection
6 shall be promptly paid over to the designated organizations.

7 (Source: P.A. 87-740.)

8 Article 23.

9 Section 23-5. The Illinois Pension Code is amended by
10 changing Section 16-127 as follows:

11 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

13 (a) Each member shall receive regular credit for all
14 service as a teacher from the date membership begins, for
15 which satisfactory evidence is supplied and all contributions
16 have been paid.

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

21 (1) Prior service as a teacher.

22 (2) Service in a capacity essentially similar or
23 equivalent to that of a teacher, in the public common

1 schools in school districts in this State not included
2 within the provisions of this System, or of any other
3 State, territory, dependency or possession of the United
4 States, or in schools operated by or under the auspices of
5 the United States, or under the auspices of any agency or
6 department of any other State, and service during any
7 period of professional speech correction or special
8 education experience for a public agency within this State
9 or any other State, territory, dependency or possession of
10 the United States, and service prior to February 1, 1951
11 as a recreation worker for the Illinois Department of
12 Public Safety, for a period not exceeding the lesser of
13 2/5 of the total creditable service of the member or 10
14 years. The maximum service of 10 years which is allowable
15 under this paragraph shall be reduced by the service
16 credit which is validated by other retirement systems
17 under paragraph (i) of Section 15-113 and paragraph 1 of
18 Section 17-133. Credit granted under this paragraph may
19 not be used in determination of a retirement annuity or
20 disability benefits unless the member has at least 5 years
21 of creditable service earned subsequent to this employment
22 with one or more of the following systems: Teachers'
23 Retirement System of the State of Illinois, State
24 Universities Retirement System, and the Public School
25 Teachers' Pension and Retirement Fund of Chicago. Whenever
26 such service credit exceeds the maximum allowed for all

1 purposes of this Article, the first service rendered in
2 point of time shall be considered. The changes to this
3 paragraph (2) made by Public Act 86-272 shall apply not
4 only to persons who on or after its effective date (August
5 23, 1989) are in service as a teacher under the System, but
6 also to persons whose status as such a teacher terminated
7 prior to such effective date, whether or not such person
8 is an annuitant on that date.

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

25 The changes to this Section and Section 16-128
26 relating to military service made by Public Act 87-794

1 shall apply not only to persons who on or after its
2 effective date are in service as a teacher under the
3 System, but also to persons whose status as a teacher
4 terminated prior to that date, whether or not the person
5 is an annuitant on that date. In the case of an annuitant
6 who applies for credit allowable under this Section for a
7 period of military service that did not immediately follow
8 employment, and who has made the required contributions
9 for such credit, the annuity shall be recalculated to
10 include the additional service credit, with the increase
11 taking effect on the date the System received written
12 notification of the annuitant's intent to purchase the
13 credit, if payment of all the required contributions is
14 made within 60 days of such notice, or else on the first
15 annuity payment date following the date of payment of the
16 required contributions. In calculating the automatic
17 annual increase for an annuity that has been recalculated
18 under this Section, the increase attributable to the
19 additional service allowable under Public Act 87-794 shall
20 be included in the calculation of automatic annual
21 increases accruing after the effective date of the
22 recalculation.

23 Credit for military service shall be determined as
24 follows: if entry occurs during the months of July,
25 August, or September and the member was a teacher at the
26 end of the immediately preceding school term, credit shall

1 be granted from July 1 of the year in which he or she
2 entered service; if entry occurs during the school term
3 and the teacher was in teaching service at the beginning
4 of the school term, credit shall be granted from July 1 of
5 such year. In all other cases where credit for military
6 service is allowed, credit shall be granted from the date
7 of entry into the service.

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

23 (4) Any periods served as a member of the General
24 Assembly.

25 (5) (i) Any periods for which a teacher, as defined in
26 Section 16-106, is granted a leave of absence, provided he

1 or she returns to teaching service creditable under this
2 System or the State Universities Retirement System
3 following the leave; (ii) periods during which a teacher
4 is involuntarily laid off from teaching, provided he or
5 she returns to teaching following the lay-off; (iii)
6 periods prior to July 1, 1983 during which a teacher
7 ceased covered employment due to pregnancy, provided that
8 the teacher returned to teaching service creditable under
9 this System or the State Universities Retirement System
10 following the pregnancy and submits evidence satisfactory
11 to the Board documenting that the employment ceased due to
12 pregnancy; and (iv) periods prior to July 1, 1983 during
13 which a teacher ceased covered employment for the purpose
14 of adopting an infant under 3 years of age or caring for a
15 newly adopted infant under 3 years of age, provided that
16 the teacher returned to teaching service creditable under
17 this System or the State Universities Retirement System
18 following the adoption and submits evidence satisfactory
19 to the Board documenting that the employment ceased for
20 the purpose of adopting an infant under 3 years of age or
21 caring for a newly adopted infant under 3 years of age.
22 However, total credit under this paragraph (5) may not
23 exceed 3 years.

24 Any qualified member or annuitant may apply for credit
25 under item (iii) or (iv) of this paragraph (5) without
26 regard to whether service was terminated before June 27,

1 1997 (the effective date of Public Act 90-32). In the case
2 of an annuitant who establishes credit under item (iii) or
3 (iv), the annuity shall be recalculated to include the
4 additional service credit. The increase in annuity shall
5 take effect on the date the System receives written
6 notification of the annuitant's intent to purchase the
7 credit, if the required evidence is submitted and the
8 required contribution paid within 60 days of that
9 notification, otherwise on the first annuity payment date
10 following the System's receipt of the required evidence
11 and contribution. The increase in an annuity recalculated
12 under this provision shall be included in the calculation
13 of automatic annual increases in the annuity accruing
14 after the effective date of the recalculation.

15 Optional credit may be purchased under this paragraph
16 (5) for periods during which a teacher has been granted a
17 leave of absence pursuant to Section 24-13 of the School
18 Code. A teacher whose service under this Article
19 terminated prior to the effective date of Public Act
20 86-1488 shall be eligible to purchase such optional
21 credit. If a teacher who purchases this optional credit is
22 already receiving a retirement annuity under this Article,
23 the annuity shall be recalculated as if the annuitant had
24 applied for the leave of absence credit at the time of
25 retirement. The difference between the entitled annuity
26 and the actual annuity shall be credited to the purchase

1 of the optional credit. The remainder of the purchase cost
2 of the optional credit shall be paid on or before April 1,
3 1992.

4 The change in this paragraph made by Public Act 86-273
5 shall be applicable to teachers who retire after June 1,
6 1989, as well as to teachers who are in service on that
7 date.

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

21 Credit for sick leave shall, at retirement, be granted
22 by the System for any retiring regional or assistant
23 regional superintendent of schools at the rate of 6 days
24 per year of creditable service or portion thereof
25 established while serving as such superintendent or
26 assistant superintendent.

1 (7) Periods prior to February 1, 1987 served as an
2 employee of the Illinois Mathematics and Science Academy
3 for which credit has not been terminated under Section
4 15-113.9 of this Code.

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

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

9 (10) Up to 2 years of employment with Southern
10 Illinois University - Carbondale from September 1, 1959 to
11 August 31, 1961, or with Governors State University from
12 September 1, 1972 to August 31, 1974, for which the
13 teacher has no credit under Article 15. To receive credit
14 under this item (10), a teacher must apply in writing to
15 the Board and pay the required contributions before May 1,
16 1993 and have at least 12 years of service credit under
17 this Article.

18 (11) Periods of service as a student teacher as
19 described in Section 24-8.5 of the School Code for which
20 the student teacher received a salary.

21 (b-1) A member may establish optional credit for up to 2
22 years of service as a teacher or administrator employed by a
23 private school recognized by the Illinois State Board of
24 Education, provided that the teacher (i) was certified under
25 the law governing the certification of teachers at the time
26 the service was rendered, (ii) applies in writing on or before

1 June 30, 2028, (iii) supplies satisfactory evidence of the
2 employment, (iv) completes at least 10 years of contributing
3 service as a teacher as defined in Section 16-106, and (v) pays
4 the contribution required in subsection (d-5) of Section
5 16-128. The member may apply for credit under this subsection
6 and pay the required contribution before completing the 10
7 years of contributing service required under item (iv), but
8 the credit may not be used until the item (iv) contributing
9 service requirement has been met.

10 (b-2) A member may establish optional credit for up to 2
11 years of service as a career and technical educator,
12 including, but not limited to, a career and technical
13 education teacher, for which credit is not held in any other
14 public employee pension fund or retirement system if the
15 member (i) was certified or licensed under the law governing
16 the certification or licensure of teachers at the time the
17 service was rendered, (ii) applies in writing on or before
18 June 30, 2028, (iii) supplies satisfactory evidence of the
19 employment, (iv) completes at least 10 years of contributing
20 service as a teacher as defined in Section 16-106, and (v) pays
21 the contribution required in subsection (d-5) of Section
22 16-128. The member may apply for credit under this subsection
23 and pay the required contribution before completing the 10
24 years of contributing service required under item (iv), but
25 the credit may not be used until the item (iv) contributing
26 service requirement has been met.

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

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

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

Credit may not be granted under this Section for service as an employee of an entity that provides substitute teaching services under Section 2-3.173 of the School Code and is not a school district.

(Source: P.A. 102-525, eff. 8-20-21; 103-17, eff. 6-9-23; 103-525, eff. 8-11-23; 103-605, eff. 7-1-24.)

Article 26.

Section 26-5. The Illinois Pension Code is amended by changing Sections 3-110.12 and 4-108 as follows:

1 (40 ILCS 5/3-110.12)

2 Sec. 3-110.12. Transfer to Article 4 fund.

3 (a) At any time during the 6 months following the
4 effective date of this Section, an active member of an Article
5 4 firefighters' pension fund may apply for transfer to that
6 fund of up to 6 years of his or her creditable service
7 accumulated in the police pension fund under this Article that
8 is administered by the same unit of local government if that
9 active member was not subject to disciplinary action when he
10 or she terminated employment with that police department. The
11 creditable service shall be transferred upon payment by the
12 police pension fund to the Article 4 fund of an amount equal
13 to:

14 (1) the amounts accumulated to the credit of the
15 applicant on the books of the fund on the date of transfer
16 for the service to be transferred; and

17 (2) employer contributions in an amount equal to the
18 amount determined under item (1); and

19 (3) any interest paid by the applicant in order to
20 reinstate service.

21 Participation in the police pension fund with respect to
22 the transferred creditable service shall terminate on the date
23 of transfer.

24 (a-5) At any time during the 6 months following the
25 effective date of this amendatory Act of the 102nd General
26 Assembly, an active member of an Article 4 firefighters'

1 pension fund may apply for transfer to that fund of up to 8
2 years of his or her creditable service accumulated in a police
3 pension fund under this Article that is administered by a unit
4 of local government if that active member was not subject to
5 disciplinary action when he or she terminated employment with
6 that police department. The creditable service shall be
7 transferred upon payment by the police pension fund to the
8 Article 4 fund of an amount equal to:

9 (1) the amounts accumulated to the credit of the
10 applicant on the books of the fund on the date of transfer
11 for the service to be transferred; and

12 (2) employer contributions in an amount equal to the
13 amount determined under item (1); and

14 (3) any interest paid by the applicant in order to
15 reinstate service.

16 Participation in the police pension fund with respect to
17 the transferred creditable service shall terminate on the date
18 of transfer.

19 (a-10) At any time during the 6 months following the
20 effective date of this amendatory Act of the 104th General
21 Assembly, an active member of an Article 4 firefighters'
22 pension fund may apply for transfer to that fund of up to 8
23 years of his or her creditable service accumulated in a police
24 pension fund under this Article that is administered by a unit
25 of local government if that active member was not subject to
26 disciplinary action when he or she terminated employment with

1 that police department. The creditable service shall be
2 transferred upon payment by the police pension fund to the
3 Article 4 fund of an amount equal to:

4 (1) the amounts accumulated to the credit of the
5 applicant on the books of the fund on the date of transfer
6 for the service to be transferred; and

7 (2) employer contributions in an amount equal to the
8 amount determined under item (1); and

9 (3) any interest paid by the applicant in order to
10 reinstate service.

11 Participation in the police pension fund with respect to
12 the transferred creditable service shall terminate on the date
13 of transfer.

14 (b) At the time of applying for transfer of creditable
15 service under this Section, an active member of an Article 4
16 firefighters' pension fund may, for the purpose of that
17 transfer, reinstate creditable service that was terminated by
18 receipt of a refund, by payment to the police pension fund of
19 the amount of the refund with interest thereon at the rate of
20 6% per year, compounded annually, from the date of the refund
21 to the date of payment.

22 (Source: P.A. 102-63, eff. 7-9-21.)

23 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

24 Sec. 4-108. Creditable service.

25 (a) Creditable service is the time served as a firefighter

1 of a municipality. In computing creditable service, furloughs
2 and leaves of absence without pay exceeding 30 days in any one
3 year shall not be counted, but leaves of absence for illness or
4 accident regardless of length, and periods of disability for
5 which a firefighter received no disability pension payments
6 under this Article, shall be counted.

7 (b) Furloughs and leaves of absence of 30 days or less in
8 any one year may be counted as creditable service, if the
9 firefighter makes the contribution to the fund that would have
10 been required had he or she not been on furlough or leave of
11 absence. To qualify for this creditable service, the
12 firefighter must pay the required contributions to the fund
13 not more than 90 days subsequent to the termination of the
14 furlough or leave of absence, to the extent that the
15 municipality has not made such contribution on his or her
16 behalf.

17 (c) Creditable service includes:

18 (1) Service in the military, naval or air forces of
19 the United States entered upon when the person was an
20 active firefighter, provided that, upon applying for a
21 permanent pension, and in accordance with the rules of the
22 board the firefighter pays into the fund the amount that
23 would have been contributed had he or she been a regular
24 contributor during such period of service, if and to the
25 extent that the municipality which the firefighter served
26 made no such contributions in his or her behalf. The total

1 amount of such creditable service shall not exceed 5
2 years, except that any firefighter who on July 1, 1973 had
3 more than 5 years of such creditable service shall receive
4 the total amount thereof as of that date.

5 (1.5) Up to 24 months of service in the military,
6 naval, or air forces of the United States that was served
7 prior to employment by a municipality or fire protection
8 district as a firefighter. To receive the credit for the
9 military service prior to the employment as a firefighter,
10 the firefighter must apply in writing to the fund and must
11 make contributions to the fund equal to (i) the employee
12 contributions that would have been required had the
13 service been rendered as a member, plus (ii) an amount
14 determined by the fund to be equal to the employer's
15 normal cost of the benefits accrued for that military
16 service, plus (iii) interest at the actuarially assumed
17 rate provided by the Public Pension Division of the
18 Department of Insurance, compounded annually from the
19 first date of membership in the fund to the date of payment
20 on items (i) and (ii). The changes to this paragraph (1.5)
21 by this amendatory Act of the 95th General Assembly apply
22 only to participating employees in service on or after its
23 effective date.

24 (2) Service prior to July 1, 1976 by a firefighter
25 initially excluded from participation by reason of age who
26 elected to participate and paid the required contributions

1 for such service.

2 (3) Up to 8 years of service by a firefighter as an
3 officer in a statewide firefighters' association when he
4 is on a leave of absence from a municipality's payroll,
5 provided that (i) the firefighter has at least 10 years of
6 creditable service as an active firefighter, (ii) the
7 firefighter contributes to the fund the amount that he
8 would have contributed had he remained an active member of
9 the fund, (iii) the employee or statewide firefighter
10 association contributes to the fund an amount equal to the
11 employer's required contribution as determined by the
12 board, and (iv) for all leaves of absence under this
13 subdivision (3), including those beginning before the
14 effective date of this amendatory Act of the 97th General
15 Assembly, the firefighter continues to remain in sworn
16 status, subject to the professional standards of the
17 public employer or those terms established in statute.

18 (4) Time spent as an on-call fireman for a
19 municipality, calculated at the rate of one year of
20 creditable service for each 5 years of time spent as an
21 on-call fireman, provided that (i) the firefighter has at
22 least 18 years of creditable service as an active
23 firefighter, (ii) the firefighter spent at least 14 years
24 as an on-call firefighter for the municipality, (iii) the
25 firefighter applies for such creditable service within 30
26 days after the effective date of this amendatory Act of

1 1989, (iv) the firefighter contributes to the Fund an
2 amount representing employee contributions for the number
3 of years of creditable service granted under this
4 subdivision (4), based on the salary and contribution rate
5 in effect for the firefighter at the date of entry into the
6 Fund, to be determined by the board, and (v) not more than
7 3 years of creditable service may be granted under this
8 subdivision (4).

9 Except as provided in Section 4-108.5, creditable
10 service shall not include time spent as a volunteer
11 firefighter, whether or not any compensation was received
12 therefor. The change made in this Section by Public Act
13 83-0463 is intended to be a restatement and clarification
14 of existing law, and does not imply that creditable
15 service was previously allowed under this Article for time
16 spent as a volunteer firefighter.

17 (5) Time served between July 1, 1976 and July 1, 1988
18 in the position of protective inspection officer or
19 administrative assistant for fire services, for a
20 municipality with a population under 10,000 that is
21 located in a county with a population over 3,000,000 and
22 that maintains a firefighters' pension fund under this
23 Article, if the position included firefighting duties,
24 notwithstanding that the person may not have held an
25 appointment as a firefighter, provided that application is
26 made to the pension fund within 30 days after the

1 effective date of this amendatory Act of 1991, and the
2 corresponding contributions are paid for the number of
3 years of service granted, based upon the salary and
4 contribution rate in effect for the firefighter at the
5 date of entry into the pension fund, as determined by the
6 Board.

7 (6) Service before becoming a participant by a
8 firefighter initially excluded from participation by
9 reason of age who becomes a participant under the
10 amendment to Section 4-107 made by this amendatory Act of
11 1993 and pays the required contributions for such service.

12 (7) Up to 3 years of time during which the firefighter
13 receives a disability pension under Section 4-110,
14 4-110.1, or 4-111, provided that (i) the firefighter
15 returns to active service after the disability for a
16 period at least equal to the period for which credit is to
17 be established and (ii) the firefighter makes
18 contributions to the fund based on the rates specified in
19 Section 4-118.1 and the salary upon which the disability
20 pension is based. These contributions may be paid at any
21 time prior to the commencement of a retirement pension.
22 The firefighter may, but need not, elect to have the
23 contributions deducted from the disability pension or to
24 pay them in installments on a schedule approved by the
25 board. If not deducted from the disability pension, the
26 contributions shall include interest at the rate of 6% per

1 year, compounded annually, from the date for which service
2 credit is being established to the date of payment. If
3 contributions are paid under this subdivision (c)(7) in
4 excess of those needed to establish the credit, the excess
5 shall be refunded. This subdivision (c)(7) applies to
6 persons receiving a disability pension under Section
7 4-110, 4-110.1, or 4-111 on the effective date of this
8 amendatory Act of the 91st General Assembly, as well as
9 persons who begin to receive such a disability pension
10 after that date.

11 (8) Up to 6 years of service as a police officer and
12 participant in an Article 3 police pension fund
13 administered by the unit of local government that employs
14 the firefighter under this Article, provided that the
15 service has been transferred to, and the required payment
16 received by, the Article 4 fund in accordance with
17 subsection (a) of Section 3-110.12 of this Code.

18 (9) Up to 8 years of service as a police officer and
19 participant in an Article 3 police pension fund
20 administered by a unit of local government, provided that
21 the service has been transferred to, and the required
22 payment received by, the Article 4 fund in accordance with
23 subsection (a-5) of Section 3-110.12 of this Code.

24 (10) Up to 8 years of service as a police officer and
25 participant in an Article 3 police pension fund
26 administered by a unit of local government, provided that:

1 (1) the service has been transferred to, and the required
2 payment has been received by, the Article 4 fund in
3 accordance with subsection (a-10) of Section 3-110.12 of
4 this Code; and (2) payment to the fund has been made in an
5 amount, determined by the board, equal to (i) the
6 difference between the amount of employee and employer
7 contributions transferred to the fund under subsection
8 (a-10) of Section 3-110.12 and the amounts that would have
9 been contributed had such contributions been made at the
10 rates applicable to a firefighter under this Article, plus
11 (ii) interest thereon at the actuarially assumed rate,
12 compounded annually, from the date of service to the date
13 of payment.

14 (Source: P.A. 102-63, eff. 7-9-21; 103-426, eff. 8-4-23.)

15 Article 27.

16 Section 27-5. The Illinois Pension Code is amended by
17 changing Section 9-179.1 as follows:

18 (40 ILCS 5/9-179.1) (from Ch. 108 1/2, par. 9-179.1)

19 Sec. 9-179.1. Military service. A contributing employee
20 may elect to purchase creditable service for up to 24 months of
21 active-duty military service, whether or not that service
22 followed service as a county employee. The military service
23 need not have been served in wartime, but the employee must not

1 have been dishonorably discharged. To establish this
2 creditable service, the contributing employee must pay to the
3 Fund, while in the service of the county, an amount determined
4 by the Fund to represent (i) the employee contributions for
5 the creditable service based on his or her rate of
6 compensation on his or her last day as a contributor before the
7 military service or on his or her first day as a contributor
8 after the military service, whichever is greater, plus (ii)
9 interest calculated at the effective rate from the date used
10 to determine the rate of compensation for employee
11 contributions under item (i) to the date of payment. A
12 ~~contributing employee may apply for creditable service for up~~
13 ~~to 2 years of military service whether or not the military~~
14 ~~service followed service as a county employee. The military~~
15 ~~service need not have been served in wartime, but the employee~~
16 ~~must not have been dishonorably discharged. To establish this~~
17 ~~creditable service the applicant must pay to the Fund, while~~
18 ~~in the service of the county, an amount determined by the Fund~~
19 ~~to represent the employee contributions for the creditable~~
20 ~~service established, based on the employee's rate of~~
21 ~~compensation on his or her last day as a contributor before the~~
22 ~~military service, or on his or her first day as a contributor~~
23 ~~after the military service, whichever is greater, plus~~
24 ~~interest at the effective rate from the date of discharge to~~
25 ~~the date of payment. If a person who has established any credit~~
26 ~~under this Section applies for or receives any early~~

~~retirement incentive under Section 9-134.2, the credit under this Section shall be forfeited and the amount paid to the Fund under this Section shall be refunded.~~

(Source: P.A. 103-529, eff. 8-11-23.)

Article 30.

Section 30-5. The Illinois Pension Code is amended by adding Sections 3-110.15 and 4-108.9 as follows:

(40 ILCS 5/3-110.15 new)

Sec. 3-110.15. Transfer from Article 4 fund. Until 6 months after the effective date of this amendatory Act of the 104th General Assembly, a person may transfer to a fund established under this Article up to 8 years of creditable service accumulated in a firefighter pension fund under Article 4 that is administered by a unit of local government, if that active member was not subject to disciplinary action when he or she terminated employment with that employer, upon payment to the fund of an amount to be determined by the board, equal to (i) the difference between the amount of employee and employer contributions transferred to the fund under Section 4-108.9 and the amounts that would have been contributed had such contributions been made at the rates applicable to a police officer under this Article, plus (ii) interest thereon at the actuarially assumed rate, compounded annually, from the

1 date of service to the date of payment.

2 (40 ILCS 5/4-108.9 new)

3 Sec. 4-108.9. Transfer to Article 3 fund.

4 (a) At any time during the 6 months following the
5 effective date of this amendatory Act of the 104th General
6 Assembly, an active member of an Article 3 police pension fund
7 may apply for transfer to that fund of up to 8 years of his or
8 her creditable service accumulated in a firefighter pension
9 fund under this Article that is administered by a unit of local
10 government if that active member was not subject to
11 disciplinary action when he or she terminated employment with
12 that employer. The creditable service shall be transferred
13 upon payment by the firefighter pension fund to the Article 3
14 fund of an amount equal to:

15 (1) the amounts accumulated to the credit of the
16 applicant on the books of the fund on the date of transfer
17 for the service to be transferred; and

18 (2) employer contributions in an amount equal to the
19 amount determined under item (1); and

20 (3) any interest paid by the applicant in order to
21 reinstate service.

22 Participation in the firefighter pension fund with respect
23 to the transferred creditable service shall terminate on the
24 date of transfer.

25 (b) At the time of applying for transfer of creditable

1 service under this Section, an active member of an Article 3
2 police pension fund may, for the purpose of that transfer,
3 reinstate creditable service that was terminated by receipt of
4 a refund, by payment to the police pension fund of the amount
5 of the refund with interest thereon at the rate of 6% per year,
6 compounded annually, from the date of the refund to the date of
7 payment.

8 Article 34.

9 Section 34-5. The Illinois Pension Code is amended by
10 changing Sections 14-110 and 14-152.1 as follows:

11 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

12 (Text of Section from P.A. 102-813 and 103-34)

13 Sec. 14-110. Alternative retirement annuity.

14 (a) Any member who has withdrawn from service with not
15 less than 20 years of eligible creditable service and has
16 attained age 55, and any member who has withdrawn from service
17 with not less than 25 years of eligible creditable service and
18 has attained age 50, regardless of whether the attainment of
19 either of the specified ages occurs while the member is still
20 in service, shall be entitled to receive at the option of the
21 member, in lieu of the regular or minimum retirement annuity,
22 a retirement annuity computed as follows:

23 (i) for periods of service as a noncovered employee:

1 if retirement occurs on or after January 1, 2001, 3% of
2 final average compensation for each year of creditable
3 service; if retirement occurs before January 1, 2001, 2
4 1/4% of final average compensation for each of the first
5 10 years of creditable service, 2 1/2% for each year above
6 10 years to and including 20 years of creditable service,
7 and 2 3/4% for each year of creditable service above 20
8 years; and

9 (ii) for periods of eligible creditable service as a
10 covered employee: if retirement occurs on or after January
11 1, 2001, 2.5% of final average compensation for each year
12 of creditable service; if retirement occurs before January
13 1, 2001, 1.67% of final average compensation for each of
14 the first 10 years of such service, 1.90% for each of the
15 next 10 years of such service, 2.10% for each year of such
16 service in excess of 20 but not exceeding 30, and 2.30% for
17 each year in excess of 30.

18 Such annuity shall be subject to a maximum of 75% of final
19 average compensation if retirement occurs before January 1,
20 2001 or to a maximum of 80% of final average compensation if
21 retirement occurs on or after January 1, 2001.

22 These rates shall not be applicable to any service
23 performed by a member as a covered employee which is not
24 eligible creditable service. Service as a covered employee
25 which is not eligible creditable service shall be subject to
26 the rates and provisions of Section 14-108.

1 (a-5) A member who is eligible to receive an alternative
2 retirement annuity under this Section may elect to receive an
3 estimated payment that shall commence no later than 30 days
4 after the later of either the member's last day of employment
5 or 30 days after the member files for the retirement benefit
6 with the System. The estimated payment shall be the best
7 estimate by the System of the total monthly amount due to the
8 member based on the information that the System possesses at
9 the time of the estimate. If the amount of the estimate is
10 greater or less than the actual amount of the monthly annuity,
11 the System shall pay or recover the difference within 6 months
12 after the start of the monthly annuity.

13 (b) For the purpose of this Section, "eligible creditable
14 service" means creditable service resulting from service in
15 one or more of the following positions:

- 16 (1) State policeman;
17 (2) fire fighter in the fire protection service of a
18 department;
19 (3) air pilot;
20 (4) special agent;
21 (5) investigator for the Secretary of State;
22 (6) conservation police officer;
23 (7) investigator for the Department of Revenue or the
24 Illinois Gaming Board;
25 (8) security employee of the Department of Human
26 Services;

1 (9) Central Management Services security police
2 officer;

3 (10) security employee of the Department of
4 Corrections or the Department of Juvenile Justice;

5 (11) dangerous drugs investigator;

6 (12) investigator for the Illinois State Police;

7 (13) investigator for the Office of the Attorney
8 General;

9 (14) controlled substance inspector;

10 (15) investigator for the Office of the State's
11 Attorneys Appellate Prosecutor;

12 (16) Commerce Commission police officer;

13 (17) arson investigator;

14 (18) State highway maintenance worker;

15 (19) security employee of the Department of Innovation
16 and Technology; or

17 (20) transferred employee.

18 A person employed in one of the positions specified in
19 this subsection is entitled to eligible creditable service for
20 service credit earned under this Article while undergoing the
21 basic police training course approved by the Illinois Law
22 Enforcement Training Standards Board, if completion of that
23 training is required of persons serving in that position. For
24 the purposes of this Code, service during the required basic
25 police training course shall be deemed performance of the
26 duties of the specified position, even though the person is

1 not a sworn peace officer at the time of the training.

2 A person under paragraph (20) is entitled to eligible
3 creditable service for service credit earned under this
4 Article on and after his or her transfer by Executive Order No.
5 2003-10, Executive Order No. 2004-2, or Executive Order No.
6 2016-1.

7 (c) For the purposes of this Section:

8 (1) The term "State policeman" includes any title or
9 position in the Illinois State Police that is held by an
10 individual employed under the Illinois State Police Act.

11 (2) The term "fire fighter in the fire protection
12 service of a department" includes all officers in such
13 fire protection service including fire chiefs and
14 assistant fire chiefs.

15 (3) The term "air pilot" includes any employee whose
16 official job description on file in the Department of
17 Central Management Services, or in the department by which
18 he is employed if that department is not covered by the
19 Personnel Code, states that his principal duty is the
20 operation of aircraft, and who possesses a pilot's
21 license; however, the change in this definition made by
22 Public Act 83-842 shall not operate to exclude any
23 noncovered employee who was an "air pilot" for the
24 purposes of this Section on January 1, 1984.

25 (4) The term "special agent" means any person who by
26 reason of employment by the Division of Narcotic Control,

1 the Bureau of Investigation or, after July 1, 1977, the
2 Division of Criminal Investigation, the Division of
3 Internal Investigation, the Division of Operations, the
4 Division of Patrol, or any other Division or
5 organizational entity in the Illinois State Police is
6 vested by law with duties to maintain public order,
7 investigate violations of the criminal law of this State,
8 enforce the laws of this State, make arrests and recover
9 property. The term "special agent" includes any title or
10 position in the Illinois State Police that is held by an
11 individual employed under the Illinois State Police Act.

12 (5) The term "investigator for the Secretary of State"
13 means any person employed by the Office of the Secretary
14 of State and vested with such investigative duties as
15 render him ineligible for coverage under the Social
16 Security Act by reason of Sections 218(d)(5)(A),
17 218(d)(8)(D) and 218(1)(1) of that Act.

18 A person who became employed as an investigator for
19 the Secretary of State between January 1, 1967 and
20 December 31, 1975, and who has served as such until
21 attainment of age 60, either continuously or with a single
22 break in service of not more than 3 years duration, which
23 break terminated before January 1, 1976, shall be entitled
24 to have his retirement annuity calculated in accordance
25 with subsection (a), notwithstanding that he has less than
26 20 years of credit for such service.

1 (6) The term "Conservation Police Officer" means any
2 person employed by the Division of Law Enforcement of the
3 Department of Natural Resources and vested with such law
4 enforcement duties as render him ineligible for coverage
5 under the Social Security Act by reason of Sections
6 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
7 term "Conservation Police Officer" includes the positions
8 of Chief Conservation Police Administrator and Assistant
9 Conservation Police Administrator.

10 (7) The term "investigator for the Department of
11 Revenue" means any person employed by the Department of
12 Revenue and vested with such investigative duties as
13 render him ineligible for coverage under the Social
14 Security Act by reason of Sections 218(d)(5)(A),
15 218(d)(8)(D) and 218(1)(1) of that Act.

16 The term "investigator for the Illinois Gaming Board"
17 means any person employed as such by the Illinois Gaming
18 Board and vested with such peace officer duties as render
19 the person ineligible for coverage under the Social
20 Security Act by reason of Sections 218(d)(5)(A),
21 218(d)(8)(D), and 218(1)(1) of that Act.

22 (8) The term "security employee of the Department of
23 Human Services" means any person employed by the
24 Department of Human Services who (i) is employed at the
25 Chester Mental Health Center and has daily contact with
26 the residents thereof, (ii) is employed within a security

1 unit at a facility operated by the Department and has
2 daily contact with the residents of the security unit,
3 (iii) is employed at a facility operated by the Department
4 that includes a security unit and is regularly scheduled
5 to work at least 50% of his or her working hours within
6 that security unit, or (iv) is a mental health police
7 officer. "Mental health police officer" means any person
8 employed by the Department of Human Services in a position
9 pertaining to the Department's mental health and
10 developmental disabilities functions who is vested with
11 such law enforcement duties as render the person
12 ineligible for coverage under the Social Security Act by
13 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
14 218(1)(1) of that Act. "Security unit" means that portion
15 of a facility that is devoted to the care, containment,
16 and treatment of persons committed to the Department of
17 Human Services as sexually violent persons, persons unfit
18 to stand trial, or persons not guilty by reason of
19 insanity. With respect to past employment, references to
20 the Department of Human Services include its predecessor,
21 the Department of Mental Health and Developmental
22 Disabilities.

23 The changes made to this subdivision (c)(8) by Public
24 Act 92-14 apply to persons who retire on or after January
25 1, 2001, notwithstanding Section 1-103.1.

26 (9) "Central Management Services security police

1 officer" means any person employed by the Department of
2 Central Management Services who is vested with such law
3 enforcement duties as render him ineligible for coverage
4 under the Social Security Act by reason of Sections
5 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

6 (10) For a member who first became an employee under
7 this Article before July 1, 2005, the term "security
8 employee of the Department of Corrections or the
9 Department of Juvenile Justice" means any employee of the
10 Department of Corrections or the Department of Juvenile
11 Justice or the former Department of Personnel, and any
12 member or employee of the Prisoner Review Board, who has
13 daily contact with inmates or youth by working within a
14 correctional facility or Juvenile facility operated by the
15 Department of Juvenile Justice or who is a parole officer
16 or an employee who has direct contact with committed
17 persons in the performance of his or her job duties. For a
18 member who first becomes an employee under this Article on
19 or after July 1, 2005, the term means an employee of the
20 Department of Corrections or the Department of Juvenile
21 Justice who is any of the following: (i) officially
22 headquartered at a correctional facility or Juvenile
23 facility operated by the Department of Juvenile Justice,
24 (ii) a parole officer, (iii) a member of the apprehension
25 unit, (iv) a member of the intelligence unit, (v) a member
26 of the sort team, or (vi) an investigator.

1 (11) The term "dangerous drugs investigator" means any
2 person who is employed as such by the Department of Human
3 Services.

4 (12) The term "investigator for the Illinois State
5 Police" means a person employed by the Illinois State
6 Police who is vested under Section 4 of the Narcotic
7 Control Division Abolition Act with such law enforcement
8 powers as render him ineligible for coverage under the
9 Social Security Act by reason of Sections 218(d)(5)(A),
10 218(d)(8)(D) and 218(1)(1) of that Act.

11 (13) "Investigator for the Office of the Attorney
12 General" means any person who is employed as such by the
13 Office of the Attorney General and is vested with such
14 investigative duties as render him ineligible for coverage
15 under the Social Security Act by reason of Sections
16 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
17 the period before January 1, 1989, the term includes all
18 persons who were employed as investigators by the Office
19 of the Attorney General, without regard to social security
20 status.

21 (14) "Controlled substance inspector" means any person
22 who is employed as such by the Department of Professional
23 Regulation and is vested with such law enforcement duties
24 as render him ineligible for coverage under the Social
25 Security Act by reason of Sections 218(d)(5)(A),
26 218(d)(8)(D) and 218(1)(1) of that Act. The term

1 "controlled substance inspector" includes the Program
2 Executive of Enforcement and the Assistant Program
3 Executive of Enforcement.

4 (15) The term "investigator for the Office of the
5 State's Attorneys Appellate Prosecutor" means a person
6 employed in that capacity on a full-time basis under the
7 authority of Section 7.06 of the State's Attorneys
8 Appellate Prosecutor's Act.

9 (16) "Commerce Commission police officer" means any
10 person employed by the Illinois Commerce Commission who is
11 vested with such law enforcement duties as render him
12 ineligible for coverage under the Social Security Act by
13 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
14 218(1)(1) of that Act.

15 (17) "Arson investigator" means any person who is
16 employed as such by the Office of the State Fire Marshal
17 and is vested with such law enforcement duties as render
18 the person ineligible for coverage under the Social
19 Security Act by reason of Sections 218(d)(5)(A),
20 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
21 employed as an arson investigator on January 1, 1995 and
22 is no longer in service but not yet receiving a retirement
23 annuity may convert his or her creditable service for
24 employment as an arson investigator into eligible
25 creditable service by paying to the System the difference
26 between the employee contributions actually paid for that

1 service and the amounts that would have been contributed
2 if the applicant were contributing at the rate applicable
3 to persons with the same social security status earning
4 eligible creditable service on the date of application.

5 (18) The term "State highway maintenance worker" means
6 a person who is either of the following:

7 (i) A person employed on a full-time basis by the
8 Illinois Department of Transportation in the position
9 of highway maintainer, highway maintenance lead
10 worker, highway maintenance lead/lead worker, heavy
11 construction equipment operator, power shovel
12 operator, or bridge mechanic; and whose principal
13 responsibility is to perform, on the roadway, the
14 actual maintenance necessary to keep the highways that
15 form a part of the State highway system in serviceable
16 condition for vehicular traffic.

17 (ii) A person employed on a full-time basis by the
18 Illinois State Toll Highway Authority in the position
19 of equipment operator/laborer H-4, equipment
20 operator/laborer H-6, welder H-4, welder H-6,
21 mechanical/electrical H-4, mechanical/electrical H-6,
22 water/sewer H-4, water/sewer H-6, sign maker/hanger
23 H-4, sign maker/hanger H-6, roadway lighting H-4,
24 roadway lighting H-6, structural H-4, structural H-6,
25 painter H-4, or painter H-6; and whose principal
26 responsibility is to perform, on the roadway, the

1 actual maintenance necessary to keep the Authority's
2 tollways in serviceable condition for vehicular
3 traffic.

4 (19) The term "security employee of the Department of
5 Innovation and Technology" means a person who was a
6 security employee of the Department of Corrections or the
7 Department of Juvenile Justice, was transferred to the
8 Department of Innovation and Technology pursuant to
9 Executive Order 2016-01, and continues to perform similar
10 job functions under that Department.

11 (20) "Transferred employee" means an employee who was
12 transferred to the Department of Central Management
13 Services by Executive Order No. 2003-10 or Executive Order
14 No. 2004-2 or transferred to the Department of Innovation
15 and Technology by Executive Order No. 2016-1, or both, and
16 was entitled to eligible creditable service for services
17 immediately preceding the transfer.

18 (d) A security employee of the Department of Corrections
19 or the Department of Juvenile Justice, a security employee of
20 the Department of Human Services who is not a mental health
21 police officer, and a security employee of the Department of
22 Innovation and Technology shall not be eligible for the
23 alternative retirement annuity provided by this Section unless
24 he or she meets the following minimum age and service
25 requirements at the time of retirement:

26 (i) 25 years of eligible creditable service and age

1 55; or

2 (ii) beginning January 1, 1987, 25 years of eligible
3 creditable service and age 54, or 24 years of eligible
4 creditable service and age 55; or

5 (iii) beginning January 1, 1988, 25 years of eligible
6 creditable service and age 53, or 23 years of eligible
7 creditable service and age 55; or

8 (iv) beginning January 1, 1989, 25 years of eligible
9 creditable service and age 52, or 22 years of eligible
10 creditable service and age 55; or

11 (v) beginning January 1, 1990, 25 years of eligible
12 creditable service and age 51, or 21 years of eligible
13 creditable service and age 55; or

14 (vi) beginning January 1, 1991, 25 years of eligible
15 creditable service and age 50, or 20 years of eligible
16 creditable service and age 55.

17 Persons who have service credit under Article 16 of this
18 Code for service as a security employee of the Department of
19 Corrections or the Department of Juvenile Justice, or the
20 Department of Human Services in a position requiring
21 certification as a teacher may count such service toward
22 establishing their eligibility under the service requirements
23 of this Section; but such service may be used only for
24 establishing such eligibility, and not for the purpose of
25 increasing or calculating any benefit.

26 (e) If a member enters military service while working in a

1 position in which eligible creditable service may be earned,
2 and returns to State service in the same or another such
3 position, and fulfills in all other respects the conditions
4 prescribed in this Article for credit for military service,
5 such military service shall be credited as eligible creditable
6 service for the purposes of the retirement annuity prescribed
7 in this Section.

8 (f) For purposes of calculating retirement annuities under
9 this Section, periods of service rendered after December 31,
10 1968 and before October 1, 1975 as a covered employee in the
11 position of special agent, conservation police officer, mental
12 health police officer, or investigator for the Secretary of
13 State, shall be deemed to have been service as a noncovered
14 employee, provided that the employee pays to the System prior
15 to retirement an amount equal to (1) the difference between
16 the employee contributions that would have been required for
17 such service as a noncovered employee, and the amount of
18 employee contributions actually paid, plus (2) if payment is
19 made after July 31, 1987, regular interest on the amount
20 specified in item (1) from the date of service to the date of
21 payment.

22 For purposes of calculating retirement annuities under
23 this Section, periods of service rendered after December 31,
24 1968 and before January 1, 1982 as a covered employee in the
25 position of investigator for the Department of Revenue shall
26 be deemed to have been service as a noncovered employee,

1 provided that the employee pays to the System prior to
2 retirement an amount equal to (1) the difference between the
3 employee contributions that would have been required for such
4 service as a noncovered employee, and the amount of employee
5 contributions actually paid, plus (2) if payment is made after
6 January 1, 1990, regular interest on the amount specified in
7 item (1) from the date of service to the date of payment.

8 (g) A State policeman may elect, not later than January 1,
9 1990, to establish eligible creditable service for up to 10
10 years of his service as a policeman under Article 3, by filing
11 a written election with the Board, accompanied by payment of
12 an amount to be determined by the Board, equal to (i) the
13 difference between the amount of employee and employer
14 contributions transferred to the System under Section 3-110.5,
15 and the amounts that would have been contributed had such
16 contributions been made at the rates applicable to State
17 policemen, plus (ii) interest thereon at the effective rate
18 for each year, compounded annually, from the date of service
19 to the date of payment.

20 Subject to the limitation in subsection (i), a State
21 policeman may elect, not later than July 1, 1993, to establish
22 eligible creditable service for up to 10 years of his service
23 as a member of the County Police Department under Article 9, by
24 filing a written election with the Board, accompanied by
25 payment of an amount to be determined by the Board, equal to
26 (i) the difference between the amount of employee and employer

1 contributions transferred to the System under Section 9-121.10
2 and the amounts that would have been contributed had those
3 contributions been made at the rates applicable to State
4 policemen, plus (ii) interest thereon at the effective rate
5 for each year, compounded annually, from the date of service
6 to the date of payment.

7 (h) Subject to the limitation in subsection (i), a State
8 policeman or investigator for the Secretary of State may elect
9 to establish eligible creditable service for up to 12 years of
10 his service as a policeman under Article 5, by filing a written
11 election with the Board on or before January 31, 1992, and
12 paying to the System by January 31, 1994 an amount to be
13 determined by the Board, equal to (i) the difference between
14 the amount of employee and employer contributions transferred
15 to the System under Section 5-236, and the amounts that would
16 have been contributed had such contributions been made at the
17 rates applicable to State policemen, plus (ii) interest
18 thereon at the effective rate for each year, compounded
19 annually, from the date of service to the date of payment.

20 Subject to the limitation in subsection (i), a State
21 policeman, conservation police officer, or investigator for
22 the Secretary of State may elect to establish eligible
23 creditable service for up to 10 years of service as a sheriff's
24 law enforcement employee under Article 7, by filing a written
25 election with the Board on or before January 31, 1993, and
26 paying to the System by January 31, 1994 an amount to be

1 determined by the Board, equal to (i) the difference between
2 the amount of employee and employer contributions transferred
3 to the System under Section 7-139.7, and the amounts that
4 would have been contributed had such contributions been made
5 at the rates applicable to State policemen, plus (ii) interest
6 thereon at the effective rate for each year, compounded
7 annually, from the date of service to the date of payment.

8 Subject to the limitation in subsection (i), a State
9 policeman, conservation police officer, or investigator for
10 the Secretary of State may elect to establish eligible
11 creditable service for up to 5 years of service as a police
12 officer under Article 3, a policeman under Article 5, a
13 sheriff's law enforcement employee under Article 7, a member
14 of the county police department under Article 9, or a police
15 officer under Article 15 by filing a written election with the
16 Board and paying to the System an amount to be determined by
17 the Board, equal to (i) the difference between the amount of
18 employee and employer contributions transferred to the System
19 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
20 and the amounts that would have been contributed had such
21 contributions been made at the rates applicable to State
22 policemen, plus (ii) interest thereon at the effective rate
23 for each year, compounded annually, from the date of service
24 to the date of payment.

25 Subject to the limitation in subsection (i), an
26 investigator for the Office of the Attorney General, or an

1 investigator for the Department of Revenue, may elect to
2 establish eligible creditable service for up to 5 years of
3 service as a police officer under Article 3, a policeman under
4 Article 5, a sheriff's law enforcement employee under Article
5 7, or a member of the county police department under Article 9
6 by filing a written election with the Board within 6 months
7 after August 25, 2009 (the effective date of Public Act
8 96-745) and paying to the System an amount to be determined by
9 the Board, equal to (i) the difference between the amount of
10 employee and employer contributions transferred to the System
11 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
12 amounts that would have been contributed had such
13 contributions been made at the rates applicable to State
14 policemen, plus (ii) interest thereon at the actuarially
15 assumed rate for each year, compounded annually, from the date
16 of service to the date of payment.

17 Subject to the limitation in subsection (i), a State
18 policeman, conservation police officer, investigator for the
19 Office of the Attorney General, an investigator for the
20 Department of Revenue, or investigator for the Secretary of
21 State may elect to establish eligible creditable service for
22 up to 5 years of service as a person employed by a
23 participating municipality to perform police duties, or law
24 enforcement officer employed on a full-time basis by a forest
25 preserve district under Article 7, a county corrections
26 officer, or a court services officer under Article 9, by

1 filing a written election with the Board within 6 months after
2 August 25, 2009 (the effective date of Public Act 96-745) and
3 paying to the System an amount to be determined by the Board,
4 equal to (i) the difference between the amount of employee and
5 employer contributions transferred to the System under
6 Sections 7-139.8 and 9-121.10 and the amounts that would have
7 been contributed had such contributions been made at the rates
8 applicable to State policemen, plus (ii) interest thereon at
9 the actuarially assumed rate for each year, compounded
10 annually, from the date of service to the date of payment.

11 Subject to the limitation in subsection (i), a State
12 policeman, arson investigator, or Commerce Commission police
13 officer may elect to establish eligible creditable service for
14 up to 5 years of service as a person employed by a
15 participating municipality to perform police duties under
16 Article 7, a county corrections officer, a court services
17 officer under Article 9, or a firefighter under Article 4 by
18 filing a written election with the Board within 6 months after
19 July 30, 2021 (the effective date of Public Act 102-210) and
20 paying to the System an amount to be determined by the Board
21 equal to (i) the difference between the amount of employee and
22 employer contributions transferred to the System under
23 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
24 would have been contributed had such contributions been made
25 at the rates applicable to State policemen, plus (ii) interest
26 thereon at the actuarially assumed rate for each year,

1 compounded annually, from the date of service to the date of
2 payment.

3 Subject to the limitation in subsection (i), a
4 conservation police officer may elect to establish eligible
5 creditable service for up to 5 years of service as a person
6 employed by a participating municipality to perform police
7 duties under Article 7, a county corrections officer, or a
8 court services officer under Article 9 by filing a written
9 election with the Board within 6 months after July 30, 2021
10 (the effective date of Public Act 102-210) and paying to the
11 System an amount to be determined by the Board equal to (i) the
12 difference between the amount of employee and employer
13 contributions transferred to the System under Sections 7-139.8
14 and 9-121.10 and the amounts that would have been contributed
15 had such contributions been made at the rates applicable to
16 State policemen, plus (ii) interest thereon at the actuarially
17 assumed rate for each year, compounded annually, from the date
18 of service to the date of payment.

19 Notwithstanding the limitation in subsection (i), a State
20 policeman or conservation police officer may elect to convert
21 service credit earned under this Article to eligible
22 creditable service, as defined by this Section, by filing a
23 written election with the board within 6 months after July 30,
24 2021 (the effective date of Public Act 102-210) and paying to
25 the System an amount to be determined by the Board equal to (i)
26 the difference between the amount of employee contributions

1 originally paid for that service and the amounts that would
2 have been contributed had such contributions been made at the
3 rates applicable to State policemen, plus (ii) the difference
4 between the employer's normal cost of the credit prior to the
5 conversion authorized by Public Act 102-210 and the employer's
6 normal cost of the credit converted in accordance with Public
7 Act 102-210, plus (iii) interest thereon at the actuarially
8 assumed rate for each year, compounded annually, from the date
9 of service to the date of payment.

10 (i) The total amount of eligible creditable service
11 established by any person under subsections (g), (h), (j),
12 (k), (l), (l-5), and (o) of this Section shall not exceed 12
13 years.

14 (j) Subject to the limitation in subsection (i), an
15 investigator for the Office of the State's Attorneys Appellate
16 Prosecutor or a controlled substance inspector may elect to
17 establish eligible creditable service for up to 10 years of
18 his service as a policeman under Article 3 or a sheriff's law
19 enforcement employee under Article 7, by filing a written
20 election with the Board, accompanied by payment of an amount
21 to be determined by the Board, equal to (1) the difference
22 between the amount of employee and employer contributions
23 transferred to the System under Section 3-110.6 or 7-139.8,
24 and the amounts that would have been contributed had such
25 contributions been made at the rates applicable to State
26 policemen, plus (2) interest thereon at the effective rate for

1 each year, compounded annually, from the date of service to
2 the date of payment.

3 (k) Subject to the limitation in subsection (i) of this
4 Section, an alternative formula employee may elect to
5 establish eligible creditable service for periods spent as a
6 full-time law enforcement officer or full-time corrections
7 officer employed by the federal government or by a state or
8 local government located outside of Illinois, for which credit
9 is not held in any other public employee pension fund or
10 retirement system. To obtain this credit, the applicant must
11 file a written application with the Board by March 31, 1998,
12 accompanied by evidence of eligibility acceptable to the Board
13 and payment of an amount to be determined by the Board, equal
14 to (1) employee contributions for the credit being
15 established, based upon the applicant's salary on the first
16 day as an alternative formula employee after the employment
17 for which credit is being established and the rates then
18 applicable to alternative formula employees, plus (2) an
19 amount determined by the Board to be the employer's normal
20 cost of the benefits accrued for the credit being established,
21 plus (3) regular interest on the amounts in items (1) and (2)
22 from the first day as an alternative formula employee after
23 the employment for which credit is being established to the
24 date of payment.

25 (l) Subject to the limitation in subsection (i), a
26 security employee of the Department of Corrections may elect,

1 not later than July 1, 1998, to establish eligible creditable
2 service for up to 10 years of his or her service as a policeman
3 under Article 3, by filing a written election with the Board,
4 accompanied by payment of an amount to be determined by the
5 Board, equal to (i) the difference between the amount of
6 employee and employer contributions transferred to the System
7 under Section 3-110.5, and the amounts that would have been
8 contributed had such contributions been made at the rates
9 applicable to security employees of the Department of
10 Corrections, plus (ii) interest thereon at the effective rate
11 for each year, compounded annually, from the date of service
12 to the date of payment.

13 (1-5) Subject to the limitation in subsection (i) of this
14 Section, a State policeman may elect to establish eligible
15 creditable service for up to 5 years of service as a full-time
16 law enforcement officer employed by the federal government or
17 by a state or local government located outside of Illinois for
18 which credit is not held in any other public employee pension
19 fund or retirement system. To obtain this credit, the
20 applicant must file a written application with the Board no
21 later than 3 years after January 1, 2020 (the effective date of
22 Public Act 101-610), accompanied by evidence of eligibility
23 acceptable to the Board and payment of an amount to be
24 determined by the Board, equal to (1) employee contributions
25 for the credit being established, based upon the applicant's
26 salary on the first day as an alternative formula employee

1 after the employment for which credit is being established and
2 the rates then applicable to alternative formula employees,
3 plus (2) an amount determined by the Board to be the employer's
4 normal cost of the benefits accrued for the credit being
5 established, plus (3) regular interest on the amounts in items
6 (1) and (2) from the first day as an alternative formula
7 employee after the employment for which credit is being
8 established to the date of payment.

9 (m) The amendatory changes to this Section made by Public
10 Act 94-696 apply only to: (1) security employees of the
11 Department of Juvenile Justice employed by the Department of
12 Corrections before June 1, 2006 (the effective date of Public
13 Act 94-696) and transferred to the Department of Juvenile
14 Justice by Public Act 94-696; and (2) persons employed by the
15 Department of Juvenile Justice on or after June 1, 2006 (the
16 effective date of Public Act 94-696) who are required by
17 subsection (b) of Section 3-2.5-15 of the Unified Code of
18 Corrections to have any bachelor's or advanced degree from an
19 accredited college or university or, in the case of persons
20 who provide vocational training, who are required to have
21 adequate knowledge in the skill for which they are providing
22 the vocational training.

23 (n) A person employed in a position under subsection (b)
24 of this Section who has purchased service credit under
25 subsection (j) of Section 14-104 or subsection (b) of Section
26 14-105 in any other capacity under this Article may convert up

1 to 5 years of that service credit into service credit covered
2 under this Section by paying to the Fund an amount equal to (1)
3 the additional employee contribution required under Section
4 14-133, plus (2) the additional employer contribution required
5 under Section 14-131, plus (3) interest on items (1) and (2) at
6 the actuarially assumed rate from the date of the service to
7 the date of payment.

8 (o) Subject to the limitation in subsection (i), a
9 conservation police officer, investigator for the Secretary of
10 State, Commerce Commission police officer, investigator for
11 the Department of Revenue or the Illinois Gaming Board, or
12 arson investigator subject to subsection (g) of Section 1-160
13 may elect to convert up to 8 years of service credit
14 established before January 1, 2020 (the effective date of
15 Public Act 101-610) as a conservation police officer,
16 investigator for the Secretary of State, Commerce Commission
17 police officer, investigator for the Department of Revenue or
18 the Illinois Gaming Board, or arson investigator under this
19 Article into eligible creditable service by filing a written
20 election with the Board no later than one year after January 1,
21 2020 (the effective date of Public Act 101-610), accompanied
22 by payment of an amount to be determined by the Board equal to
23 (i) the difference between the amount of the employee
24 contributions actually paid for that service and the amount of
25 the employee contributions that would have been paid had the
26 employee contributions been made as a noncovered employee

1 serving in a position in which eligible creditable service, as
2 defined in this Section, may be earned, plus (ii) interest
3 thereon at the effective rate for each year, compounded
4 annually, from the date of service to the date of payment.

5 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
6 102-813, eff. 5-13-22; 103-34, eff. 1-1-24.)

7 (Text of Section from P.A. 102-856 and 103-34)

8 Sec. 14-110. Alternative retirement annuity.

9 (a) Any member who has withdrawn from service with not
10 less than 20 years of eligible creditable service and has
11 attained age 55, and any member who has withdrawn from service
12 with not less than 25 years of eligible creditable service and
13 has attained age 50, regardless of whether the attainment of
14 either of the specified ages occurs while the member is still
15 in service, shall be entitled to receive at the option of the
16 member, in lieu of the regular or minimum retirement annuity,
17 a retirement annuity computed as follows:

18 (i) for periods of service as a noncovered employee:
19 if retirement occurs on or after January 1, 2001, 3% of
20 final average compensation for each year of creditable
21 service; if retirement occurs before January 1, 2001, 2
22 1/4% of final average compensation for each of the first
23 10 years of creditable service, 2 1/2% for each year above
24 10 years to and including 20 years of creditable service,
25 and 2 3/4% for each year of creditable service above 20

1 years; and

2 (ii) for periods of eligible creditable service as a
3 covered employee: if retirement occurs on or after January
4 1, 2001, 2.5% of final average compensation for each year
5 of creditable service; if retirement occurs before January
6 1, 2001, 1.67% of final average compensation for each of
7 the first 10 years of such service, 1.90% for each of the
8 next 10 years of such service, 2.10% for each year of such
9 service in excess of 20 but not exceeding 30, and 2.30% for
10 each year in excess of 30.

11 Such annuity shall be subject to a maximum of 75% of final
12 average compensation if retirement occurs before January 1,
13 2001 or to a maximum of 80% of final average compensation if
14 retirement occurs on or after January 1, 2001.

15 These rates shall not be applicable to any service
16 performed by a member as a covered employee which is not
17 eligible creditable service. Service as a covered employee
18 which is not eligible creditable service shall be subject to
19 the rates and provisions of Section 14-108.

20 (a-5) A member who is eligible to receive an alternative
21 retirement annuity under this Section may elect to receive an
22 estimated payment that shall commence no later than 30 days
23 after the later of either the member's last day of employment
24 or 30 days after the member files for the retirement benefit
25 with the System. The estimated payment shall be the best
26 estimate by the System of the total monthly amount due to the

1 member based on the information that the System possesses at
2 the time of the estimate. If the amount of the estimate is
3 greater or less than the actual amount of the monthly annuity,
4 the System shall pay or recover the difference within 6 months
5 after the start of the monthly annuity.

6 (b) For the purpose of this Section, "eligible creditable
7 service" means creditable service resulting from service in
8 one or more of the following positions:

- 9 (1) State policeman;
- 10 (2) fire fighter in the fire protection service of a
11 department;
- 12 (3) air pilot;
- 13 (4) special agent;
- 14 (5) investigator for the Secretary of State;
- 15 (6) conservation police officer;
- 16 (7) investigator for the Department of Revenue or the
17 Illinois Gaming Board;
- 18 (8) security employee of the Department of Human
19 Services;
- 20 (9) Central Management Services security police
21 officer;
- 22 (10) security employee of the Department of
23 Corrections or the Department of Juvenile Justice;
- 24 (11) dangerous drugs investigator;
- 25 (12) investigator for the Illinois State Police;
- 26 (13) investigator for the Office of the Attorney

1 General;

2 (14) controlled substance inspector;

3 (15) investigator for the Office of the State's
4 Attorneys Appellate Prosecutor;

5 (16) Commerce Commission police officer;

6 (17) arson investigator;

7 (18) State highway maintenance worker;

8 (19) security employee of the Department of Innovation
9 and Technology; or

10 (20) transferred employee.

11 A person employed in one of the positions specified in
12 this subsection is entitled to eligible creditable service for
13 service credit earned under this Article while undergoing the
14 basic police training course approved by the Illinois Law
15 Enforcement Training Standards Board, if completion of that
16 training is required of persons serving in that position. For
17 the purposes of this Code, service during the required basic
18 police training course shall be deemed performance of the
19 duties of the specified position, even though the person is
20 not a sworn peace officer at the time of the training.

21 A person under paragraph (20) is entitled to eligible
22 creditable service for service credit earned under this
23 Article on and after his or her transfer by Executive Order No.
24 2003-10, Executive Order No. 2004-2, or Executive Order No.
25 2016-1.

26 (c) For the purposes of this Section:

1 (1) The term "State policeman" includes any title or
2 position in the Illinois State Police that is held by an
3 individual employed under the Illinois State Police Act.

4 (2) The term "fire fighter in the fire protection
5 service of a department" includes all officers in such
6 fire protection service including fire chiefs and
7 assistant fire chiefs.

8 (3) The term "air pilot" includes any employee whose
9 official job description on file in the Department of
10 Central Management Services, or in the department by which
11 he is employed if that department is not covered by the
12 Personnel Code, states that his principal duty is the
13 operation of aircraft, and who possesses a pilot's
14 license; however, the change in this definition made by
15 Public Act 83-842 shall not operate to exclude any
16 noncovered employee who was an "air pilot" for the
17 purposes of this Section on January 1, 1984.

18 (4) The term "special agent" means any person who by
19 reason of employment by the Division of Narcotic Control,
20 the Bureau of Investigation or, after July 1, 1977, the
21 Division of Criminal Investigation, the Division of
22 Internal Investigation, the Division of Operations, the
23 Division of Patrol, or any other Division or
24 organizational entity in the Illinois State Police is
25 vested by law with duties to maintain public order,
26 investigate violations of the criminal law of this State,

1 enforce the laws of this State, make arrests and recover
2 property. The term "special agent" includes any title or
3 position in the Illinois State Police that is held by an
4 individual employed under the Illinois State Police Act.

5 (5) The term "investigator for the Secretary of State"
6 means any person employed by the Office of the Secretary
7 of State and vested with such investigative duties as
8 render him ineligible for coverage under the Social
9 Security Act by reason of Sections 218(d)(5)(A),
10 218(d)(8)(D) and 218(1)(1) of that Act.

11 A person who became employed as an investigator for
12 the Secretary of State between January 1, 1967 and
13 December 31, 1975, and who has served as such until
14 attainment of age 60, either continuously or with a single
15 break in service of not more than 3 years duration, which
16 break terminated before January 1, 1976, shall be entitled
17 to have his retirement annuity calculated in accordance
18 with subsection (a), notwithstanding that he has less than
19 20 years of credit for such service.

20 (6) The term "Conservation Police Officer" means any
21 person employed by the Division of Law Enforcement of the
22 Department of Natural Resources and vested with such law
23 enforcement duties as render him ineligible for coverage
24 under the Social Security Act by reason of Sections
25 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
26 term "Conservation Police Officer" includes the positions

1 of Chief Conservation Police Administrator and Assistant
2 Conservation Police Administrator.

3 (7) The term "investigator for the Department of
4 Revenue" means any person employed by the Department of
5 Revenue and vested with such investigative duties as
6 render him ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D) and 218(1)(1) of that Act.

9 The term "investigator for the Illinois Gaming Board"
10 means any person employed as such by the Illinois Gaming
11 Board and vested with such peace officer duties as render
12 the person ineligible for coverage under the Social
13 Security Act by reason of Sections 218(d)(5)(A),
14 218(d)(8)(D), and 218(1)(1) of that Act.

15 (8) The term "security employee of the Department of
16 Human Services" means any person employed by the
17 Department of Human Services who (i) is employed at the
18 Chester Mental Health Center and has daily contact with
19 the residents thereof, (ii) is employed within a security
20 unit at a facility operated by the Department and has
21 daily contact with the residents of the security unit,
22 (iii) is employed at a facility operated by the Department
23 that includes a security unit and is regularly scheduled
24 to work at least 50% of his or her working hours within
25 that security unit, or (iv) is a mental health police
26 officer. "Mental health police officer" means any person

1 employed by the Department of Human Services in a position
2 pertaining to the Department's mental health and
3 developmental disabilities functions who is vested with
4 such law enforcement duties as render the person
5 ineligible for coverage under the Social Security Act by
6 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
7 218(1)(1) of that Act. "Security unit" means that portion
8 of a facility that is devoted to the care, containment,
9 and treatment of persons committed to the Department of
10 Human Services as sexually violent persons, persons unfit
11 to stand trial, or persons not guilty by reason of
12 insanity. With respect to past employment, references to
13 the Department of Human Services include its predecessor,
14 the Department of Mental Health and Developmental
15 Disabilities.

16 The changes made to this subdivision (c)(8) by Public
17 Act 92-14 apply to persons who retire on or after January
18 1, 2001, notwithstanding Section 1-103.1.

19 (9) "Central Management Services security police
20 officer" means any person employed by the Department of
21 Central Management Services who is vested with such law
22 enforcement duties as render him ineligible for coverage
23 under the Social Security Act by reason of Sections
24 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

25 (10) For a member who first became an employee under
26 this Article before July 1, 2005, the term "security

1 employee of the Department of Corrections or the
2 Department of Juvenile Justice" means any employee of the
3 Department of Corrections or the Department of Juvenile
4 Justice or the former Department of Personnel, and any
5 member or employee of the Prisoner Review Board, who has
6 daily contact with inmates or youth by working within a
7 correctional facility or Juvenile facility operated by the
8 Department of Juvenile Justice or who is a parole officer
9 or an employee who has direct contact with committed
10 persons in the performance of his or her job duties. For a
11 member who first becomes an employee under this Article on
12 or after July 1, 2005, the term means an employee of the
13 Department of Corrections or the Department of Juvenile
14 Justice who is any of the following: (i) officially
15 headquartered at a correctional facility or Juvenile
16 facility operated by the Department of Juvenile Justice,
17 (ii) a parole officer, (iii) a member of the apprehension
18 unit, (iv) a member of the intelligence unit, (v) a member
19 of the sort team, or (vi) an investigator.

20 (11) The term "dangerous drugs investigator" means any
21 person who is employed as such by the Department of Human
22 Services.

23 (12) The term "investigator for the Illinois State
24 Police" means a person employed by the Illinois State
25 Police who is vested under Section 4 of the Narcotic
26 Control Division Abolition Act with such law enforcement

1 powers as render him ineligible for coverage under the
2 Social Security Act by reason of Sections 218(d)(5)(A),
3 218(d)(8)(D) and 218(1)(1) of that Act.

4 (13) "Investigator for the Office of the Attorney
5 General" means any person who is employed as such by the
6 Office of the Attorney General and is vested with such
7 investigative duties as render him ineligible for coverage
8 under the Social Security Act by reason of Sections
9 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
10 the period before January 1, 1989, the term includes all
11 persons who were employed as investigators by the Office
12 of the Attorney General, without regard to social security
13 status.

14 (14) "Controlled substance inspector" means any person
15 who is employed as such by the Department of Professional
16 Regulation and is vested with such law enforcement duties
17 as render him ineligible for coverage under the Social
18 Security Act by reason of Sections 218(d)(5)(A),
19 218(d)(8)(D) and 218(1)(1) of that Act. The term
20 "controlled substance inspector" includes the Program
21 Executive of Enforcement and the Assistant Program
22 Executive of Enforcement.

23 (15) The term "investigator for the Office of the
24 State's Attorneys Appellate Prosecutor" means a person
25 employed in that capacity on a full-time basis under the
26 authority of Section 7.06 of the State's Attorneys

1 Appellate Prosecutor's Act.

2 (16) "Commerce Commission police officer" means any
3 person employed by the Illinois Commerce Commission who is
4 vested with such law enforcement duties as render him
5 ineligible for coverage under the Social Security Act by
6 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
7 218(1)(1) of that Act.

8 (17) "Arson investigator" means any person who is
9 employed as such by the Office of the State Fire Marshal
10 and is vested with such law enforcement duties as render
11 the person ineligible for coverage under the Social
12 Security Act by reason of Sections 218(d)(5)(A),
13 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
14 employed as an arson investigator on January 1, 1995 and
15 is no longer in service but not yet receiving a retirement
16 annuity may convert his or her creditable service for
17 employment as an arson investigator into eligible
18 creditable service by paying to the System the difference
19 between the employee contributions actually paid for that
20 service and the amounts that would have been contributed
21 if the applicant were contributing at the rate applicable
22 to persons with the same social security status earning
23 eligible creditable service on the date of application.

24 (18) The term "State highway maintenance worker" means
25 a person who is either of the following:

26 (i) A person employed on a full-time basis by the

1 Illinois Department of Transportation in the position
2 of highway maintainer, highway maintenance lead
3 worker, highway maintenance lead/lead worker, heavy
4 construction equipment operator, power shovel
5 operator, or bridge mechanic; and whose principal
6 responsibility is to perform, on the roadway, the
7 actual maintenance necessary to keep the highways that
8 form a part of the State highway system in serviceable
9 condition for vehicular traffic.

10 (ii) A person employed on a full-time basis by the
11 Illinois State Toll Highway Authority in the position
12 of equipment operator/laborer H-4, equipment
13 operator/laborer H-6, welder H-4, welder H-6,
14 mechanical/electrical H-4, mechanical/electrical H-6,
15 water/sewer H-4, water/sewer H-6, sign maker/hanger
16 H-4, sign maker/hanger H-6, roadway lighting H-4,
17 roadway lighting H-6, structural H-4, structural H-6,
18 painter H-4, or painter H-6; and whose principal
19 responsibility is to perform, on the roadway, the
20 actual maintenance necessary to keep the Authority's
21 tollways in serviceable condition for vehicular
22 traffic.

23 (19) The term "security employee of the Department of
24 Innovation and Technology" means a person who was a
25 security employee of the Department of Corrections or the
26 Department of Juvenile Justice, was transferred to the

1 Department of Innovation and Technology pursuant to
2 Executive Order 2016-01, and continues to perform similar
3 job functions under that Department.

4 (20) "Transferred employee" means an employee who was
5 transferred to the Department of Central Management
6 Services by Executive Order No. 2003-10 or Executive Order
7 No. 2004-2 or transferred to the Department of Innovation
8 and Technology by Executive Order No. 2016-1, or both, and
9 was entitled to eligible creditable service for services
10 immediately preceding the transfer.

11 (d) A security employee of the Department of Corrections
12 or the Department of Juvenile Justice, a security employee of
13 the Department of Human Services who is not a mental health
14 police officer, and a security employee of the Department of
15 Innovation and Technology shall not be eligible for the
16 alternative retirement annuity provided by this Section unless
17 he or she meets the following minimum age and service
18 requirements at the time of retirement:

19 (i) 25 years of eligible creditable service and age
20 55; or

21 (ii) beginning January 1, 1987, 25 years of eligible
22 creditable service and age 54, or 24 years of eligible
23 creditable service and age 55; or

24 (iii) beginning January 1, 1988, 25 years of eligible
25 creditable service and age 53, or 23 years of eligible
26 creditable service and age 55; or

1 (iv) beginning January 1, 1989, 25 years of eligible
2 creditable service and age 52, or 22 years of eligible
3 creditable service and age 55; or

4 (v) beginning January 1, 1990, 25 years of eligible
5 creditable service and age 51, or 21 years of eligible
6 creditable service and age 55; or

7 (vi) beginning January 1, 1991, 25 years of eligible
8 creditable service and age 50, or 20 years of eligible
9 creditable service and age 55.

10 Persons who have service credit under Article 16 of this
11 Code for service as a security employee of the Department of
12 Corrections or the Department of Juvenile Justice, or the
13 Department of Human Services in a position requiring
14 certification as a teacher may count such service toward
15 establishing their eligibility under the service requirements
16 of this Section; but such service may be used only for
17 establishing such eligibility, and not for the purpose of
18 increasing or calculating any benefit.

19 (e) If a member enters military service while working in a
20 position in which eligible creditable service may be earned,
21 and returns to State service in the same or another such
22 position, and fulfills in all other respects the conditions
23 prescribed in this Article for credit for military service,
24 such military service shall be credited as eligible creditable
25 service for the purposes of the retirement annuity prescribed
26 in this Section.

1 (f) For purposes of calculating retirement annuities under
2 this Section, periods of service rendered after December 31,
3 1968 and before October 1, 1975 as a covered employee in the
4 position of special agent, conservation police officer, mental
5 health police officer, or investigator for the Secretary of
6 State, shall be deemed to have been service as a noncovered
7 employee, provided that the employee pays to the System prior
8 to retirement an amount equal to (1) the difference between
9 the employee contributions that would have been required for
10 such service as a noncovered employee, and the amount of
11 employee contributions actually paid, plus (2) if payment is
12 made after July 31, 1987, regular interest on the amount
13 specified in item (1) from the date of service to the date of
14 payment.

15 For purposes of calculating retirement annuities under
16 this Section, periods of service rendered after December 31,
17 1968 and before January 1, 1982 as a covered employee in the
18 position of investigator for the Department of Revenue shall
19 be deemed to have been service as a noncovered employee,
20 provided that the employee pays to the System prior to
21 retirement an amount equal to (1) the difference between the
22 employee contributions that would have been required for such
23 service as a noncovered employee, and the amount of employee
24 contributions actually paid, plus (2) if payment is made after
25 January 1, 1990, regular interest on the amount specified in
26 item (1) from the date of service to the date of payment.

1 (g) A State policeman may elect, not later than January 1,
2 1990, to establish eligible creditable service for up to 10
3 years of his service as a policeman under Article 3, by filing
4 a written election with the Board, accompanied by payment of
5 an amount to be determined by the Board, equal to (i) the
6 difference between the amount of employee and employer
7 contributions transferred to the System under Section 3-110.5,
8 and the amounts that would have been contributed had such
9 contributions been made at the rates applicable to State
10 policemen, plus (ii) interest thereon at the effective rate
11 for each year, compounded annually, from the date of service
12 to the date of payment.

13 Subject to the limitation in subsection (i), a State
14 policeman may elect, not later than July 1, 1993, to establish
15 eligible creditable service for up to 10 years of his service
16 as a member of the County Police Department under Article 9, by
17 filing a written election with the Board, accompanied by
18 payment of an amount to be determined by the Board, equal to
19 (i) the difference between the amount of employee and employer
20 contributions transferred to the System under Section 9-121.10
21 and the amounts that would have been contributed had those
22 contributions been made at the rates applicable to State
23 policemen, plus (ii) interest thereon at the effective rate
24 for each year, compounded annually, from the date of service
25 to the date of payment.

26 (h) Subject to the limitation in subsection (i), a State

1 policeman or investigator for the Secretary of State may elect
2 to establish eligible creditable service for up to 12 years of
3 his service as a policeman under Article 5, by filing a written
4 election with the Board on or before January 31, 1992, and
5 paying to the System by January 31, 1994 an amount to be
6 determined by the Board, equal to (i) the difference between
7 the amount of employee and employer contributions transferred
8 to the System under Section 5-236, and the amounts that would
9 have been contributed had such contributions been made at the
10 rates applicable to State policemen, plus (ii) interest
11 thereon at the effective rate for each year, compounded
12 annually, from the date of service to the date of payment.

13 Subject to the limitation in subsection (i), a State
14 policeman, conservation police officer, or investigator for
15 the Secretary of State may elect to establish eligible
16 creditable service for up to 10 years of service as a sheriff's
17 law enforcement employee under Article 7, by filing a written
18 election with the Board on or before January 31, 1993, and
19 paying to the System by January 31, 1994 an amount to be
20 determined by the Board, equal to (i) the difference between
21 the amount of employee and employer contributions transferred
22 to the System under Section 7-139.7, and the amounts that
23 would have been contributed had such contributions been made
24 at the rates applicable to State policemen, plus (ii) interest
25 thereon at the effective rate for each year, compounded
26 annually, from the date of service to the date of payment.

1 Subject to the limitation in subsection (i), a State
2 policeman, conservation police officer, or investigator for
3 the Secretary of State may elect to establish eligible
4 creditable service for up to 5 years of service as a police
5 officer under Article 3, a policeman under Article 5, a
6 sheriff's law enforcement employee under Article 7, a member
7 of the county police department under Article 9, or a police
8 officer under Article 15 by filing a written election with the
9 Board and paying to the System an amount to be determined by
10 the Board, equal to (i) the difference between the amount of
11 employee and employer contributions transferred to the System
12 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
13 and the amounts that would have been contributed had such
14 contributions been made at the rates applicable to State
15 policemen, plus (ii) interest thereon at the effective rate
16 for each year, compounded annually, from the date of service
17 to the date of payment.

18 Subject to the limitation in subsection (i), an
19 investigator for the Office of the Attorney General, or an
20 investigator for the Department of Revenue, may elect to
21 establish eligible creditable service for up to 5 years of
22 service as a police officer under Article 3, a policeman under
23 Article 5, a sheriff's law enforcement employee under Article
24 7, or a member of the county police department under Article 9
25 by filing a written election with the Board within 6 months
26 after August 25, 2009 (the effective date of Public Act

1 96-745) and paying to the System an amount to be determined by
2 the Board, equal to (i) the difference between the amount of
3 employee and employer contributions transferred to the System
4 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
5 amounts that would have been contributed had such
6 contributions been made at the rates applicable to State
7 policemen, plus (ii) interest thereon at the actuarially
8 assumed rate for each year, compounded annually, from the date
9 of service to the date of payment.

10 Subject to the limitation in subsection (i), a State
11 policeman, conservation police officer, investigator for the
12 Office of the Attorney General, an investigator for the
13 Department of Revenue, or investigator for the Secretary of
14 State may elect to establish eligible creditable service for
15 up to 5 years of service as a person employed by a
16 participating municipality to perform police duties, or law
17 enforcement officer employed on a full-time basis by a forest
18 preserve district under Article 7, a county corrections
19 officer, or a court services officer under Article 9, by
20 filing a written election with the Board within 6 months after
21 August 25, 2009 (the effective date of Public Act 96-745) and
22 paying to the System an amount to be determined by the Board,
23 equal to (i) the difference between the amount of employee and
24 employer contributions transferred to the System under
25 Sections 7-139.8 and 9-121.10 and the amounts that would have
26 been contributed had such contributions been made at the rates

1 applicable to State policemen, plus (ii) interest thereon at
2 the actuarially assumed rate for each year, compounded
3 annually, from the date of service to the date of payment.

4 Subject to the limitation in subsection (i), a State
5 policeman, arson investigator, or Commerce Commission police
6 officer may elect to establish eligible creditable service for
7 up to 5 years of service as a person employed by a
8 participating municipality to perform police duties under
9 Article 7, a county corrections officer, a court services
10 officer under Article 9, or a firefighter under Article 4 by
11 filing a written election with the Board within 6 months after
12 July 30, 2021 (the effective date of Public Act 102-210) and
13 paying to the System an amount to be determined by the Board
14 equal to (i) the difference between the amount of employee and
15 employer contributions transferred to the System under
16 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
17 would have been contributed had such contributions been made
18 at the rates applicable to State policemen, plus (ii) interest
19 thereon at the actuarially assumed rate for each year,
20 compounded annually, from the date of service to the date of
21 payment.

22 Subject to the limitation in subsection (i), a
23 conservation police officer may elect to establish eligible
24 creditable service for up to 5 years of service as a person
25 employed by a participating municipality to perform police
26 duties under Article 7, a county corrections officer, or a

1 court services officer under Article 9 by filing a written
2 election with the Board within 6 months after July 30, 2021
3 (the effective date of Public Act 102-210) and paying to the
4 System an amount to be determined by the Board equal to (i) the
5 difference between the amount of employee and employer
6 contributions transferred to the System under Sections 7-139.8
7 and 9-121.10 and the amounts that would have been contributed
8 had such contributions been made at the rates applicable to
9 State policemen, plus (ii) interest thereon at the actuarially
10 assumed rate for each year, compounded annually, from the date
11 of service to the date of payment.

12 Subject to the limitation in subsection (i), an
13 investigator for the Department of Revenue, investigator for
14 the Illinois Gaming Board, investigator for the Secretary of
15 State, or arson investigator may elect to establish eligible
16 creditable service for up to 5 years of service as a person
17 employed by a participating municipality to perform police
18 duties under Article 7, a county corrections officer, a court
19 services officer under Article 9, or a firefighter under
20 Article 4 by filing a written election with the Board within 6
21 months after the effective date of this amendatory Act of the
22 102nd General Assembly and paying to the System an amount to be
23 determined by the Board equal to (i) the difference between
24 the amount of employee and employer contributions transferred
25 to the System under Sections 4-108.8, 7-139.8, and 9-121.10
26 and the amounts that would have been contributed had such

1 contributions been made at the rates applicable to State
2 policemen, plus (ii) interest thereon at the actuarially
3 assumed rate for each year, compounded annually, from the date
4 of service to the date of payment.

5 Notwithstanding the limitation in subsection (i), a State
6 policeman or conservation police officer may elect to convert
7 service credit earned under this Article to eligible
8 creditable service, as defined by this Section, by filing a
9 written election with the board within 6 months after July 30,
10 2021 (the effective date of Public Act 102-210) and paying to
11 the System an amount to be determined by the Board equal to (i)
12 the difference between the amount of employee contributions
13 originally paid for that service and the amounts that would
14 have been contributed had such contributions been made at the
15 rates applicable to State policemen, plus (ii) the difference
16 between the employer's normal cost of the credit prior to the
17 conversion authorized by Public Act 102-210 and the employer's
18 normal cost of the credit converted in accordance with Public
19 Act 102-210, plus (iii) interest thereon at the actuarially
20 assumed rate for each year, compounded annually, from the date
21 of service to the date of payment.

22 Notwithstanding the limitation in subsection (i), an
23 investigator for the Department of Revenue, investigator for
24 the Illinois Gaming Board, investigator for the Secretary of
25 State, or arson investigator may elect to convert service
26 credit earned under this Article to eligible creditable

1 service, as defined by this Section, by filing a written
2 election with the Board within 6 months after the effective
3 date of this amendatory Act of the 102nd General Assembly and
4 paying to the System an amount to be determined by the Board
5 equal to (i) the difference between the amount of employee
6 contributions originally paid for that service and the amounts
7 that would have been contributed had such contributions been
8 made at the rates applicable to investigators for the
9 Department of Revenue, investigators for the Illinois Gaming
10 Board, investigators for the Secretary of State, or arson
11 investigators, plus (ii) the difference between the employer's
12 normal cost of the credit prior to the conversion authorized
13 by this amendatory Act of the 102nd General Assembly and the
14 employer's normal cost of the credit converted in accordance
15 with this amendatory Act of the 102nd General Assembly, plus
16 (iii) interest thereon at the actuarially assumed rate for
17 each year, compounded annually, from the date of service to
18 the date of payment.

19 (i) The total amount of eligible creditable service
20 established by any person under subsections (g), (h), (j),
21 (k), (l), (l-5), and (o) of this Section shall not exceed 12
22 years.

23 (j) Subject to the limitation in subsection (i), an
24 investigator for the Office of the State's Attorneys Appellate
25 Prosecutor or a controlled substance inspector may elect to
26 establish eligible creditable service for up to 10 years of

1 his service as a policeman under Article 3 or a sheriff's law
2 enforcement employee under Article 7, by filing a written
3 election with the Board, accompanied by payment of an amount
4 to be determined by the Board, equal to (1) the difference
5 between the amount of employee and employer contributions
6 transferred to the System under Section 3-110.6 or 7-139.8,
7 and the amounts that would have been contributed had such
8 contributions been made at the rates applicable to State
9 policemen, plus (2) interest thereon at the effective rate for
10 each year, compounded annually, from the date of service to
11 the date of payment.

12 (k) Subject to the limitation in subsection (i) of this
13 Section, an alternative formula employee may elect to
14 establish eligible creditable service for periods spent as a
15 full-time law enforcement officer or full-time corrections
16 officer employed by the federal government or by a state or
17 local government located outside of Illinois, for which credit
18 is not held in any other public employee pension fund or
19 retirement system. To obtain this credit, the applicant must
20 file a written application with the Board by March 31, 1998,
21 accompanied by evidence of eligibility acceptable to the Board
22 and payment of an amount to be determined by the Board, equal
23 to (1) employee contributions for the credit being
24 established, based upon the applicant's salary on the first
25 day as an alternative formula employee after the employment
26 for which credit is being established and the rates then

1 applicable to alternative formula employees, plus (2) an
2 amount determined by the Board to be the employer's normal
3 cost of the benefits accrued for the credit being established,
4 plus (3) regular interest on the amounts in items (1) and (2)
5 from the first day as an alternative formula employee after
6 the employment for which credit is being established to the
7 date of payment.

8 (1) Subject to the limitation in subsection (i), a
9 security employee of the Department of Corrections may elect,
10 not later than July 1, 1998, to establish eligible creditable
11 service for up to 10 years of his or her service as a policeman
12 under Article 3, by filing a written election with the Board,
13 accompanied by payment of an amount to be determined by the
14 Board, equal to (i) the difference between the amount of
15 employee and employer contributions transferred to the System
16 under Section 3-110.5, and the amounts that would have been
17 contributed had such contributions been made at the rates
18 applicable to security employees of the Department of
19 Corrections, plus (ii) interest thereon at the effective rate
20 for each year, compounded annually, from the date of service
21 to the date of payment.

22 (1-5) Subject to the limitation in subsection (i) of this
23 Section, a State policeman may elect to establish eligible
24 creditable service for up to 5 years of service as a full-time
25 law enforcement officer employed by the federal government or
26 by a state or local government located outside of Illinois for

1 which credit is not held in any other public employee pension
2 fund or retirement system. To obtain this credit, the
3 applicant must file a written application with the Board no
4 later than 3 years after January 1, 2020 (the effective date of
5 Public Act 101-610), accompanied by evidence of eligibility
6 acceptable to the Board and payment of an amount to be
7 determined by the Board, equal to (1) employee contributions
8 for the credit being established, based upon the applicant's
9 salary on the first day as an alternative formula employee
10 after the employment for which credit is being established and
11 the rates then applicable to alternative formula employees,
12 plus (2) an amount determined by the Board to be the employer's
13 normal cost of the benefits accrued for the credit being
14 established, plus (3) regular interest on the amounts in items
15 (1) and (2) from the first day as an alternative formula
16 employee after the employment for which credit is being
17 established to the date of payment.

18 (m) The amendatory changes to this Section made by Public
19 Act 94-696 apply only to: (1) security employees of the
20 Department of Juvenile Justice employed by the Department of
21 Corrections before June 1, 2006 (the effective date of Public
22 Act 94-696) and transferred to the Department of Juvenile
23 Justice by Public Act 94-696; and (2) persons employed by the
24 Department of Juvenile Justice on or after June 1, 2006 (the
25 effective date of Public Act 94-696) who are required by
26 subsection (b) of Section 3-2.5-15 of the Unified Code of

1 Corrections to have any bachelor's or advanced degree from an
2 accredited college or university or, in the case of persons
3 who provide vocational training, who are required to have
4 adequate knowledge in the skill for which they are providing
5 the vocational training.

6 (n) A person employed in a position under subsection (b)
7 of this Section who has purchased service credit under
8 subsection (j) of Section 14-104 or subsection (b) of Section
9 14-105 in any other capacity under this Article may convert up
10 to 5 years of that service credit into service credit covered
11 under this Section by paying to the Fund an amount equal to (1)
12 the additional employee contribution required under Section
13 14-133, plus (2) the additional employer contribution required
14 under Section 14-131, plus (3) interest on items (1) and (2) at
15 the actuarially assumed rate from the date of the service to
16 the date of payment.

17 (o) Subject to the limitation in subsection (i), a
18 conservation police officer, investigator for the Secretary of
19 State, Commerce Commission police officer, investigator for
20 the Department of Revenue or the Illinois Gaming Board, or
21 arson investigator subject to subsection (g) of Section 1-160
22 may elect to convert up to 8 years of service credit
23 established before January 1, 2020 (the effective date of
24 Public Act 101-610) as a conservation police officer,
25 investigator for the Secretary of State, Commerce Commission
26 police officer, investigator for the Department of Revenue or

1 the Illinois Gaming Board, or arson investigator under this
2 Article into eligible creditable service by filing a written
3 election with the Board no later than one year after January 1,
4 2020 (the effective date of Public Act 101-610), accompanied
5 by payment of an amount to be determined by the Board equal to
6 (i) the difference between the amount of the employee
7 contributions actually paid for that service and the amount of
8 the employee contributions that would have been paid had the
9 employee contributions been made as a noncovered employee
10 serving in a position in which eligible creditable service, as
11 defined in this Section, may be earned, plus (ii) interest
12 thereon at the effective rate for each year, compounded
13 annually, from the date of service to the date of payment.

14 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
15 102-856, eff. 1-1-23; 103-34, eff. 1-1-24.)

16 (Text of Section from P.A. 102-956 and 103-34)

17 Sec. 14-110. Alternative retirement annuity.

18 (a) Any member who has withdrawn from service with not
19 less than 20 years of eligible creditable service and has
20 attained age 55, and any member who has withdrawn from service
21 with not less than 25 years of eligible creditable service and
22 has attained age 50, regardless of whether the attainment of
23 either of the specified ages occurs while the member is still
24 in service, shall be entitled to receive at the option of the
25 member, in lieu of the regular or minimum retirement annuity,

1 a retirement annuity computed as follows:

2 (i) for periods of service as a noncovered employee:
3 if retirement occurs on or after January 1, 2001, 3% of
4 final average compensation for each year of creditable
5 service; if retirement occurs before January 1, 2001, 2
6 1/4% of final average compensation for each of the first
7 10 years of creditable service, 2 1/2% for each year above
8 10 years to and including 20 years of creditable service,
9 and 2 3/4% for each year of creditable service above 20
10 years; and

11 (ii) for periods of eligible creditable service as a
12 covered employee: if retirement occurs on or after January
13 1, 2001, 2.5% of final average compensation for each year
14 of creditable service; if retirement occurs before January
15 1, 2001, 1.67% of final average compensation for each of
16 the first 10 years of such service, 1.90% for each of the
17 next 10 years of such service, 2.10% for each year of such
18 service in excess of 20 but not exceeding 30, and 2.30% for
19 each year in excess of 30.

20 Such annuity shall be subject to a maximum of 75% of final
21 average compensation if retirement occurs before January 1,
22 2001 or to a maximum of 80% of final average compensation if
23 retirement occurs on or after January 1, 2001.

24 These rates shall not be applicable to any service
25 performed by a member as a covered employee which is not
26 eligible creditable service. Service as a covered employee

1 which is not eligible creditable service shall be subject to
2 the rates and provisions of Section 14-108.

3 (a-5) A member who is eligible to receive an alternative
4 retirement annuity under this Section may elect to receive an
5 estimated payment that shall commence no later than 30 days
6 after the later of either the member's last day of employment
7 or 30 days after the member files for the retirement benefit
8 with the System. The estimated payment shall be the best
9 estimate by the System of the total monthly amount due to the
10 member based on the information that the System possesses at
11 the time of the estimate. If the amount of the estimate is
12 greater or less than the actual amount of the monthly annuity,
13 the System shall pay or recover the difference within 6 months
14 after the start of the monthly annuity.

15 (b) For the purpose of this Section, "eligible creditable
16 service" means creditable service resulting from service in
17 one or more of the following positions:

- 18 (1) State policeman;
19 (2) fire fighter in the fire protection service of a
20 department;
21 (3) air pilot;
22 (4) special agent;
23 (5) investigator for the Secretary of State;
24 (6) conservation police officer;
25 (7) investigator for the Department of Revenue or the
26 Illinois Gaming Board;

1 (8) security employee of the Department of Human
2 Services;

3 (9) Central Management Services security police
4 officer;

5 (10) security employee of the Department of
6 Corrections or the Department of Juvenile Justice;

7 (11) dangerous drugs investigator;

8 (12) investigator for the Illinois State Police;

9 (13) investigator for the Office of the Attorney
10 General;

11 (14) controlled substance inspector;

12 (15) investigator for the Office of the State's
13 Attorneys Appellate Prosecutor;

14 (16) Commerce Commission police officer;

15 (17) arson investigator;

16 (18) State highway maintenance worker;

17 (19) security employee of the Department of Innovation
18 and Technology; or

19 (20) transferred employee.

20 A person employed in one of the positions specified in
21 this subsection is entitled to eligible creditable service for
22 service credit earned under this Article while undergoing the
23 basic police training course approved by the Illinois Law
24 Enforcement Training Standards Board, if completion of that
25 training is required of persons serving in that position. For
26 the purposes of this Code, service during the required basic

1 police training course shall be deemed performance of the
2 duties of the specified position, even though the person is
3 not a sworn peace officer at the time of the training.

4 A person under paragraph (20) is entitled to eligible
5 creditable service for service credit earned under this
6 Article on and after his or her transfer by Executive Order No.
7 2003-10, Executive Order No. 2004-2, or Executive Order No.
8 2016-1.

9 (c) For the purposes of this Section:

10 (1) The term "State policeman" includes any title or
11 position in the Illinois State Police that is held by an
12 individual employed under the Illinois State Police Act.

13 (2) The term "fire fighter in the fire protection
14 service of a department" includes all officers in such
15 fire protection service including fire chiefs and
16 assistant fire chiefs.

17 (3) The term "air pilot" includes any employee whose
18 official job description on file in the Department of
19 Central Management Services, or in the department by which
20 he is employed if that department is not covered by the
21 Personnel Code, states that his principal duty is the
22 operation of aircraft, and who possesses a pilot's
23 license; however, the change in this definition made by
24 Public Act 83-842 shall not operate to exclude any
25 noncovered employee who was an "air pilot" for the
26 purposes of this Section on January 1, 1984.

1 (4) The term "special agent" means any person who by
2 reason of employment by the Division of Narcotic Control,
3 the Bureau of Investigation or, after July 1, 1977, the
4 Division of Criminal Investigation, the Division of
5 Internal Investigation, the Division of Operations, the
6 Division of Patrol, or any other Division or
7 organizational entity in the Illinois State Police is
8 vested by law with duties to maintain public order,
9 investigate violations of the criminal law of this State,
10 enforce the laws of this State, make arrests and recover
11 property. The term "special agent" includes any title or
12 position in the Illinois State Police that is held by an
13 individual employed under the Illinois State Police Act.

14 (5) The term "investigator for the Secretary of State"
15 means any person employed by the Office of the Secretary
16 of State and vested with such investigative duties as
17 render him ineligible for coverage under the Social
18 Security Act by reason of Sections 218(d)(5)(A),
19 218(d)(8)(D) and 218(1)(1) of that Act.

20 A person who became employed as an investigator for
21 the Secretary of State between January 1, 1967 and
22 December 31, 1975, and who has served as such until
23 attainment of age 60, either continuously or with a single
24 break in service of not more than 3 years duration, which
25 break terminated before January 1, 1976, shall be entitled
26 to have his retirement annuity calculated in accordance

1 with subsection (a), notwithstanding that he has less than
2 20 years of credit for such service.

3 (6) The term "Conservation Police Officer" means any
4 person employed by the Division of Law Enforcement of the
5 Department of Natural Resources and vested with such law
6 enforcement duties as render him ineligible for coverage
7 under the Social Security Act by reason of Sections
8 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
9 term "Conservation Police Officer" includes the positions
10 of Chief Conservation Police Administrator and Assistant
11 Conservation Police Administrator.

12 (7) The term "investigator for the Department of
13 Revenue" means any person employed by the Department of
14 Revenue and vested with such investigative duties as
15 render him ineligible for coverage under the Social
16 Security Act by reason of Sections 218(d)(5)(A),
17 218(d)(8)(D) and 218(1)(1) of that Act.

18 The term "investigator for the Illinois Gaming Board"
19 means any person employed as such by the Illinois Gaming
20 Board and vested with such peace officer duties as render
21 the person ineligible for coverage under the Social
22 Security Act by reason of Sections 218(d)(5)(A),
23 218(d)(8)(D), and 218(1)(1) of that Act.

24 (8) The term "security employee of the Department of
25 Human Services" means any person employed by the
26 Department of Human Services who (i) is employed at the

1 Chester Mental Health Center and has daily contact with
2 the residents thereof, (ii) is employed within a security
3 unit at a facility operated by the Department and has
4 daily contact with the residents of the security unit,
5 (iii) is employed at a facility operated by the Department
6 that includes a security unit and is regularly scheduled
7 to work at least 50% of his or her working hours within
8 that security unit, or (iv) is a mental health police
9 officer. "Mental health police officer" means any person
10 employed by the Department of Human Services in a position
11 pertaining to the Department's mental health and
12 developmental disabilities functions who is vested with
13 such law enforcement duties as render the person
14 ineligible for coverage under the Social Security Act by
15 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
16 218(1)(1) of that Act. "Security unit" means that portion
17 of a facility that is devoted to the care, containment,
18 and treatment of persons committed to the Department of
19 Human Services as sexually violent persons, persons unfit
20 to stand trial, or persons not guilty by reason of
21 insanity. With respect to past employment, references to
22 the Department of Human Services include its predecessor,
23 the Department of Mental Health and Developmental
24 Disabilities.

25 The changes made to this subdivision (c)(8) by Public
26 Act 92-14 apply to persons who retire on or after January

1 1, 2001, notwithstanding Section 1-103.1.

2 (9) "Central Management Services security police
3 officer" means any person employed by the Department of
4 Central Management Services who is vested with such law
5 enforcement duties as render him ineligible for coverage
6 under the Social Security Act by reason of Sections
7 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

8 (10) For a member who first became an employee under
9 this Article before July 1, 2005, the term "security
10 employee of the Department of Corrections or the
11 Department of Juvenile Justice" means any employee of the
12 Department of Corrections or the Department of Juvenile
13 Justice or the former Department of Personnel, and any
14 member or employee of the Prisoner Review Board, who has
15 daily contact with inmates or youth by working within a
16 correctional facility or Juvenile facility operated by the
17 Department of Juvenile Justice or who is a parole officer
18 or an employee who has direct contact with committed
19 persons in the performance of his or her job duties. For a
20 member who first becomes an employee under this Article on
21 or after July 1, 2005, the term means an employee of the
22 Department of Corrections or the Department of Juvenile
23 Justice who is any of the following: (i) officially
24 headquartered at a correctional facility or Juvenile
25 facility operated by the Department of Juvenile Justice,
26 (ii) a parole officer, (iii) a member of the apprehension

1 unit, (iv) a member of the intelligence unit, (v) a member
2 of the sort team, or (vi) an investigator.

3 (11) The term "dangerous drugs investigator" means any
4 person who is employed as such by the Department of Human
5 Services.

6 (12) The term "investigator for the Illinois State
7 Police" means a person employed by the Illinois State
8 Police who is vested under Section 4 of the Narcotic
9 Control Division Abolition Act with such law enforcement
10 powers as render him ineligible for coverage under the
11 Social Security Act by reason of Sections 218(d)(5)(A),
12 218(d)(8)(D) and 218(1)(1) of that Act.

13 (13) "Investigator for the Office of the Attorney
14 General" means any person who is employed as such by the
15 Office of the Attorney General and is vested with such
16 investigative duties as render him ineligible for coverage
17 under the Social Security Act by reason of Sections
18 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
19 the period before January 1, 1989, the term includes all
20 persons who were employed as investigators by the Office
21 of the Attorney General, without regard to social security
22 status.

23 (14) "Controlled substance inspector" means any person
24 who is employed as such by the Department of Professional
25 Regulation and is vested with such law enforcement duties
26 as render him ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),
2 218(d)(8)(D) and 218(1)(1) of that Act. The term
3 "controlled substance inspector" includes the Program
4 Executive of Enforcement and the Assistant Program
5 Executive of Enforcement.

6 (15) The term "investigator for the Office of the
7 State's Attorneys Appellate Prosecutor" means a person
8 employed in that capacity on a full-time basis under the
9 authority of Section 7.06 of the State's Attorneys
10 Appellate Prosecutor's Act.

11 (16) "Commerce Commission police officer" means any
12 person employed by the Illinois Commerce Commission who is
13 vested with such law enforcement duties as render him
14 ineligible for coverage under the Social Security Act by
15 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
16 218(1)(1) of that Act.

17 (17) "Arson investigator" means any person who is
18 employed as such by the Office of the State Fire Marshal
19 and is vested with such law enforcement duties as render
20 the person ineligible for coverage under the Social
21 Security Act by reason of Sections 218(d)(5)(A),
22 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
23 employed as an arson investigator on January 1, 1995 and
24 is no longer in service but not yet receiving a retirement
25 annuity may convert his or her creditable service for
26 employment as an arson investigator into eligible

1 creditable service by paying to the System the difference
2 between the employee contributions actually paid for that
3 service and the amounts that would have been contributed
4 if the applicant were contributing at the rate applicable
5 to persons with the same social security status earning
6 eligible creditable service on the date of application.

7 (18) The term "State highway maintenance worker" means
8 a person who is either of the following:

9 (i) A person employed on a full-time basis by the
10 Illinois Department of Transportation in the position
11 of highway maintainer, highway maintenance lead
12 worker, highway maintenance lead/lead worker, heavy
13 construction equipment operator, power shovel
14 operator, or bridge mechanic; and whose principal
15 responsibility is to perform, on the roadway, the
16 actual maintenance necessary to keep the highways that
17 form a part of the State highway system in serviceable
18 condition for vehicular traffic.

19 (ii) A person employed on a full-time basis by the
20 Illinois State Toll Highway Authority in the position
21 of equipment operator/laborer H-4, equipment
22 operator/laborer H-6, welder H-4, welder H-6,
23 mechanical/electrical H-4, mechanical/electrical H-6,
24 water/sewer H-4, water/sewer H-6, sign maker/hanger
25 H-4, sign maker/hanger H-6, roadway lighting H-4,
26 roadway lighting H-6, structural H-4, structural H-6,

1 painter H-4, or painter H-6; and whose principal
2 responsibility is to perform, on the roadway, the
3 actual maintenance necessary to keep the Authority's
4 tollways in serviceable condition for vehicular
5 traffic.

6 (19) The term "security employee of the Department of
7 Innovation and Technology" means a person who was a
8 security employee of the Department of Corrections or the
9 Department of Juvenile Justice, was transferred to the
10 Department of Innovation and Technology pursuant to
11 Executive Order 2016-01, and continues to perform similar
12 job functions under that Department.

13 (20) "Transferred employee" means an employee who was
14 transferred to the Department of Central Management
15 Services by Executive Order No. 2003-10 or Executive Order
16 No. 2004-2 or transferred to the Department of Innovation
17 and Technology by Executive Order No. 2016-1, or both, and
18 was entitled to eligible creditable service for services
19 immediately preceding the transfer.

20 (d) A security employee of the Department of Corrections
21 or the Department of Juvenile Justice, a security employee of
22 the Department of Human Services who is not a mental health
23 police officer, and a security employee of the Department of
24 Innovation and Technology shall not be eligible for the
25 alternative retirement annuity provided by this Section unless
26 he or she meets the following minimum age and service

1 requirements at the time of retirement:

2 (i) 25 years of eligible creditable service and age
3 55; or

4 (ii) beginning January 1, 1987, 25 years of eligible
5 creditable service and age 54, or 24 years of eligible
6 creditable service and age 55; or

7 (iii) beginning January 1, 1988, 25 years of eligible
8 creditable service and age 53, or 23 years of eligible
9 creditable service and age 55; or

10 (iv) beginning January 1, 1989, 25 years of eligible
11 creditable service and age 52, or 22 years of eligible
12 creditable service and age 55; or

13 (v) beginning January 1, 1990, 25 years of eligible
14 creditable service and age 51, or 21 years of eligible
15 creditable service and age 55; or

16 (vi) beginning January 1, 1991, 25 years of eligible
17 creditable service and age 50, or 20 years of eligible
18 creditable service and age 55.

19 Persons who have service credit under Article 16 of this
20 Code for service as a security employee of the Department of
21 Corrections or the Department of Juvenile Justice, or the
22 Department of Human Services in a position requiring
23 certification as a teacher may count such service toward
24 establishing their eligibility under the service requirements
25 of this Section; but such service may be used only for
26 establishing such eligibility, and not for the purpose of

1 increasing or calculating any benefit.

2 (e) If a member enters military service while working in a
3 position in which eligible creditable service may be earned,
4 and returns to State service in the same or another such
5 position, and fulfills in all other respects the conditions
6 prescribed in this Article for credit for military service,
7 such military service shall be credited as eligible creditable
8 service for the purposes of the retirement annuity prescribed
9 in this Section.

10 (f) For purposes of calculating retirement annuities under
11 this Section, periods of service rendered after December 31,
12 1968 and before October 1, 1975 as a covered employee in the
13 position of special agent, conservation police officer, mental
14 health police officer, or investigator for the Secretary of
15 State, shall be deemed to have been service as a noncovered
16 employee, provided that the employee pays to the System prior
17 to retirement an amount equal to (1) the difference between
18 the employee contributions that would have been required for
19 such service as a noncovered employee, and the amount of
20 employee contributions actually paid, plus (2) if payment is
21 made after July 31, 1987, regular interest on the amount
22 specified in item (1) from the date of service to the date of
23 payment.

24 For purposes of calculating retirement annuities under
25 this Section, periods of service rendered after December 31,
26 1968 and before January 1, 1982 as a covered employee in the

1 position of investigator for the Department of Revenue shall
2 be deemed to have been service as a noncovered employee,
3 provided that the employee pays to the System prior to
4 retirement an amount equal to (1) the difference between the
5 employee contributions that would have been required for such
6 service as a noncovered employee, and the amount of employee
7 contributions actually paid, plus (2) if payment is made after
8 January 1, 1990, regular interest on the amount specified in
9 item (1) from the date of service to the date of payment.

10 (g) A State policeman may elect, not later than January 1,
11 1990, to establish eligible creditable service for up to 10
12 years of his service as a policeman under Article 3, by filing
13 a written election with the Board, accompanied by payment of
14 an amount to be determined by the Board, equal to (i) the
15 difference between the amount of employee and employer
16 contributions transferred to the System under Section 3-110.5,
17 and the amounts that would have been contributed had such
18 contributions been made at the rates applicable to State
19 policemen, plus (ii) interest thereon at the effective rate
20 for each year, compounded annually, from the date of service
21 to the date of payment.

22 Subject to the limitation in subsection (i), a State
23 policeman may elect, not later than July 1, 1993, to establish
24 eligible creditable service for up to 10 years of his service
25 as a member of the County Police Department under Article 9, by
26 filing a written election with the Board, accompanied by

1 payment of an amount to be determined by the Board, equal to
2 (i) the difference between the amount of employee and employer
3 contributions transferred to the System under Section 9-121.10
4 and the amounts that would have been contributed had those
5 contributions been made at the rates applicable to State
6 policemen, plus (ii) interest thereon at the effective rate
7 for each year, compounded annually, from the date of service
8 to the date of payment.

9 (h) Subject to the limitation in subsection (i), a State
10 policeman or investigator for the Secretary of State may elect
11 to establish eligible creditable service for up to 12 years of
12 his service as a policeman under Article 5, by filing a written
13 election with the Board on or before January 31, 1992, and
14 paying to the System by January 31, 1994 an amount to be
15 determined by the Board, equal to (i) the difference between
16 the amount of employee and employer contributions transferred
17 to the System under Section 5-236, and the amounts that would
18 have been contributed had such contributions been made at the
19 rates applicable to State policemen, plus (ii) interest
20 thereon at the effective rate for each year, compounded
21 annually, from the date of service to the date of payment.

22 Subject to the limitation in subsection (i), a State
23 policeman, conservation police officer, or investigator for
24 the Secretary of State may elect to establish eligible
25 creditable service for up to 10 years of service as a sheriff's
26 law enforcement employee under Article 7, by filing a written

1 election with the Board on or before January 31, 1993, and
2 paying to the System by January 31, 1994 an amount to be
3 determined by the Board, equal to (i) the difference between
4 the amount of employee and employer contributions transferred
5 to the System under Section 7-139.7, and the amounts that
6 would have been contributed had such contributions been made
7 at the rates applicable to State policemen, plus (ii) interest
8 thereon at the effective rate for each year, compounded
9 annually, from the date of service to the date of payment.

10 Subject to the limitation in subsection (i), a State
11 policeman, conservation police officer, or investigator for
12 the Secretary of State may elect to establish eligible
13 creditable service for up to 5 years of service as a police
14 officer under Article 3, a policeman under Article 5, a
15 sheriff's law enforcement employee under Article 7, a member
16 of the county police department under Article 9, or a police
17 officer under Article 15 by filing a written election with the
18 Board and paying to the System an amount to be determined by
19 the Board, equal to (i) the difference between the amount of
20 employee and employer contributions transferred to the System
21 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
22 and the amounts that would have been contributed had such
23 contributions been made at the rates applicable to State
24 policemen, plus (ii) interest thereon at the effective rate
25 for each year, compounded annually, from the date of service
26 to the date of payment.

1 Subject to the limitation in subsection (i), an
2 investigator for the Office of the Attorney General, or an
3 investigator for the Department of Revenue, may elect to
4 establish eligible creditable service for up to 5 years of
5 service as a police officer under Article 3, a policeman under
6 Article 5, a sheriff's law enforcement employee under Article
7 7, or a member of the county police department under Article 9
8 by filing a written election with the Board within 6 months
9 after August 25, 2009 (the effective date of Public Act
10 96-745) and paying to the System an amount to be determined by
11 the Board, equal to (i) the difference between the amount of
12 employee and employer contributions transferred to the System
13 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
14 amounts that would have been contributed had such
15 contributions been made at the rates applicable to State
16 policemen, plus (ii) interest thereon at the actuarially
17 assumed rate for each year, compounded annually, from the date
18 of service to the date of payment.

19 Subject to the limitation in subsection (i), a State
20 policeman, conservation police officer, investigator for the
21 Office of the Attorney General, an investigator for the
22 Department of Revenue, or investigator for the Secretary of
23 State may elect to establish eligible creditable service for
24 up to 5 years of service as a person employed by a
25 participating municipality to perform police duties, or law
26 enforcement officer employed on a full-time basis by a forest

1 preserve district under Article 7, a county corrections
2 officer, or a court services officer under Article 9, by
3 filing a written election with the Board within 6 months after
4 August 25, 2009 (the effective date of Public Act 96-745) and
5 paying to the System an amount to be determined by the Board,
6 equal to (i) the difference between the amount of employee and
7 employer contributions transferred to the System under
8 Sections 7-139.8 and 9-121.10 and the amounts that would have
9 been contributed had such contributions been made at the rates
10 applicable to State policemen, plus (ii) interest thereon at
11 the actuarially assumed rate for each year, compounded
12 annually, from the date of service to the date of payment.

13 Subject to the limitation in subsection (i), a State
14 policeman, arson investigator, or Commerce Commission police
15 officer may elect to establish eligible creditable service for
16 up to 5 years of service as a person employed by a
17 participating municipality to perform police duties under
18 Article 7, a county corrections officer, a court services
19 officer under Article 9, or a firefighter under Article 4 by
20 filing a written election with the Board within 6 months after
21 July 30, 2021 (the effective date of Public Act 102-210) and
22 paying to the System an amount to be determined by the Board
23 equal to (i) the difference between the amount of employee and
24 employer contributions transferred to the System under
25 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
26 would have been contributed had such contributions been made

1 at the rates applicable to State policemen, plus (ii) interest
2 thereon at the actuarially assumed rate for each year,
3 compounded annually, from the date of service to the date of
4 payment.

5 Subject to the limitation in subsection (i), a
6 conservation police officer may elect to establish eligible
7 creditable service for up to 5 years of service as a person
8 employed by a participating municipality to perform police
9 duties under Article 7, a county corrections officer, or a
10 court services officer under Article 9 by filing a written
11 election with the Board within 6 months after July 30, 2021
12 (the effective date of Public Act 102-210) and paying to the
13 System an amount to be determined by the Board equal to (i) the
14 difference between the amount of employee and employer
15 contributions transferred to the System under Sections 7-139.8
16 and 9-121.10 and the amounts that would have been contributed
17 had such contributions been made at the rates applicable to
18 State policemen, plus (ii) interest thereon at the actuarially
19 assumed rate for each year, compounded annually, from the date
20 of service to the date of payment.

21 Notwithstanding the limitation in subsection (i), a State
22 policeman or conservation police officer may elect to convert
23 service credit earned under this Article to eligible
24 creditable service, as defined by this Section, by filing a
25 written election with the board within 6 months after July 30,
26 2021 (the effective date of Public Act 102-210) and paying to

1 the System an amount to be determined by the Board equal to (i)
2 the difference between the amount of employee contributions
3 originally paid for that service and the amounts that would
4 have been contributed had such contributions been made at the
5 rates applicable to State policemen, plus (ii) the difference
6 between the employer's normal cost of the credit prior to the
7 conversion authorized by Public Act 102-210 and the employer's
8 normal cost of the credit converted in accordance with Public
9 Act 102-210, plus (iii) interest thereon at the actuarially
10 assumed rate for each year, compounded annually, from the date
11 of service to the date of payment.

12 (i) The total amount of eligible creditable service
13 established by any person under subsections (g), (h), (j),
14 (k), (l), (l-5), (o), and (p) of this Section shall not exceed
15 12 years.

16 (j) Subject to the limitation in subsection (i), an
17 investigator for the Office of the State's Attorneys Appellate
18 Prosecutor or a controlled substance inspector may elect to
19 establish eligible creditable service for up to 10 years of
20 his service as a policeman under Article 3 or a sheriff's law
21 enforcement employee under Article 7, by filing a written
22 election with the Board, accompanied by payment of an amount
23 to be determined by the Board, equal to (1) the difference
24 between the amount of employee and employer contributions
25 transferred to the System under Section 3-110.6 or 7-139.8,
26 and the amounts that would have been contributed had such

1 contributions been made at the rates applicable to State
2 policemen, plus (2) interest thereon at the effective rate for
3 each year, compounded annually, from the date of service to
4 the date of payment.

5 (k) Subject to the limitation in subsection (i) of this
6 Section, an alternative formula employee may elect to
7 establish eligible creditable service for periods spent as a
8 full-time law enforcement officer or full-time corrections
9 officer employed by the federal government or by a state or
10 local government located outside of Illinois, for which credit
11 is not held in any other public employee pension fund or
12 retirement system. To obtain this credit, the applicant must
13 file a written application with the Board by March 31, 1998,
14 accompanied by evidence of eligibility acceptable to the Board
15 and payment of an amount to be determined by the Board, equal
16 to (1) employee contributions for the credit being
17 established, based upon the applicant's salary on the first
18 day as an alternative formula employee after the employment
19 for which credit is being established and the rates then
20 applicable to alternative formula employees, plus (2) an
21 amount determined by the Board to be the employer's normal
22 cost of the benefits accrued for the credit being established,
23 plus (3) regular interest on the amounts in items (1) and (2)
24 from the first day as an alternative formula employee after
25 the employment for which credit is being established to the
26 date of payment.

1 (1) Subject to the limitation in subsection (i), a
2 security employee of the Department of Corrections may elect,
3 not later than July 1, 1998, to establish eligible creditable
4 service for up to 10 years of his or her service as a policeman
5 under Article 3, by filing a written election with the Board,
6 accompanied by payment of an amount to be determined by the
7 Board, equal to (i) the difference between the amount of
8 employee and employer contributions transferred to the System
9 under Section 3-110.5, and the amounts that would have been
10 contributed had such contributions been made at the rates
11 applicable to security employees of the Department of
12 Corrections, plus (ii) interest thereon at the effective rate
13 for each year, compounded annually, from the date of service
14 to the date of payment.

15 (1-5) Subject to the limitation in subsection (i) of this
16 Section, a State policeman may elect to establish eligible
17 creditable service for up to 5 years of service as a full-time
18 law enforcement officer employed by the federal government or
19 by a state or local government located outside of Illinois for
20 which credit is not held in any other public employee pension
21 fund or retirement system. To obtain this credit, the
22 applicant must file a written application with the Board no
23 later than 3 years after January 1, 2020 (the effective date of
24 Public Act 101-610), accompanied by evidence of eligibility
25 acceptable to the Board and payment of an amount to be
26 determined by the Board, equal to (1) employee contributions

1 for the credit being established, based upon the applicant's
2 salary on the first day as an alternative formula employee
3 after the employment for which credit is being established and
4 the rates then applicable to alternative formula employees,
5 plus (2) an amount determined by the Board to be the employer's
6 normal cost of the benefits accrued for the credit being
7 established, plus (3) regular interest on the amounts in items
8 (1) and (2) from the first day as an alternative formula
9 employee after the employment for which credit is being
10 established to the date of payment.

11 (m) The amendatory changes to this Section made by Public
12 Act 94-696 apply only to: (1) security employees of the
13 Department of Juvenile Justice employed by the Department of
14 Corrections before June 1, 2006 (the effective date of Public
15 Act 94-696) and transferred to the Department of Juvenile
16 Justice by Public Act 94-696; and (2) persons employed by the
17 Department of Juvenile Justice on or after June 1, 2006 (the
18 effective date of Public Act 94-696) who are required by
19 subsection (b) of Section 3-2.5-15 of the Unified Code of
20 Corrections to have any bachelor's or advanced degree from an
21 accredited college or university or, in the case of persons
22 who provide vocational training, who are required to have
23 adequate knowledge in the skill for which they are providing
24 the vocational training.

25 (n) A person employed in a position under subsection (b)
26 of this Section who has purchased service credit under

1 subsection (j) of Section 14-104 or subsection (b) of Section
2 14-105 in any other capacity under this Article may convert up
3 to 5 years of that service credit into service credit covered
4 under this Section by paying to the Fund an amount equal to (1)
5 the additional employee contribution required under Section
6 14-133, plus (2) the additional employer contribution required
7 under Section 14-131, plus (3) interest on items (1) and (2) at
8 the actuarially assumed rate from the date of the service to
9 the date of payment.

10 (o) Subject to the limitation in subsection (i), a
11 conservation police officer, investigator for the Secretary of
12 State, Commerce Commission police officer, investigator for
13 the Department of Revenue or the Illinois Gaming Board, or
14 arson investigator subject to subsection (g) of Section 1-160
15 may elect to convert up to 8 years of service credit
16 established before January 1, 2020 (the effective date of
17 Public Act 101-610) as a conservation police officer,
18 investigator for the Secretary of State, Commerce Commission
19 police officer, investigator for the Department of Revenue or
20 the Illinois Gaming Board, or arson investigator under this
21 Article into eligible creditable service by filing a written
22 election with the Board no later than one year after January 1,
23 2020 (the effective date of Public Act 101-610), accompanied
24 by payment of an amount to be determined by the Board equal to
25 (i) the difference between the amount of the employee
26 contributions actually paid for that service and the amount of

1 the employee contributions that would have been paid had the
2 employee contributions been made as a noncovered employee
3 serving in a position in which eligible creditable service, as
4 defined in this Section, may be earned, plus (ii) interest
5 thereon at the effective rate for each year, compounded
6 annually, from the date of service to the date of payment.

7 (p) Subject to the limitation in subsection (i), an
8 investigator for the Office of the Attorney General subject to
9 subsection (g) of Section 1-160 may elect to convert up to 8
10 years of service credit established before the effective date
11 of this amendatory Act of the 102nd General Assembly as an
12 investigator for the Office of the Attorney General under this
13 Article into eligible creditable service by filing a written
14 election with the Board no later than one year after the
15 effective date of this amendatory Act of the 102nd General
16 Assembly, accompanied by payment of an amount to be determined
17 by the Board equal to (i) the difference between the amount of
18 the employee contributions actually paid for that service and
19 the amount of the employee contributions that would have been
20 paid had the employee contributions been made as a noncovered
21 employee serving in a position in which eligible creditable
22 service, as defined in this Section, may be earned, plus (ii)
23 interest thereon at the effective rate for each year,
24 compounded annually, from the date of service to the date of
25 payment.

26 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;

1 102-956, eff. 5-27-22; 103-34, eff. 1-1-24.)

2 (40 ILCS 5/14-152.1)

3 Sec. 14-152.1. Application and expiration of new benefit
4 increases.

5 (a) As used in this Section, "new benefit increase" means
6 an increase in the amount of any benefit provided under this
7 Article, or an expansion of the conditions of eligibility for
8 any benefit under this Article, that results from an amendment
9 to this Code that takes effect after June 1, 2005 (the
10 effective date of Public Act 94-4). "New benefit increase",
11 however, does not include any benefit increase resulting from
12 the changes made to Article 1 or this Article by Public Act
13 96-37, Public Act 100-23, Public Act 100-587, Public Act
14 100-611, Public Act 101-10, Public Act 101-610, Public Act
15 102-210, Public Act 102-856, Public Act 102-956, or this
16 amendatory Act of the 104th General Assembly ~~this amendatory~~
17 ~~Act of the 102nd General Assembly.~~

18 (b) Notwithstanding any other provision of this Code or
19 any subsequent amendment to this Code, every new benefit
20 increase is subject to this Section and shall be deemed to be
21 granted only in conformance with and contingent upon
22 compliance with the provisions of this Section.

23 (c) The Public Act enacting a new benefit increase must
24 identify and provide for payment to the System of additional
25 funding at least sufficient to fund the resulting annual

1 increase in cost to the System as it accrues.

2 Every new benefit increase is contingent upon the General
3 Assembly providing the additional funding required under this
4 subsection. The Commission on Government Forecasting and
5 Accountability shall analyze whether adequate additional
6 funding has been provided for the new benefit increase and
7 shall report its analysis to the Public Pension Division of
8 the Department of Insurance. A new benefit increase created by
9 a Public Act that does not include the additional funding
10 required under this subsection is null and void. If the Public
11 Pension Division determines that the additional funding
12 provided for a new benefit increase under this subsection is
13 or has become inadequate, it may so certify to the Governor and
14 the State Comptroller and, in the absence of corrective action
15 by the General Assembly, the new benefit increase shall expire
16 at the end of the fiscal year in which the certification is
17 made.

18 (d) Every new benefit increase shall expire 5 years after
19 its effective date or on such earlier date as may be specified
20 in the language enacting the new benefit increase or provided
21 under subsection (c). This does not prevent the General
22 Assembly from extending or re-creating a new benefit increase
23 by law.

24 (e) Except as otherwise provided in the language creating
25 the new benefit increase, a new benefit increase that expires
26 under this Section continues to apply to persons who applied

1 and qualified for the affected benefit while the new benefit
2 increase was in effect and to the affected beneficiaries and
3 alternate payees of such persons, but does not apply to any
4 other person, including, without limitation, a person who
5 continues in service after the expiration date and did not
6 apply and qualify for the affected benefit while the new
7 benefit increase was in effect.

8 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
9 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
10 1-1-23; 102-956, eff. 5-27-22.)

11 Article 35.

12 Section 35-5. The Illinois Pension Code is amended by
13 changing Section 15-139.5 as follows:

14 (40 ILCS 5/15-139.5)

15 Sec. 15-139.5. Return to work by affected annuitant;
16 notice and contribution by employer.

17 (a) An employer who employs or re-employs a person
18 receiving a retirement annuity from the System in an academic
19 year beginning on or after August 1, 2013 must notify the
20 System of that employment within 60 days after employing the
21 annuitant. The notice must include a summary of the contract
22 of employment or specify the rate of compensation and the
23 anticipated length of employment of that annuitant. The notice

1 must specify whether the annuitant will be compensated from
2 federal, corporate, foundation, or trust funds or grants of
3 State funds that identify the principal investigator by name.
4 The notice must include the employer's determination of
5 whether or not the annuitant is an "affected annuitant" as
6 defined in subsection (b).

7 The employer must also record, document, and certify to
8 the System (i) the amount of compensation paid to the
9 annuitant for employment during the academic year, and (ii)
10 the amount of that compensation, if any, that comes from
11 either federal, corporate, foundation, or trust funds or
12 grants of State funds that identify the principal investigator
13 by name.

14 As used in this Section, "academic year" means the
15 12-month period beginning September 1.

16 For the purposes of this Section, an annuitant whose
17 employment by an employer extends over more than one academic
18 year shall be deemed to be re-employed by that employer in each
19 of those academic years.

20 The System may specify the time, form, and manner of
21 providing the determinations, notifications, certifications,
22 and documentation required under this Section.

23 (b) A person receiving a retirement annuity from the
24 System becomes an "affected annuitant" on the first day of the
25 academic year following the academic year in which the
26 annuitant first meets the following conditions:

1 (1) (Blank).

2 (2) While receiving a retirement annuity under this
3 Article, the annuitant was employed on or after August 1,
4 2013 by one or more employers under this Article and
5 received or became entitled to receive during an academic
6 year compensation for that employment in excess of 40% of
7 his or her highest annual earnings prior to retirement;
8 except that compensation paid from federal, corporate,
9 foundation, or trust funds or grants of State funds that
10 identify the principal investigator by name is excluded.

11 (3) The annuitant received an annualized retirement
12 annuity under this Article of at least \$10,000.

13 A person who becomes an affected annuitant remains an
14 affected annuitant, except for (i) any period during which the
15 person returns to active service and does not receive a
16 retirement annuity from the System or (ii) any period on or
17 after the effective date of this amendatory Act of the 100th
18 General Assembly during which an annuitant received an
19 annualized retirement annuity under this Article that is less
20 than \$10,000.

21 (c) It is the obligation of the employer to determine
22 whether an annuitant is an affected annuitant before employing
23 the annuitant. For that purpose the employer may require the
24 annuitant to disclose and document his or her relevant prior
25 employment and earnings history. Failure of the employer to
26 make this determination correctly and in a timely manner or to

1 include this determination with the notification required
2 under subsection (a) does not excuse the employer from making
3 the contribution required under subsection (e).

4 The System may assist the employer in determining whether
5 a person is an affected annuitant. The System shall inform the
6 employer if it discovers that the employer's determination is
7 inconsistent with the employment and earnings information in
8 the System's records.

9 (d) Upon the request of an annuitant, the System shall
10 certify to the annuitant or the employer the following
11 information as reported by the employers, as that information
12 is indicated in the records of the System: (i) the annuitant's
13 highest annual earnings prior to retirement, (ii) the
14 compensation paid for that employment in each academic year,
15 and (iii) whether any of that employment or compensation has
16 been certified to the System as being paid from federal,
17 corporate, foundation, or trust funds or grants of State funds
18 that identify the principal investigator by name. The System
19 shall only be required to certify information that is received
20 from the employers.

21 (e) In addition to the requirements of subsection (a), an
22 employer who employs an affected annuitant must pay to the
23 System an employer contribution in the amount and manner
24 provided in this Section, unless the annuitant is compensated
25 by that employer solely from federal, corporate, foundation,
26 or trust funds or grants of State funds that identify the

1 principal investigator by name.

2 The employer contribution required under this Section for
3 employment of an affected annuitant in an academic year shall
4 be equal to 12 times the amount of the gross monthly retirement
5 annuity payable to the annuitant for the month in which the
6 first paid day of that employment in that academic year
7 occurs, after any reduction in that annuity that may be
8 imposed under subsection (b) of Section 15-139.

9 If an affected annuitant is employed by more than one
10 employer in an academic year, the employer contribution
11 required under this Section shall be divided among those
12 employers in proportion to their respective portions of the
13 total compensation paid to the affected annuitant for that
14 employment during that academic year.

15 If the System determines that an employer, without
16 reasonable justification, has failed to make the determination
17 of affected annuitant status correctly and in a timely manner,
18 or has failed to notify the System or to correctly document or
19 certify to the System any of the information required by this
20 Section, and that failure results in a delayed determination
21 by the System that a contribution is payable under this
22 Section, then the amount of that employer's contribution
23 otherwise determined under this Section shall be doubled.

24 The System shall deem a failure to correctly determine the
25 annuitant's status to be justified if the employer establishes
26 to the System's satisfaction that the employer, after due

1 diligence, made an erroneous determination that the annuitant
2 was not an affected annuitant due to reasonable reliance on
3 false or misleading information provided by the annuitant or
4 another employer, or an error in the annuitant's official
5 employment or earnings records.

6 (f) Whenever the System determines that an employer is
7 liable for a contribution under this Section, it shall so
8 notify the employer and certify the amount of the
9 contribution. The employer may pay the required contribution
10 without interest at any time within one year after receipt of
11 the certification. If the employer fails to pay within that
12 year, then interest shall be charged at a rate equal to the
13 System's prescribed rate of interest, compounded annually from
14 the 366th day after receipt of the certification from the
15 System. Payment must be concluded within 2 years after receipt
16 of the certification by the employer. If the employer fails to
17 make complete payment, including applicable interest, within 2
18 years, then the System may, after giving notice to the
19 employer, certify the delinquent amount to the State
20 Comptroller, and the Comptroller shall thereupon deduct the
21 certified delinquent amount from State funds payable to the
22 employer and pay them instead to the System.

23 (g) If an employer is required to make a contribution to
24 the System as a result of employing an affected annuitant and
25 the annuitant later elects to forgo his or her annuity in that
26 same academic year pursuant to subsection (c) of Section

1 15-139, then the required contribution by the employer shall
2 be waived, and if the contribution has already been paid, it
3 shall be refunded to the employer without interest.

4 (h) Notwithstanding any other provision of this Article,
5 the employer contribution required under this Section shall
6 not be included in the determination of any benefit under this
7 Article or any other Article of this Code, regardless of
8 whether the annuitant returns to active service, and is in
9 addition to any other State or employer contribution required
10 under this Article.

11 (i) Notwithstanding any other provision of this Section to
12 the contrary, if an employer employs an affected annuitant in
13 order to continue critical operations in the event of either
14 an employee's unforeseen illness, accident, or death or a
15 catastrophic incident or disaster, then, for one and only one
16 academic year, the employer is not required to pay the
17 contribution set forth in this Section for that annuitant. The
18 employer shall, however, immediately notify the System upon
19 employing a person subject to this subsection (i). For the
20 purposes of this subsection (i), "critical operations" means
21 teaching services, medical services, student welfare services,
22 and any other services that are critical to the mission of the
23 employer.

24 (i-5) An employer that is liable for aggregate
25 contributions under this Section in excess of \$300,000 for
26 employing the same affected annuitant during academic years

1 2021, 2022, and 2023 shall receive a credit for said
2 contributions made by the employer against future
3 contributions or penalties owed to the System by the employer.

4 (j) This Section shall be applied and coordinated with the
5 regulatory obligations contained in the State Universities
6 Civil Service Act. This Section shall not apply to an
7 annuitant if the employer of that annuitant provides
8 documentation to the System that (1) the annuitant is employed
9 in a status appointment position, as that term is defined in 80
10 Ill. Adm. Code 250.80, and (2) due to obligations contained
11 under the State Universities Civil Service Act, the employer
12 does not have the ability to limit the earnings or duration of
13 employment for the annuitant while employed in the status
14 appointment position.

15 (Source: P.A. 100-556, eff. 12-8-17.)

16 Article 36.

17 Section 36-5. The Illinois Pension Code is amended by
18 changing Section 7-132 as follows:

19 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

20 Sec. 7-132. Municipalities, instrumentalities and
21 participating instrumentalities included and effective dates.

22 (A) Municipalities and their instrumentalities.

1 (a) The following described municipalities, but not
2 including any with more than 1,000,000 inhabitants, and the
3 instrumentalities thereof, shall be included within and be
4 subject to this Article beginning upon the effective dates
5 specified by the Board:

6 (1) Except as to the municipalities and
7 instrumentalities thereof specifically excluded under this
8 Article, every county shall be subject to this Article,
9 and all cities, villages and incorporated towns having a
10 population in excess of 5,000 inhabitants as determined by
11 the last preceding decennial or subsequent federal census,
12 shall be subject to this Article following publication of
13 the census by the Bureau of the Census. Within 90 days
14 after publication of the census, the Board shall notify
15 any municipality that has become subject to this Article
16 as a result of that census, and shall provide information
17 to the corporate authorities of the municipality
18 explaining the duties and consequences of participation.
19 The notification shall also include a proposed date upon
20 which participation by the municipality will commence.

21 However, for any city, village or incorporated town
22 that attains a population over 5,000 inhabitants after
23 having provided social security coverage for its employees
24 under the Social Security Enabling Act, participation
25 under this Article shall not be mandatory but may be
26 elected in accordance with subparagraph (3) or (4) of this

1 paragraph (a), whichever is applicable.

2 (2) School districts, other than those specifically
3 excluded under this Article, shall be subject to this
4 Article, without election, with respect to all employees
5 thereof.

6 (3) Towns and all other bodies politic and corporate
7 which are formed by vote of, or are subject to control by,
8 the electors in towns and are located in towns which are
9 not participating municipalities on the effective date of
10 this Act, may become subject to this Article by election
11 pursuant to Section 7-132.1.

12 (4) Any other municipality (together with its
13 instrumentalities), other than those specifically excluded
14 from participation and those described in paragraph (3)
15 above, may elect to be included either by referendum under
16 Section 7-134 or by the adoption of a resolution or
17 ordinance by its governing body. A copy of such resolution
18 or ordinance duly authenticated and certified by the clerk
19 of the municipality or other appropriate official of its
20 governing body shall constitute the required notice to the
21 board of such action.

22 (b) A municipality that is about to begin participation
23 shall submit to the Board an application to participate, in a
24 form acceptable to the Board, not later than 90 days prior to
25 the proposed effective date of participation. The Board shall
26 act upon the application within 90 days, and if it finds that

1 the application is in conformity with its requirements and the
2 requirements of this Article, participation by the applicant
3 shall commence on a date acceptable to the municipality and
4 specified by the Board, but in no event more than one year from
5 the date of application.

6 (c) A participating municipality which succeeds to the
7 functions of a participating municipality which is dissolved
8 or terminates its existence shall assume and be transferred
9 the net accumulation balance in the municipality reserve and
10 the municipality account receivable balance of the terminated
11 municipality.

12 (d) In the case of a Veterans Assistance Commission whose
13 employees were being treated by the Fund on January 1, 1990 as
14 employees of the county served by the Commission, the Fund may
15 continue to treat the employees of the Veterans Assistance
16 Commission as county employees for the purposes of this
17 Article, unless the Commission becomes a participating
18 instrumentality in accordance with subsection (B) of this
19 Section.

20 (B) Participating instrumentalities.

21 (a) The participating instrumentalities designated in
22 paragraph (b) of this subsection shall be included within and
23 be subject to this Article if:

24 (1) an application to participate, in a form
25 acceptable to the Board and adopted by a two-thirds vote

1 of the governing body, is presented to the Board not later
2 than 90 days prior to the proposed effective date; and

3 (2) the Board finds that the application is in
4 conformity with its requirements, that the applicant has
5 reasonable expectation to continue as a political entity
6 for a period of at least 10 years and has the prospective
7 financial capacity to meet its current and future
8 obligations to the Fund, and that the actuarial soundness
9 of the Fund may be reasonably expected to be unimpaired by
10 approval of participation by the applicant.

11 The Board shall notify the applicant of its findings
12 within 90 days after receiving the application, and if the
13 Board approves the application, participation by the applicant
14 shall commence on the effective date specified by the Board.

15 (b) The following participating instrumentalities, so long
16 as they meet the requirements of Section 7-108 and the area
17 served by them or within their jurisdiction is not located
18 entirely within a municipality having more than one million
19 inhabitants, may be included hereunder:

20 i. Township School District Trustees.

21 ii. Multiple County and Consolidated Health
22 Departments created under Division 5-25 of the Counties
23 Code or its predecessor law.

24 iii. Public Building Commissions created under the
25 Public Building Commission Act, and located in counties of
26 less than 1,000,000 inhabitants.

1 iv. A multitype, consolidated or cooperative library
2 system created under the Illinois Library System Act. Any
3 library system created under the Illinois Library System
4 Act that has one or more predecessors that participated in
5 the Fund may participate in the Fund upon application. The
6 Board shall establish procedures for implementing the
7 transfer of rights and obligations from the predecessor
8 system to the successor system.

9 v. Regional Planning Commissions created under
10 Division 5-14 of the Counties Code or its predecessor law.

11 vi. Local Public Housing Authorities created under the
12 Housing Authorities Act, located in counties of less than
13 1,000,000 inhabitants.

14 vii. Illinois Municipal League.

15 viii. Northeastern Illinois Metropolitan Area Planning
16 Commission.

17 ix. Southwestern Illinois Metropolitan Area Planning
18 Commission.

19 x. Illinois Association of Park Districts.

20 xi. Illinois Supervisors, County Commissioners and
21 Superintendents of Highways Association.

22 xii. Tri-City Regional Port District.

23 xiii. An association, or not-for-profit corporation,
24 membership in which is authorized under Section 85-15 of
25 the Township Code.

26 xiv. Drainage Districts operating under the Illinois

1 Drainage Code.

2 xv. Local mass transit districts created under the
3 Local Mass Transit District Act.

4 xvi. Soil and water conservation districts created
5 under the Soil and Water Conservation Districts Law.

6 xvii. Commissions created to provide water supply or
7 sewer services or both under Division 135 or Division 136
8 of Article 11 of the Illinois Municipal Code.

9 xviii. Public water districts created under the Public
10 Water District Act.

11 xix. Veterans Assistance Commissions established under
12 Section 9 of the Military Veterans Assistance Act that
13 serve counties with a population of less than 1,000,000.

14 xx. The governing body of an entity, other than a
15 vocational education cooperative, created under an
16 intergovernmental cooperative agreement established
17 between participating municipalities under the
18 Intergovernmental Cooperation Act, which by the terms of
19 the agreement is the employer of the persons performing
20 services under the agreement under the usual common law
21 rules determining the employer-employee relationship. The
22 governing body of such an intergovernmental cooperative
23 entity established prior to July 1, 1988 may make
24 participation retroactive to the effective date of the
25 agreement and, if so, the effective date of participation
26 shall be the date the required application is filed with

1 the fund. If any such entity is unable to pay the required
2 employer contributions to the fund, then the participating
3 municipalities shall make payment of the required
4 contributions and the payments shall be allocated as
5 provided in the agreement or, if not so provided, equally
6 among them.

7 xxi. The Illinois Municipal Electric Agency.

8 xxii. The Waukegan Port District.

9 xxiii. The Fox Waterway Agency created under the Fox
10 Waterway Agency Act.

11 xxiv. The Illinois Municipal Gas Agency.

12 xxv. The Kaskaskia Regional Port District.

13 xxvi. The Southwestern Illinois Development Authority.

14 xxvii. The Cairo Public Utility Company.

15 xxviii. Except with respect to employees who elect to
16 participate in the State Employees' Retirement System of
17 Illinois under Section 14-104.13 of this Code, the Chicago
18 Metropolitan Agency for Planning created under the
19 Regional Planning Act, provided that, with respect to the
20 benefits payable pursuant to Sections 7-146, 7-150, and
21 7-164 and the requirement that eligibility for such
22 benefits is conditional upon satisfying a minimum period
23 of service or a minimum contribution, any employee of the
24 Chicago Metropolitan Agency for Planning that was
25 immediately prior to such employment an employee of the
26 Chicago Area Transportation Study or the Northeastern

1 Illinois Planning Commission, such employee's service at
2 the Chicago Area Transportation Study or the Northeastern
3 Illinois Planning Commission and contributions to the
4 State Employees' Retirement System of Illinois established
5 under Article 14 and the Illinois Municipal Retirement
6 Fund shall count towards the satisfaction of such
7 requirements.

8 xxix. United Counties Council (formerly the Urban
9 Counties Council), but only if the Council has a ruling
10 from the United States Internal Revenue Service that it is
11 a governmental entity.

12 xxx. The Will County Governmental League, but only if
13 the League has a ruling from the United States Internal
14 Revenue Service that it is a governmental entity.

15 xxxi. The Firefighters' Pension Investment Fund.

16 xxxii. The Police Officers' Pension Investment Fund.

17 xxxiii. The Joliet Regional Port District.

18 (c) The governing boards of special education joint
19 agreements created under Section 10-22.31 of the School Code
20 without designation of an administrative district shall be
21 included within and be subject to this Article as
22 participating instrumentalities when the joint agreement
23 becomes effective. However, the governing board of any such
24 special education joint agreement in effect before September
25 5, 1975 shall not be subject to this Article unless the joint
26 agreement is modified by the school districts to provide that

1 the governing board is subject to this Article, except as
2 otherwise provided by this Section.

3 The governing board of the Special Education District of
4 Lake County shall become subject to this Article as a
5 participating instrumentality on July 1, 1997. Notwithstanding
6 subdivision (a)1 of Section 7-139, on the effective date of
7 participation, employees of the governing board of the Special
8 Education District of Lake County shall receive creditable
9 service for their prior service with that employer, up to a
10 maximum of 5 years, without any employee contribution.
11 Employees may establish creditable service for the remainder
12 of their prior service with that employer, if any, by applying
13 in writing and paying an employee contribution in an amount
14 determined by the Fund, based on the employee contribution
15 rates in effect at the time of application for the creditable
16 service and the employee's salary rate on the effective date
17 of participation for that employer, plus interest at the
18 effective rate from the date of the prior service to the date
19 of payment. Application for this creditable service must be
20 made before July 1, 1998; the payment may be made at any time
21 while the employee is still in service. The employer may elect
22 to make the required contribution on behalf of the employee.

23 The governing board of a special education joint agreement
24 created under Section 10-22.31 of the School Code for which an
25 administrative district has been designated, if there are
26 employees of the cooperative educational entity who are not

1 employees of the administrative district, may elect to
2 participate in the Fund and be included within this Article as
3 a participating instrumentality, subject to such application
4 procedures and rules as the Board may prescribe.

5 The Boards of Control of cooperative or joint educational
6 programs or projects created and administered under Section
7 3-15.14 of the School Code, whether or not the Boards act as
8 their own administrative district, shall be included within
9 and be subject to this Article as participating
10 instrumentalities when the agreement establishing the
11 cooperative or joint educational program or project becomes
12 effective.

13 The governing board of a special education joint agreement
14 entered into after June 30, 1984 and prior to September 17,
15 1985 which provides for representation on the governing board
16 by less than all the participating districts shall be included
17 within and subject to this Article as a participating
18 instrumentality. Such participation shall be effective as of
19 the date the joint agreement becomes effective.

20 The governing boards of educational service centers
21 established under Section 2-3.62 of the School Code shall be
22 included within and subject to this Article as participating
23 instrumentalities. The governing boards of vocational
24 education cooperative agreements created under the
25 Intergovernmental Cooperation Act and approved by the State
26 Board of Education shall be included within and be subject to

1 this Article as participating instrumentalities. If any such
2 governing boards or boards of control are unable to pay the
3 required employer contributions to the fund, then the school
4 districts served by such boards shall make payment of required
5 contributions as provided in Section 7-172. The payments shall
6 be allocated among the several school districts in proportion
7 to the number of students in average daily attendance for the
8 last full school year for each district in relation to the
9 total number of students in average attendance for such period
10 for all districts served. If such educational service centers,
11 vocational education cooperatives or cooperative or joint
12 educational programs or projects created and administered
13 under Section 3-15.14 of the School Code are dissolved, the
14 assets and obligations shall be distributed among the
15 districts in the same proportions unless otherwise provided.

16 The governing board of Paris Cooperative High School shall
17 be included within and be subject to this Article as a
18 participating instrumentality on the effective date of this
19 amendatory Act of the 96th General Assembly. If the governing
20 board of Paris Cooperative High School is unable to pay the
21 required employer contributions to the fund, then the school
22 districts served shall make payment of required contributions
23 as provided in Section 7-172. The payments shall be allocated
24 among the several school districts in proportion to the number
25 of students in average daily attendance for the last full
26 school year for each district in relation to the total number

1 of students in average attendance for such period for all
2 districts served. If Paris Cooperative High School is
3 dissolved, then the assets and obligations shall be
4 distributed among the districts in the same proportions unless
5 otherwise provided.

6 The Philip J. Rock Center and School shall be included
7 within and be subject to this Article as a participating
8 instrumentality on the effective date of this amendatory Act
9 of the 97th General Assembly. The Philip J. Rock Center and
10 School shall certify to the Fund the dates of service of all
11 employees within 90 days of the effective date of this
12 amendatory Act of the 97th General Assembly. The Fund shall
13 transfer to the IMRF account of the Philip J. Rock Center and
14 School all creditable service and all employer contributions
15 made on behalf of the employees for service at the Philip J.
16 Rock Center and School that were reported and paid to IMRF by
17 another employer prior to this date. If the Philip J. Rock
18 Center and School is unable to pay the required employer
19 contributions to the Fund, then the amount due will be paid by
20 all employers as defined in item (2) of paragraph (a) of
21 subsection (A) of this Section. The payments shall be
22 allocated among these employers in proportion to the number of
23 students in average daily attendance for the last full school
24 year for each district in relation to the total number of
25 students in average attendance for such period for all
26 districts. If the Philip J. Rock Center and School is

1 dissolved, then its IMRF assets and obligations shall be
2 distributed in the same proportions unless otherwise provided.

3 Financial Oversight Panels established under Article 1H of
4 the School Code shall be included within and be subject to this
5 Article as a participating instrumentality on the effective
6 date of this amendatory Act of the 97th General Assembly. If
7 the Financial Oversight Panel is unable to pay the required
8 employer contributions to the fund, then the school districts
9 served shall make payment of required contributions as
10 provided in Section 7-172. If the Financial Oversight Panel is
11 dissolved, then the assets and obligations shall be
12 distributed to the district served.

13 (d) The governing boards of special recreation joint
14 agreements created under Section 8-10b of the Park District
15 Code, operating without designation of an administrative
16 district or an administrative municipality appointed to
17 administer the program operating under the authority of such
18 joint agreement shall be included within and be subject to
19 this Article as participating instrumentalities when the joint
20 agreement becomes effective. However, the governing board of
21 any such special recreation joint agreement in effect before
22 January 1, 1980 shall not be subject to this Article unless the
23 joint agreement is modified, by the districts and
24 municipalities which are parties to the agreement, to provide
25 that the governing board is subject to this Article.

26 If the Board returns any employer and employee

1 contributions to any employer which erroneously submitted such
2 contributions on behalf of a special recreation joint
3 agreement, the Board shall include interest computed from the
4 end of each year to the date of payment, not compounded, at the
5 rate of 7% per annum.

6 (e) Each multi-township assessment district, the board of
7 trustees of which has adopted this Article by ordinance prior
8 to April 1, 1982, shall be a participating instrumentality
9 included within and subject to this Article effective December
10 1, 1981. The contributions required under Section 7-172 shall
11 be included in the budget prepared under and allocated in
12 accordance with Section 2-30 of the Property Tax Code.

13 (f) The Illinois Medical District Commission created under
14 the Illinois Medical District Act may be included within and
15 subject to this Article as a participating instrumentality,
16 notwithstanding that the location of the District is entirely
17 within the City of Chicago. To become a participating
18 instrumentality, the Commission must apply to the Board in the
19 manner set forth in paragraph (a) of this subsection (B). If
20 the Board approves the application, under the criteria and
21 procedures set forth in paragraph (a) and any other applicable
22 rules, criteria, and procedures of the Board, participation by
23 the Commission shall commence on the effective date specified
24 by the Board.

25 (C) Prospective participants.

Beginning January 1, 1992, each prospective participating municipality or participating instrumentality shall pay to the Fund the cost, as determined by the Board, of a study prepared by the Fund or its actuary, detailing the prospective costs of participation in the Fund to be expected by the municipality or instrumentality.

(Source: P.A. 102-637, eff. 8-27-21.)

Article 99.

Section 99-90. The State Mandates Act is amended by adding Section 8.49 as follows:

(30 ILCS 805/8.49 new)

Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 104th General Assembly.

Section 99-99. Effective date. This Article and Articles 1, 9, 11, 12, 15, 26, 33, 34, 35, and 36 take effect upon becoming law.