

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 16-128 as follows:

6 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

7 Sec. 16-128. Creditable service; required ~~service~~
8 ~~required~~ contributions.

9 (a) In order to receive the creditable service specified
10 under subsection (b) of Section 16-127, a member is required
11 to make the following contributions: (i) an amount equal to
12 the contributions which would have been required had such
13 service been rendered as a member under this System; (ii) for
14 military service not immediately following employment and for
15 service established under subdivision (b)(10) of Section
16 16-127, an amount determined by the Board to be equal to the
17 employer's normal cost of the benefits accrued for such
18 service; and (iii) interest from the date the contributions
19 would have been due (or, in the case of a person establishing
20 credit for military service under subdivision (b)(3) of
21 Section 16-127, the date of first membership in the System, if
22 that date is later) to the date of payment, at the following
23 rate of interest, compounded annually: for periods prior to

1 July 1, 1965, regular interest; from July 1, 1965 to June 30,
2 1977, 4% per year; on and after July 1, 1977, regular interest.

3 (b) In order to receive creditable service under paragraph
4 (2) of subsection (b) of Section 16-127 for those who were not
5 members on June 30, 1963, the minimum required contribution
6 shall be \$420 per year of service together with interest at 4%
7 per year compounded annually from July 1, preceding the date
8 of membership until June 30, 1977 and at regular interest
9 compounded annually thereafter to the date of payment.

10 (c) In determining the contribution required in order to
11 receive creditable service under paragraph (3) of subsection
12 (b) of Section 16-127, the salary rate for the remainder of the
13 school term in which a member enters military service shall be
14 assumed to be equal to the member's salary rate at the time of
15 entering military service. However, for military service not
16 immediately following employment, the salary rate on the last
17 date as a participating teacher prior to such military
18 service, or on the first date as a participating teacher after
19 such military service, whichever is greater, shall be assumed
20 to be equal to the member's salary rate at the time of entering
21 military service. For each school term thereafter, the
22 member's salary rate shall be assumed to be 5% higher than the
23 salary rate in the previous school term.

24 (d) In determining the contribution required in order to
25 receive creditable service under paragraph (5) of subsection
26 (b) of Section 16-127, a member's salary rate during the

1 period for which credit is being established shall be assumed
2 to be equal to the member's last salary rate immediately
3 preceding that period.

4 (d-5) For each year of service credit to be established
5 under subsection (b-1) of Section 16-127, a member is required
6 to contribute to the System (i) the employee and employer
7 contribution that would have been required had such service
8 been rendered as a member based on the annual salary rate
9 during the first year of full-time employment as a teacher
10 under this Article following the private or parochial school
11 service, plus (ii) regular interest thereon ~~at the actuarially~~
12 ~~assumed rate~~ from the date of first full-time employment as a
13 teacher under this Article following the private or parochial
14 school service to the date of payment, compounded annually, at
15 a rate determined by the Board.

16 (d-10) For service credit established under paragraph (6)
17 of subsection (b) of Section 16-127 for days granted by an
18 employer in excess of the member's normal annual sick leave
19 allotment, the employer is required to pay the normal cost of
20 benefits based upon such service credit. This subsection
21 (d-10) does not apply to sick leave granted to teachers under
22 contracts or collective bargaining agreements entered into,
23 amended, or renewed before June 1, 2005 (the effective date of
24 Public Act 94-4). The employer contributions required under
25 this subsection (d-10) shall be paid in the form of a lump sum
26 within 30 days after receipt of the bill after the teacher

1 begins receiving benefits under this Article.

2 (e) Except for contributions under subsection (d-10), the
3 contributions required under this Section may be made from the
4 date the statement for such creditable service is issued until
5 retirement date. All such required contributions must be made
6 before any retirement annuity is granted.

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