

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 5.

5 Section 5-5. The Illinois Pension Code is amended by
6 changing Sections 2-121.3, 7-141, 14-121.1, 15-135, 16-142.3,
7 and 18-128.3 as follows:

8 (40 ILCS 5/2-121.3) (from Ch. 108 1/2, par. 2-121.3)

9 Sec. 2-121.3. Required distributions.

10 (a) A person who would be eligible to receive a survivor's
11 annuity under this Article but for the fact that the person has
12 not yet attained age 50, shall be eligible for a monthly
13 distribution under this subsection (a), provided that the
14 payment of such distribution is required by federal law.

15 The distribution shall become payable on (i) July 1, 1987,
16 (ii) December 1 of the calendar year immediately following the
17 calendar year in which the deceased spouse died, or (iii)
18 December 1 of the calendar year in which the deceased spouse
19 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
20 shall remain payable until the first of the following to
21 occur: (1) the person becomes eligible to receive a survivor's
22 annuity under this Article; (2) the end of the month in which

1 the person ceases to be eligible to receive a survivor's
2 annuity upon attainment of age 50, due to remarriage or death;
3 or (3) the end of the month in which such distribution ceases
4 to be required by federal law.

5 The amount of the distribution shall be fixed at the time
6 the distribution first becomes payable, and shall be
7 calculated in the same manner as a survivor's annuity under
8 Sections 2-121, 2-121.1 and 2-121.2, but excluding: (A) any
9 requirement for an application for the distribution; (B) any
10 automatic annual increases, supplemental increases, or
11 one-time increases that may be provided by law for survivor's
12 annuities; and (C) any lump-sum or death benefit.

13 (b) For the purpose of this Section, a distribution shall
14 be deemed to be required by federal law if: (1) directly
15 mandated by federal statute, rule, or administrative or court
16 decision; or (2) indirectly mandated through imposition of
17 substantial tax or other penalties for noncompliance.

18 (c) Notwithstanding Section 1-103.1 of this Code, a member
19 need not be in service on or after the effective date of this
20 amendatory Act of 1989 for the member's surviving spouse to be
21 eligible for a distribution under this Section.

22 (Source: P.A. 86-273.)

23 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

24 Sec. 7-141. Retirement annuities; conditions ~~annuities~~
25 ~~Conditions~~. Retirement annuities shall be payable as

1 hereinafter set forth:

2 (a) A participating employee who, regardless of cause, is
3 separated from the service of all participating municipalities
4 and instrumentalities thereof and participating
5 instrumentalities shall be entitled to a retirement annuity
6 provided:

7 1. He is at least age 55, or in the case of a person
8 who is eligible to have his annuity calculated under
9 Section 7-142.1, he is at least age 50;

10 2. He is not entitled to receive earnings for
11 employment in a position requiring him, or entitling him
12 to elect, to be a participating employee;

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

16 4. If he first became a participating employee after
17 December 31, 1961, he has at least 8 years of service. This
18 service requirement shall not apply to any participating
19 employee, regardless of participation date, if the General
20 Assembly terminates the Fund.

21 (b) Retirement annuities shall be payable:

22 1. As provided in Section 7-119;

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

1 3. Upon attainment of the required age of distribution
2 under Section 401(a)(9) of the Internal Revenue Code of
3 1986, as amended, age 70 1/2 if the member (i) is no longer
4 in service, and (ii) is otherwise entitled to an annuity
5 under this Article;

6 4. To the beneficiary of the deceased annuitant for
7 the unpaid amount accrued to date of death, if any.
8 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

9 (40 ILCS 5/14-121.1) (from Ch. 108 1/2, par. 14-121.1)
10 Sec. 14-121.1. Required distributions.

11 (a) A person who would be eligible to receive a widow's or
12 survivor's annuity under this Article but for the fact that
13 the person has not yet attained age 50, shall be eligible for a
14 monthly distribution under this subsection (a), provided that
15 the payment of such distribution is required by federal law.

16 The distribution shall become payable on (i) July 1, 1987,
17 (ii) December 1 of the calendar year immediately following the
18 calendar year in which the deceased spouse died, or (iii)
19 December 1 of the calendar year in which the deceased spouse
20 would have attained age 72 ~~70 1/2~~, whichever occurs last, and
21 shall remain payable until the first of the following to
22 occur: (1) the person becomes eligible to receive a widow's or
23 survivor's annuity under this Article; (2) the end of the
24 month in which the person ceases to be eligible to receive a
25 widow's or survivor's annuity upon attainment of age 50, due

1 to remarriage or death; or (3) the end of the month in which
2 such distribution ceases to be required by federal law.

3 The amount of the distribution shall be fixed at the time
4 the distribution first becomes payable, and shall be
5 calculated in the same manner as a survivor's annuity under
6 Sections 14-120, 14-121 and 14-122 (or, in the case of a person
7 who has elected to receive a widow's annuity instead of a
8 survivor's annuity, in the same manner as the widow's annuity
9 under Sections 14-118 and 14-119), but excluding: (A) any
10 requirement for an application for the distribution; (B) any
11 automatic annual increases, supplemental increases, or
12 one-time increases that may be provided by law for survivor's
13 or widow's annuities; and (C) any lump-sum or death benefit.

14 (b) For the purpose of this Section, a distribution shall
15 be deemed to be required by federal law if: (1) directly
16 mandated by federal statute, rule, or administrative or court
17 decision; or (2) indirectly mandated through imposition of
18 substantial tax or other penalties for noncompliance.

19 (c) Notwithstanding Section 1-103.1 of this Code, a member
20 need not be in service on or after the effective date of this
21 amendatory Act of 1989 for the member's surviving spouse to be
22 eligible for a distribution under this Section.

23 (Source: P.A. 86-273.)

24 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

25 Sec. 15-135. Retirement annuities; conditions ~~annuities~~

1 ~~Conditions.~~

2 (a) This subsection (a) applies only to a Tier 1 member. A
3 participant who retires in one of the following specified
4 years with the specified amount of service is entitled to a
5 retirement annuity at any age under the retirement program
6 applicable to the participant:

7 35 years if retirement is in 1997 or before;

8 34 years if retirement is in 1998;

9 33 years if retirement is in 1999;

10 32 years if retirement is in 2000;

11 31 years if retirement is in 2001;

12 30 years if retirement is in 2002 or later.

13 A participant with 8 or more years of service after
14 September 1, 1941, is entitled to a retirement annuity on or
15 after attainment of age 55.

16 A participant with at least 5 but less than 8 years of
17 service after September 1, 1941, is entitled to a retirement
18 annuity on or after attainment of age 62.

19 A participant who has at least 25 years of service in this
20 system as a police officer or firefighter is entitled to a
21 retirement annuity on or after the attainment of age 50, if
22 Rule 4 of Section 15-136 is applicable to the participant.

23 (a-5) A Tier 2 member is entitled to a retirement annuity
24 upon written application if he or she has attained age 67 and
25 has at least 10 years of service credit and is otherwise
26 eligible under the requirements of this Article. A Tier 2

1 member who has attained age 62 and has at least 10 years of
2 service credit and is otherwise eligible under the
3 requirements of this Article may elect to receive the lower
4 retirement annuity provided in subsection (b-5) of Section
5 15-136 of this Article.

6 (a-10) A Tier 2 member who has at least 20 years of service
7 in this system as a police officer or firefighter is entitled
8 to a retirement annuity upon written application on or after
9 the attainment of age 60 if Rule 4 of Section 15-136 is
10 applicable to the participant. The changes made to this
11 subsection by this amendatory Act of the 101st General
12 Assembly apply retroactively to January 1, 2011.

13 (b) The annuity payment period shall begin on the date
14 specified by the participant or the recipient of a disability
15 retirement annuity submitting a written application. For a
16 participant, the date on which the annuity payment period
17 begins shall not be prior to termination of employment or more
18 than one year before the application is received by the board;
19 however, if the participant is not an employee of an employer
20 participating in this System or in a participating system as
21 defined in Article 20 of this Code on April 1 of the calendar
22 year next following the calendar year in which the participant
23 attains the age specified under Section 401(a)(9) of the
24 Internal Revenue Code of 1986, as amended 70-1/2, the annuity
25 payment period shall begin on that date regardless of whether
26 an application has been filed. For a recipient of a disability

1 retirement annuity, the date on which the annuity payment
2 period begins shall not be prior to the discontinuation of the
3 disability retirement annuity under Section 15-153.2.

4 (c) An annuity is not payable if the amount provided under
5 Section 15-136 is less than \$10 per month.

6 (Source: P.A. 100-556, eff. 12-8-17; 101-610, eff. 1-1-20.)

7 (40 ILCS 5/16-142.3) (from Ch. 108 1/2, par. 16-142.3)

8 Sec. 16-142.3. Required distributions.

9 (a) A person who would be eligible to receive a monthly
10 survivor benefit under this Article but for the fact that the
11 person has not yet attained age 50, and who has not elected to
12 receive a lump sum distribution under subsection (a) of
13 Section 16-141, shall be eligible for a monthly distribution
14 under this subsection (a), provided that the payment of such
15 distribution is required by federal law.

16 The distribution shall become payable on (i) July 1, 1987,
17 (ii) December 1 of the calendar year immediately following the
18 calendar year in which the member or annuitant died, or (iii)
19 December 1 of the calendar year in which the deceased member or
20 annuitant would have attained age 72 ~~70-1/2~~, whichever occurs
21 latest, and shall remain payable until the first of the
22 following to occur: (1) the person becomes eligible to receive
23 a monthly survivor benefit under this Article; (2) the day
24 following the date on which the member ceases to be eligible to
25 receive a monthly survivor benefit upon attainment of age 50,

1 due to remarriage or death; or (3) the day on which such
2 distribution ceases to be required by federal law.

3 The amount of the distribution shall be fixed at the time
4 the distribution first becomes payable, and shall be
5 calculated in the same manner as the monthly survivor benefit
6 under Sections 16-141, 16-142, 16-142.1 and 16-142.2, but
7 excluding any automatic annual increases, supplemental
8 increases, or one-time increases that may be provided by law
9 for monthly survivor benefits.

10 (b) For the purpose of this Section, a distribution shall
11 be deemed to be required by federal law if: (1) directly
12 mandated by federal statute, rule, or administrative or court
13 decision; or (2) indirectly mandated through imposition of
14 substantial tax or other penalties for noncompliance.

15 (c) Notwithstanding Section 1-103.1 of this Code, a member
16 need not be in service on or after the effective date of this
17 amendatory Act of 1989 for the member's surviving spouse to be
18 eligible for a distribution under this Section.

19 (Source: P.A. 86-273.)

20 (40 ILCS 5/18-128.3) (from Ch. 108 1/2, par. 18-128.3)

21 Sec. 18-128.3. Required distributions.

22 (a) A person who would be eligible to receive a survivor's
23 annuity under this Article but for the fact that the person has
24 not yet attained age 50, shall be eligible for a monthly
25 distribution under this subsection (a), provided that the

1 payment of such distribution is required by federal law.

2 The distribution shall become payable on (i) July 1, 1987,
3 (ii) December 1 of the calendar year immediately following the
4 calendar year in which the deceased spouse died, or (iii)
5 December 1 of the calendar year in which the deceased spouse
6 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
7 shall remain payable until the first of the following to
8 occur: (1) the person becomes eligible to receive a survivor's
9 annuity under this Article; (2) the end of the month in which
10 the person ceases to be eligible to receive a survivor's
11 annuity upon attainment of age 50, due to remarriage or death;
12 or (3) the end of the month in which such distribution ceases
13 to be required by federal law.

14 The amount of the distribution shall be fixed at the time
15 the distribution first becomes payable, and shall be
16 calculated in the same manner as a survivor's annuity under
17 Sections 18-128 through 18-128.2, but excluding: (A) any
18 requirement for an application for the distribution; (B) any
19 automatic annual increases, supplemental increases, or
20 one-time increases that may be provided by law for survivor's
21 annuities; and (C) any lump-sum or death benefit.

22 (b) For the purpose of this Section, a distribution shall
23 be deemed to be required by federal law if: (1) directly
24 mandated by federal statute, rule, or administrative or court
25 decision; or (2) indirectly mandated through imposition of
26 substantial tax or other penalties for noncompliance.

1 (c) Notwithstanding Section 1-103.1 of this Code, a member
2 need not be in service on or after the effective date of this
3 amendatory Act of 1989 for the member's surviving spouse to be
4 eligible for a distribution under this Section.

5 (Source: P.A. 86-273.)

6 Article 10.

7 Section 10-5. The Illinois Pension Code is amended by
8 changing Sections 1-160, 7-114, 7-116, 7-141, 7-141.1, 7-142,
9 7-144, 7-156, and 7-191 and by adding Sections 7-109.4 and
10 7-109.5 as follows:

11 (40 ILCS 5/1-160)

12 Sec. 1-160. Provisions applicable to new hires.

13 (a) The provisions of this Section apply to a person who,
14 on or after January 1, 2011, first becomes a member or a
15 participant under any reciprocal retirement system or pension
16 fund established under this Code, other than a retirement
17 system or pension fund established under Article 2, 3, 4, 5, 6,
18 7, 15, or 18 of this Code, notwithstanding any other provision
19 of this Code to the contrary, but do not apply to any
20 self-managed plan established under this Code, ~~to any person~~
21 ~~with respect to service as a sheriff's law enforcement~~
22 ~~employee under Article 7~~, or to any participant of the
23 retirement plan established under Section 22-101; except that

1 this Section applies to a person who elected to establish
2 alternative credits by electing in writing after January 1,
3 2011, but before August 8, 2011, under Section 7-145.1 of this
4 Code. Notwithstanding anything to the contrary in this
5 Section, for purposes of this Section, a person who is a Tier 1
6 regular employee as defined in Section 7-109.4 of this Code or
7 who participated in a retirement system under Article 15 prior
8 to January 1, 2011 shall be deemed a person who first became a
9 member or participant prior to January 1, 2011 under any
10 retirement system or pension fund subject to this Section. The
11 changes made to this Section by Public Act 98-596 are a
12 clarification of existing law and are intended to be
13 retroactive to January 1, 2011 (the effective date of Public
14 Act 96-889), notwithstanding the provisions of Section 1-103.1
15 of this Code.

16 This Section does not apply to a person who first becomes a
17 noncovered employee under Article 14 on or after the
18 implementation date of the plan created under Section 1-161
19 for that Article, unless that person elects under subsection
20 (b) of Section 1-161 to instead receive the benefits provided
21 under this Section and the applicable provisions of that
22 Article.

23 This Section does not apply to a person who first becomes a
24 member or participant under Article 16 on or after the
25 implementation date of the plan created under Section 1-161
26 for that Article, unless that person elects under subsection

1 (b) of Section 1-161 to instead receive the benefits provided
2 under this Section and the applicable provisions of that
3 Article.

4 This Section does not apply to a person who elects under
5 subsection (c-5) of Section 1-161 to receive the benefits
6 under Section 1-161.

7 This Section does not apply to a person who first becomes a
8 member or participant of an affected pension fund on or after 6
9 months after the resolution or ordinance date, as defined in
10 Section 1-162, unless that person elects under subsection (c)
11 of Section 1-162 to receive the benefits provided under this
12 Section and the applicable provisions of the Article under
13 which he or she is a member or participant.

14 (b) "Final average salary" means the average monthly (or
15 annual) salary obtained by dividing the total salary or
16 earnings calculated under the Article applicable to the member
17 or participant during the 96 consecutive months (or 8
18 consecutive years) of service within the last 120 months (or
19 10 years) of service in which the total salary or earnings
20 calculated under the applicable Article was the highest by the
21 number of months (or years) of service in that period. For the
22 purposes of a person who first becomes a member or participant
23 of any retirement system or pension fund to which this Section
24 applies on or after January 1, 2011, in this Code, "final
25 average salary" shall be substituted for the following:

26 (1) (Blank). ~~In Article 7 (except for service as~~

1 ~~sheriff's law enforcement employees), "final rate of~~
2 ~~earnings".~~

3 (2) In Articles 8, 9, 10, 11, and 12, "highest average
4 annual salary for any 4 consecutive years within the last
5 10 years of service immediately preceding the date of
6 withdrawal".

7 (3) In Article 13, "average final salary".

8 (4) In Article 14, "final average compensation".

9 (5) In Article 17, "average salary".

10 (6) In Section 22-207, "wages or salary received by
11 him at the date of retirement or discharge".

12 (b-5) Beginning on January 1, 2011, for all purposes under
13 this Code (including without limitation the calculation of
14 benefits and employee contributions), the annual earnings,
15 salary, or wages (based on the plan year) of a member or
16 participant to whom this Section applies shall not exceed
17 \$106,800; however, that amount shall annually thereafter be
18 increased by the lesser of (i) 3% of that amount, including all
19 previous adjustments, or (ii) one-half the annual unadjusted
20 percentage increase (but not less than zero) in the consumer
21 price index-u for the 12 months ending with the September
22 preceding each November 1, including all previous adjustments.

23 For the purposes of this Section, "consumer price index-u"
24 means the index published by the Bureau of Labor Statistics of
25 the United States Department of Labor that measures the
26 average change in prices of goods and services purchased by

1 all urban consumers, United States city average, all items,
2 1982-84 = 100. The new amount resulting from each annual
3 adjustment shall be determined by the Public Pension Division
4 of the Department of Insurance and made available to the
5 boards of the retirement systems and pension funds by November
6 1 of each year.

7 (c) A member or participant is entitled to a retirement
8 annuity upon written application if he or she has attained age
9 67 (beginning January 1, 2015, age 65 with respect to service
10 under Article 12 of this Code that is subject to this Section)
11 and has at least 10 years of service credit and is otherwise
12 eligible under the requirements of the applicable Article.

13 A member or participant who has attained age 62 (beginning
14 January 1, 2015, age 60 with respect to service under Article
15 12 of this Code that is subject to this Section) and has at
16 least 10 years of service credit and is otherwise eligible
17 under the requirements of the applicable Article may elect to
18 receive the lower retirement annuity provided in subsection
19 (d) of this Section.

20 (c-5) A person who first becomes a member or a participant
21 subject to this Section on or after July 6, 2017 (the effective
22 date of Public Act 100-23), notwithstanding any other
23 provision of this Code to the contrary, is entitled to a
24 retirement annuity under Article 8 or Article 11 upon written
25 application if he or she has attained age 65 and has at least
26 10 years of service credit and is otherwise eligible under the

1 requirements of Article 8 or Article 11 of this Code,
2 whichever is applicable.

3 (d) The retirement annuity of a member or participant who
4 is retiring after attaining age 62 (beginning January 1, 2015,
5 age 60 with respect to service under Article 12 of this Code
6 that is subject to this Section) with at least 10 years of
7 service credit shall be reduced by one-half of 1% for each full
8 month that the member's age is under age 67 (beginning January
9 1, 2015, age 65 with respect to service under Article 12 of
10 this Code that is subject to this Section).

11 (d-5) The retirement annuity payable under Article 8 or
12 Article 11 to an eligible person subject to subsection (c-5)
13 of this Section who is retiring at age 60 with at least 10
14 years of service credit shall be reduced by one-half of 1% for
15 each full month that the member's age is under age 65.

16 (d-10) Each person who first became a member or
17 participant under Article 8 or Article 11 of this Code on or
18 after January 1, 2011 and prior to the effective date of this
19 amendatory Act of the 100th General Assembly shall make an
20 irrevocable election either:

21 (i) to be eligible for the reduced retirement age
22 provided in subsections (c-5) and (d-5) of this Section,
23 the eligibility for which is conditioned upon the member
24 or participant agreeing to the increases in employee
25 contributions for age and service annuities provided in
26 subsection (a-5) of Section 8-174 of this Code (for

1 service under Article 8) or subsection (a-5) of Section
2 11-170 of this Code (for service under Article 11); or

3 (ii) to not agree to item (i) of this subsection
4 (d-10), in which case the member or participant shall
5 continue to be subject to the retirement age provisions in
6 subsections (c) and (d) of this Section and the employee
7 contributions for age and service annuity as provided in
8 subsection (a) of Section 8-174 of this Code (for service
9 under Article 8) or subsection (a) of Section 11-170 of
10 this Code (for service under Article 11).

11 The election provided for in this subsection shall be made
12 between October 1, 2017 and November 15, 2017. A person
13 subject to this subsection who makes the required election
14 shall remain bound by that election. A person subject to this
15 subsection who fails for any reason to make the required
16 election within the time specified in this subsection shall be
17 deemed to have made the election under item (ii).

18 (e) Any retirement annuity or supplemental annuity shall
19 be subject to annual increases on the January 1 occurring
20 either on or after the attainment of age 67 (beginning January
21 1, 2015, age 65 with respect to service under Article 12 of
22 this Code that is subject to this Section and beginning on the
23 effective date of this amendatory Act of the 100th General
24 Assembly, age 65 with respect to service under Article 8 or
25 Article 11 for eligible persons who: (i) are subject to
26 subsection (c-5) of this Section; or (ii) made the election

1 under item (i) of subsection (d-10) of this Section) or the
2 first anniversary of the annuity start date, whichever is
3 later. Each annual increase shall be calculated at 3% or
4 one-half the annual unadjusted percentage increase (but not
5 less than zero) in the consumer price index-u for the 12 months
6 ending with the September preceding each November 1, whichever
7 is less, of the originally granted retirement annuity. If the
8 annual unadjusted percentage change in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1 is zero or there is a decrease, then the
11 annuity shall not be increased.

12 For the purposes of Section 1-103.1 of this Code, the
13 changes made to this Section by this amendatory Act of the
14 100th General Assembly are applicable without regard to
15 whether the employee was in active service on or after the
16 effective date of this amendatory Act of the 100th General
17 Assembly.

18 (f) The initial survivor's or widow's annuity of an
19 otherwise eligible survivor or widow of a retired member or
20 participant who first became a member or participant on or
21 after January 1, 2011 shall be in the amount of 66 2/3% of the
22 retired member's or participant's retirement annuity at the
23 date of death. In the case of the death of a member or
24 participant who has not retired and who first became a member
25 or participant on or after January 1, 2011, eligibility for a
26 survivor's or widow's annuity shall be determined by the

1 applicable Article of this Code. The initial benefit shall be
2 66 2/3% of the earned annuity without a reduction due to age. A
3 child's annuity of an otherwise eligible child shall be in the
4 amount prescribed under each Article if applicable. Any
5 survivor's or widow's annuity shall be increased (1) on each
6 January 1 occurring on or after the commencement of the
7 annuity if the deceased member died while receiving a
8 retirement annuity or (2) in other cases, on each January 1
9 occurring after the first anniversary of the commencement of
10 the annuity. Each annual increase shall be calculated at 3% or
11 one-half the annual unadjusted percentage increase (but not
12 less than zero) in the consumer price index-u for the 12 months
13 ending with the September preceding each November 1, whichever
14 is less, of the originally granted survivor's annuity. If the
15 annual unadjusted percentage change in the consumer price
16 index-u for the 12 months ending with the September preceding
17 each November 1 is zero or there is a decrease, then the
18 annuity shall not be increased.

19 (g) The benefits in Section 14-110 apply only if the
20 person is a State policeman, a fire fighter in the fire
21 protection service of a department, a conservation police
22 officer, an investigator for the Secretary of State, an arson
23 investigator, a Commerce Commission police officer,
24 investigator for the Department of Revenue or the Illinois
25 Gaming Board, a security employee of the Department of
26 Corrections or the Department of Juvenile Justice, or a

1 security employee of the Department of Innovation and
2 Technology, as those terms are defined in subsection (b) and
3 subsection (c) of Section 14-110. A person who meets the
4 requirements of this Section is entitled to an annuity
5 calculated under the provisions of Section 14-110, in lieu of
6 the regular or minimum retirement annuity, only if the person
7 has withdrawn from service with not less than 20 years of
8 eligible creditable service and has attained age 60,
9 regardless of whether the attainment of age 60 occurs while
10 the person is still in service.

11 (h) If a person who first becomes a member or a participant
12 of a retirement system or pension fund subject to this Section
13 on or after January 1, 2011 is receiving a retirement annuity
14 or retirement pension under that system or fund and becomes a
15 member or participant under any other system or fund created
16 by this Code and is employed on a full-time basis, except for
17 those members or participants exempted from the provisions of
18 this Section under subsection (a) of this Section, then the
19 person's retirement annuity or retirement pension under that
20 system or fund shall be suspended during that employment. Upon
21 termination of that employment, the person's retirement
22 annuity or retirement pension payments shall resume and be
23 recalculated if recalculation is provided for under the
24 applicable Article of this Code.

25 If a person who first becomes a member of a retirement
26 system or pension fund subject to this Section on or after

1 January 1, 2012 and is receiving a retirement annuity or
2 retirement pension under that system or fund and accepts on a
3 contractual basis a position to provide services to a
4 governmental entity from which he or she has retired, then
5 that person's annuity or retirement pension earned as an
6 active employee of the employer shall be suspended during that
7 contractual service. A person receiving an annuity or
8 retirement pension under this Code shall notify the pension
9 fund or retirement system from which he or she is receiving an
10 annuity or retirement pension, as well as his or her
11 contractual employer, of his or her retirement status before
12 accepting contractual employment. A person who fails to submit
13 such notification shall be guilty of a Class A misdemeanor and
14 required to pay a fine of \$1,000. Upon termination of that
15 contractual employment, the person's retirement annuity or
16 retirement pension payments shall resume and, if appropriate,
17 be recalculated under the applicable provisions of this Code.

18 (i) (Blank).

19 (j) In the case of a conflict between the provisions of
20 this Section and any other provision of this Code, the
21 provisions of this Section shall control.

22 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
23 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff.
24 1-4-19; 101-610, eff. 1-1-20.)

25 (40 ILCS 5/7-109.4 new)

1 Sec. 7-109.4. Tier 1 regular employee. "Tier 1 regular
2 employee" means a participant or an annuitant under this
3 Article who first became a participant or member before
4 January 1, 2011 under any retirement system or pension fund
5 under this Code, other than a retirement system or pension
6 fund established under Articles 2, 3, 4, 5, 6, or 18 or in any
7 self-managed plan established under this Code, or the
8 retirement plan established under Section 22-101.

9 "Tier 1 regular employee" includes a person who received a
10 separation benefit but is otherwise qualified under this
11 Section and subsequently becomes a participating employee on
12 or after January 1, 2011.

13 "Tier 1 regular employee" includes a former participating
14 employee who received a separation benefit under Section 7-167
15 for service earned prior to January 1, 2011 who returns to a
16 qualifying position after January 1, 2011.

17 "Tier 1 regular employee" includes a participating
18 employee who has omitted service as defined in Section 7-111.5
19 that includes any period prior to January 1, 2011 only if he or
20 she establishes sufficient service credit under item (12) of
21 subsection (a) of Section 7-139 to include service prior to
22 January 1, 2011.

23 Notwithstanding anything contrary in this Section, "Tier 1
24 regular employee" does not include a participant or annuitant
25 who is eligible to have his or her annuity calculated under
26 Section 7-142.1 or a person who elected to establish

1 alternative credits under Section 7-145.1.

2 (40 ILCS 5/7-109.5 new)

3 Sec. 7-109.5. Tier 2 regular employee. "Tier 2 regular
4 employee" means a person who first becomes a participant under
5 this Article on or after January 1, 2011 and is not a Tier 1
6 regular employee.

7 Notwithstanding anything contrary in this Section, "Tier 2
8 regular employee" does not include a participant or annuitant
9 who is eligible to have his or her annuity calculated under
10 Section 7-142.1 or a person who elected to establish
11 alternative credits by electing in writing after January 1,
12 2011, but before August 8, 2011, under Section 7-145.1 of this
13 Code.

14 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

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

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

18 1. The total amount of money paid to an employee for
19 personal services or official duties as an employee
20 (except those employed as independent contractors) paid
21 out of the general fund, or out of any special funds
22 controlled by the municipality, or by any instrumentality
23 thereof, or participating instrumentality, including
24 compensation, fees, allowances (but not including amounts

1 associated with a vehicle allowance payable to an employee
2 who first becomes a participating employee on or after the
3 effective date of this amendatory Act of the 100th General
4 Assembly), or other emolument paid for official duties
5 (but not including automobile maintenance, travel expense,
6 or reimbursements for expenditures incurred in the
7 performance of duties) and, for fee offices, the fees or
8 earnings of the offices to the extent such fees are paid
9 out of funds controlled by the municipality, or
10 instrumentality or participating instrumentality; and

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

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

21 (c) If a disabled participating employee is eligible to
22 receive Workers' Compensation for an accidental injury and the
23 participating municipality or instrumentality which employed
24 the participating employee when injured continues to pay the
25 participating employee regular salary or other compensation or
26 pays the employee an amount in excess of the Workers'

1 Compensation amount, then earnings shall be deemed to be the
2 total payments, including an amount equal to the Workers'
3 Compensation payments. These payments shall be subject to
4 employee contributions and allocated as if paid to the
5 participating employee when the regular payroll amounts would
6 have been paid if the participating employee had continued
7 working, and creditable service shall be awarded for this
8 period.

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

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

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

1 calculation of benefits for such person pursuant to this
2 Article.

3 (g) Notwithstanding any other provision of this Article,
4 calendar year earnings for Tier 2 regular employees to whom
5 this Section applies shall not exceed the amount determined by
6 the Public Pension Division of the Department of Insurance as
7 required in this subsection; however, that amount shall
8 annually thereafter be increased by the lesser of (i) 3% of
9 that amount, including all previous adjustments, or (ii)
10 one-half the annual unadjusted percentage increase (but not
11 less than zero) in the consumer price index-u for the 12 months
12 ending with the September preceding each November 1, including
13 all previous adjustments.

14 For the purposes of this Section, "consumer price index-u"
15 means the index published by the Bureau of Labor Statistics of
16 the United States Department of Labor that measures the
17 average change in prices of goods and services purchased by
18 all urban consumers, United States city average, all items,
19 1982-84 = 100. The new amount resulting from each annual
20 adjustment shall be determined by the Public Pension Division
21 of the Department of Insurance and made available to the Fund
22 by November 1 of each year.

23 (Source: P.A. 100-411, eff. 8-25-17.)

24 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

25 (Text of Section WITHOUT the changes made by P.A. 98-599,

1 which has been held unconstitutional)

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

3 (a) For retirement and survivor annuities, the monthly
4 earnings obtained by dividing the total earnings received by
5 the employee during the period of either (1) for Tier 1 regular
6 employees, the 48 consecutive months of service within the
7 last 120 months of service in which his total earnings were the
8 highest, (2) for Tier 2 regular employees, the 96 consecutive
9 months of service within the last 120 months of service in
10 which his total earnings were the highest, or (3) ~~or (2)~~ the
11 employee's total period of service, by the number of months of
12 service in such period.

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

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

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

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

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

20 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

21 Sec. 7-141. Retirement annuities - Conditions. Retirement
22 annuities shall be payable as hereinafter set forth:

23 (a) A participating employee who, regardless of cause, is
24 separated from the service of all participating municipalities
25 and instrumentalities thereof and participating

1 instrumentalities shall be entitled to a retirement annuity
2 provided:

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

8 2. He is not entitled to receive earnings for
9 employment in a position requiring him, or entitling him
10 to elect, to be a participating employee;

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

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

21 (b) Retirement annuities shall be payable:

22 1. As provided in Section 7-119;

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

1 3. Upon attainment of age 70 1/2 if the member (i) is
2 no longer in service, and (ii) is otherwise entitled to an
3 annuity under this Article;

4 4. To the beneficiary of the deceased annuitant for
5 the unpaid amount accrued to date of death, if any.

6 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

7 (40 ILCS 5/7-141.1)

8 Sec. 7-141.1. Early retirement incentive.

9 (a) The General Assembly finds and declares that:

10 (1) Units of local government across the State have
11 been functioning under a financial crisis.

12 (2) This financial crisis is expected to continue.

13 (3) Units of local government must depend on
14 additional sources of revenue and, when those sources are
15 not forthcoming, must establish cost-saving programs.

16 (4) An early retirement incentive designed
17 specifically to target highly-paid senior employees could
18 result in significant annual cost savings.

19 (5) The early retirement incentive should be made
20 available only to those units of local government that
21 determine that an early retirement incentive is in their
22 best interest.

23 (6) A unit of local government adopting a program of
24 early retirement incentives under this Section is
25 encouraged to implement personnel procedures to prohibit,

1 for at least 5 years, the rehiring (whether on payroll or
2 by independent contract) of employees who receive early
3 retirement incentives.

4 (7) A unit of local government adopting a program of
5 early retirement incentives under this Section is also
6 encouraged to replace as few of the participating
7 employees as possible and to hire replacement employees
8 for salaries totaling no more than 80% of the total
9 salaries formerly paid to the employees who participate in
10 the early retirement program.

11 It is the primary purpose of this Section to encourage
12 units of local government that can realize true cost savings,
13 or have determined that an early retirement program is in
14 their best interest, to implement an early retirement program.

15 (b) Until June 27, 1997 (the effective date of Public Act
16 90-32) ~~this amendatory Act of 1997~~, this Section does not
17 apply to any employer that is a city, village, or incorporated
18 town, nor to the employees of any such employer. Beginning on
19 June 27, 1997 (the effective date of Public Act 90-32) ~~this~~
20 ~~amendatory Act of 1997~~, any employer under this Article,
21 including an employer that is a city, village, or incorporated
22 town, may establish an early retirement incentive program for
23 its employees under this Section. The decision of a city,
24 village, or incorporated town to consider or establish an
25 early retirement program is at the sole discretion of that
26 city, village, or incorporated town, and nothing in Public Act

1 ~~90-32 this amendatory Act of 1997~~ limits or otherwise
2 diminishes this discretion. Nothing contained in this Section
3 shall be construed to require a city, village, or incorporated
4 town to establish an early retirement program and no city,
5 village, or incorporated town may be compelled to implement
6 such a program.

7 The benefits provided in this Section are available only
8 to members employed by a participating employer that has filed
9 with the Board of the Fund a resolution or ordinance expressly
10 providing for the creation of an early retirement incentive
11 program under this Section for its employees and specifying
12 the effective date of the early retirement incentive program.
13 Subject to the limitation in subsection (h), an employer may
14 adopt a resolution or ordinance providing a program of early
15 retirement incentives under this Section at any time.

16 The resolution or ordinance shall be in substantially the
17 following form:

18 RESOLUTION (ORDINANCE) NO.

19 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY

20 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES

21 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

22 WHEREAS, Section 7-141.1 of the Illinois Pension Code
23 provides that a participating employer may elect to adopt an
24 early retirement incentive program offered by the Illinois
25 Municipal Retirement Fund by adopting a resolution or

1 ordinance; and

2 WHEREAS, The goal of adopting an early retirement program
3 is to realize a substantial savings in personnel costs by
4 offering early retirement incentives to employees who have
5 accumulated many years of service credit; and

6 WHEREAS, Implementation of the early retirement program
7 will provide a budgeting tool to aid in controlling payroll
8 costs; and

9 WHEREAS, The (name of governing body) has determined that
10 the adoption of an early retirement incentive program is in
11 the best interests of the (name of participating employer);
12 therefore be it

13 RESOLVED (ORDAINED) by the (name of governing body) of
14 (name of participating employer) that:

15 (1) The (name of participating employer) does hereby adopt
16 the Illinois Municipal Retirement Fund early retirement
17 incentive program as provided in Section 7-141.1 of the
18 Illinois Pension Code. The early retirement incentive program
19 shall take effect on (date).

20 (2) In order to help achieve a true cost savings, a person
21 who retires under the early retirement incentive program shall
22 lose those incentives if he or she later accepts employment
23 with any IMRF employer in a position for which participation
24 in IMRF is required or is elected by the employee.

25 (3) In order to utilize an early retirement incentive as a
26 budgeting tool, the (name of participating employer) will use

1 its best efforts either to limit the number of employees who
2 replace the employees who retire under the early retirement
3 program or to limit the salaries paid to the employees who
4 replace the employees who retire under the early retirement
5 program.

6 (4) The effective date of each employee's retirement under
7 this early retirement program shall be set by (name of
8 employer) and shall be no earlier than the effective date of
9 the program and no later than one year after that effective
10 date; except that the employee may require that the retirement
11 date set by the employer be no later than the June 30 next
12 occurring after the effective date of the program and no
13 earlier than the date upon which the employee qualifies for
14 retirement.

15 (5) To be eligible for the early retirement incentive
16 under this Section, the employee must have attained age 50 and
17 have at least 20 years of creditable service by his or her
18 retirement date.

19 (6) The (clerk or secretary) shall promptly file a
20 certified copy of this resolution (ordinance) with the Board
21 of Trustees of the Illinois Municipal Retirement Fund.

22 CERTIFICATION

23 I, (name), the (clerk or secretary) of the (name of
24 participating employer) of the County of (name), State of
25 Illinois, do hereby certify that I am the keeper of the books
26 and records of the (name of employer) and that the foregoing is

1 a true and correct copy of a resolution (ordinance) duly
2 adopted by the (governing body) at a meeting duly convened and
3 held on (date).

4 SEAL

5 (Signature of clerk or secretary)

6 (c) To be eligible for the benefits provided under an
7 early retirement incentive program adopted under this Section,
8 a member must:

9 (1) be a participating employee of this Fund who, on
10 the effective date of the program, (i) is in active
11 payroll status as an employee of a participating employer
12 that has filed the required ordinance or resolution with
13 the Board, (ii) is on layoff status from such a position
14 with a right of re-employment or recall to service, (iii)
15 is on a leave of absence from such a position, or (iv) is
16 on disability but has not been receiving benefits under
17 Section 7-146 or 7-150 for a period of more than 2 years
18 from the date of application;

19 (2) have never previously received a retirement
20 annuity under this Article or under the Retirement Systems
21 Reciprocal Act using service credit established under this
22 Article;

23 (3) (blank);

24 (4) have at least 20 years of creditable service in
25 the Fund by the date of retirement, without the use of any

1 creditable service established under this Section;

2 (5) have attained age 50 by the date of retirement if
3 he or she is a Tier 1 regular employee or age 57 if he or
4 she is a Tier 2 regular employee, without the use of any
5 age enhancement received under this Section; and

6 (6) be eligible to receive a retirement annuity under
7 this Article by the date of retirement, for which purpose
8 the age enhancement and creditable service established
9 under this Section may be considered.

10 (d) The employer shall determine the retirement date for
11 each employee participating in the early retirement program
12 adopted under this Section. The retirement date shall be no
13 earlier than the effective date of the program and no later
14 than one year after that effective date, except that the
15 employee may require that the retirement date set by the
16 employer be no later than the June 30 next occurring after the
17 effective date of the program and no earlier than the date upon
18 which the employee qualifies for retirement. The employer
19 shall give each employee participating in the early retirement
20 program at least 30 days written notice of the employee's
21 designated retirement date, unless the employee waives this
22 notice requirement.

23 (e) An eligible person may establish up to 5 years of
24 creditable service under this Section. In addition, for each
25 period of creditable service established under this Section, a
26 person shall have his or her age at retirement deemed enhanced

1 by an equivalent period.

2 The creditable service established under this Section may
3 be used for all purposes under this Article and the Retirement
4 Systems Reciprocal Act, except for the computation of final
5 rate of earnings and the determination of earnings, salary, or
6 compensation under this or any other Article of the Code.

7 The age enhancement established under this Section may be
8 used for all purposes under this Article (including
9 calculation of the reduction imposed under subdivision
10 (a)1b(iv) of Section 7-142), except for purposes of a
11 reversionary annuity under Section 7-145 and any distributions
12 required because of age. The age enhancement established under
13 this Section may be used in calculating a proportionate
14 annuity payable by this Fund under the Retirement Systems
15 Reciprocal Act, but shall not be used in determining benefits
16 payable under other Articles of this Code under the Retirement
17 Systems Reciprocal Act.

18 (f) For all creditable service established under this
19 Section, the member must pay to the Fund an employee
20 contribution consisting of the total employee contribution
21 rate in effect at the time the member purchases the service for
22 the plan in which the member was participating with the
23 employer at that time multiplied by the member's highest
24 annual salary rate used in the determination of the final rate
25 of earnings for retirement annuity purposes for each year of
26 creditable service granted under this Section. Contributions

1 for fractions of a year of service shall be prorated. Any
2 amounts that are disregarded in determining the final rate of
3 earnings under subdivision (d)(5) of Section 7-116 (the 125%
4 rule) shall also be disregarded in determining the required
5 contribution under this subsection (f).

6 The employee contribution shall be paid to the Fund as
7 follows: If the member is entitled to a lump sum payment for
8 accumulated vacation, sick leave, or personal leave upon
9 withdrawal from service, the employer shall deduct the
10 employee contribution from that lump sum and pay the deducted
11 amount directly to the Fund. If there is no such lump sum
12 payment or the required employee contribution exceeds the net
13 amount of the lump sum payment, then the remaining amount due,
14 at the option of the employee, may either be paid to the Fund
15 before the annuity commences or deducted from the retirement
16 annuity in 24 equal monthly installments.

17 (g) An annuitant who has received any age enhancement or
18 creditable service under this Section and thereafter accepts
19 employment with or enters into a personal services contract
20 with an employer under this Article thereby forfeits that age
21 enhancement and creditable service; except that this
22 restriction does not apply to (1) service in an elective
23 office, so long as the annuitant does not participate in this
24 Fund with respect to that office, (2) a person appointed as an
25 officer under subsection (f) of Section 3-109 of this Code,
26 and (3) a person appointed as an auxiliary police officer

1 pursuant to Section 3.1-30-5 of the Illinois Municipal Code. A
2 person forfeiting early retirement incentives under this
3 subsection (i) must repay to the Fund that portion of the
4 retirement annuity already received which is attributable to
5 the early retirement incentives that are being forfeited, (ii)
6 shall not be eligible to participate in any future early
7 retirement program adopted under this Section, and (iii) is
8 entitled to a refund of the employee contribution paid under
9 subsection (f). The Board shall deduct the required repayment
10 from the refund and may impose a reasonable payment schedule
11 for repaying the amount, if any, by which the required
12 repayment exceeds the refund amount.

13 (h) The additional unfunded liability accruing as a result
14 of the adoption of a program of early retirement incentives
15 under this Section by an employer shall be amortized over a
16 period of 10 years beginning on January 1 of the second
17 calendar year following the calendar year in which the latest
18 date for beginning to receive a retirement annuity under the
19 program (as determined by the employer under subsection (d) of
20 this Section) occurs; except that the employer may provide for
21 a shorter amortization period (of no less than 5 years) by
22 adopting an ordinance or resolution specifying the length of
23 the amortization period and submitting a certified copy of the
24 ordinance or resolution to the Fund no later than 6 months
25 after the effective date of the program. An employer, at its
26 discretion, may accelerate payments to the Fund.

1 An employer may provide more than one early retirement
2 incentive program for its employees under this Section.
3 However, an employer that has provided an early retirement
4 incentive program for its employees under this Section may not
5 provide another early retirement incentive program under this
6 Section until the liability arising from the earlier program
7 has been fully paid to the Fund.

8 (Source: P.A. 99-382, eff. 8-17-15.)

9 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

10 Sec. 7-142. Retirement annuities - Amount.

11 (a) The amount of a retirement annuity shall be the sum of
12 the following, determined in accordance with the actuarial
13 tables in effect at the time of the grant of the annuity:

14 1. For Tier 1 regular employees with 8 or more years of
15 service or for Tier 2 regular employees, an annuity
16 computed pursuant to subparagraphs a or b of this
17 subparagraph 1, whichever is the higher, and for employees
18 with less than 8 or 10 years of service, respectively, the
19 annuity computed pursuant to subparagraph a:

20 a. The monthly annuity which can be provided from
21 the total accumulated normal, municipality and prior
22 service credits, as of the attained age of the
23 employee on the date the annuity begins provided that
24 such annuity shall not exceed 75% of the final rate of
25 earnings of the employee.

1 b. (i) The monthly annuity amount determined as
2 follows by multiplying (a) 1 2/3% for annuitants with
3 not more than 15 years or (b) 1 2/3% for the first 15
4 years and 2% for each year in excess of 15 years for
5 annuitants with more than 15 years by the number of
6 years plus fractional years, prorated on a basis of
7 months, of creditable service and multiply the product
8 thereof by the employee's final rate of earnings.

9 (ii) For the sole purpose of computing the formula
10 (and not for the purposes of the limitations
11 hereinafter stated) \$125 shall be considered the final
12 rate of earnings in all cases where the final rate of
13 earnings is less than such amount.

14 (iii) The monthly annuity computed in accordance
15 with this subparagraph b, shall not exceed an amount
16 equal to 75% of the final rate of earnings.

17 (iv) For employees who have less than 35 years of
18 service, the annuity computed in accordance with this
19 subparagraph b (as reduced by application of
20 subparagraph (iii) above) shall be reduced by 0.25%
21 thereof (0.5% if service was terminated before January
22 1, 1988 or if the employee is a Tier 2 regular
23 employee) for each month or fraction thereof (1) that
24 the employee's age is less than 60 years for Tier 1
25 regular employees, or (2) that the employee's age is
26 less than 67 years for Tier 2 regular employees, or (3)

1 if the employee has at least 30 years of service
2 credit, that the employee's service credit is less
3 than 35 years, whichever is less, on the date the
4 annuity begins.

5 2. The annuity which can be provided from the total
6 accumulated additional credits as of the attained age of
7 the employee on the date the annuity begins.

8 (b) If payment of an annuity begins prior to the earliest
9 age at which the employee will become eligible for an old age
10 insurance benefit under the Federal Social Security Act, he
11 may elect that the annuity payments from this fund shall
12 exceed those payable after his attaining such age by an
13 amount, computed as determined by rules of the Board, but not
14 in excess of his estimated Social Security Benefit, determined
15 as of the effective date of the annuity, provided that in no
16 case shall the total annuity payments made by this fund exceed
17 in actuarial value the annuity which would have been payable
18 had no such election been made.

19 ~~(c) The retirement annuity shall be increased each year by~~
20 ~~2%, not compounded, of the monthly amount of annuity, taking~~
21 ~~into consideration any adjustment under paragraph (b) of this~~
22 ~~Section. This increase shall be effective each January 1 and~~
23 ~~computed from the effective date of the retirement annuity,~~
24 ~~the first increase being .167% of the monthly amount times the~~
25 ~~number of months from the effective date to January 1.~~
26 Beginning January 1, 1984 and each January 1 thereafter, the

1 retirement annuity of a Tier 1 regular employee shall be
2 increased by 3% each year, not compounded. This increase shall
3 be computed from the effective date of the retirement annuity,
4 the first increase being 0.25% of the monthly amount times the
5 number of months from the effective date to January 1. This
6 increase shall not be applicable to annuitants who are not in
7 service on or after September 8, 1971.

8 A retirement annuity of a Tier 2 regular employee shall
9 receive annual increases on the January 1 occurring either on
10 or after the attainment of age 67 or the first anniversary of
11 the annuity start date, whichever is later. Each annual
12 increase shall be calculated at the lesser of 3% or one-half
13 the annual unadjusted percentage increase (but not less than
14 zero) in the consumer price index-u for the 12 months ending
15 with the September preceding each November 1 of the originally
16 granted retirement annuity. If the annual unadjusted
17 percentage change in the consumer price index-u for the 12
18 months ending with the September preceding each November 1 is
19 zero or there is a decrease, then the annuity shall not be
20 increased.

21 (d) Any elected county officer who was entitled to receive
22 a stipend from the State on or after July 1, 2009 and on or
23 before June 30, 2010 may establish earnings credit for the
24 amount of stipend not received, if the elected county official
25 applies in writing to the fund within 6 months after the
26 effective date of this amendatory Act of the 96th General

1 Assembly and pays to the fund an amount equal to (i) employee
2 contributions on the amount of stipend not received, (ii)
3 employer contributions determined by the Board equal to the
4 employer's normal cost of the benefit on the amount of stipend
5 not received, plus (iii) interest on items (i) and (ii) at the
6 actuarially assumed rate.

7 (Source: P.A. 96-961, eff. 7-2-10.)

8 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

9 Sec. 7-144. Retirement annuities - suspended during
10 employment.

11 (a) If any person receiving any annuity again becomes an
12 employee and receives earnings from employment in a position
13 requiring him, or entitling him to elect, to become a
14 participating employee, then the annuity payable to such
15 employee shall be suspended as of the 1st day of the month
16 coincidental with or next following the date upon which such
17 person becomes such an employee, unless the person is
18 authorized under subsection (b) of Section 7-137.1 of this
19 Code to continue receiving a retirement annuity during that
20 period. Upon proper qualification of the participating
21 employee payment of such annuity may be resumed on the 1st day
22 of the month following such qualification and upon proper
23 application therefor. The participating employee in such case
24 shall be entitled to a supplemental annuity arising from
25 service and credits earned subsequent to such re-entry as a

1 participating employee.

2 Notwithstanding any other provision of this Article, an
3 annuitant shall be considered a participating employee if he
4 or she returns to work as an employee with a participating
5 employer and works more than 599 hours annually (or 999 hours
6 annually with a participating employer that has adopted a
7 resolution pursuant to subsection (e) of Section 7-137 of this
8 Code). Each of these annual periods shall commence on the
9 month and day upon which the annuitant is first employed with
10 the participating employer following the effective date of the
11 annuity.

12 (a-5) If any annuitant under this Article must be
13 considered a participating employee per the provisions of
14 subsection (a) of this Section, and the participating
15 municipality or participating instrumentality that employs or
16 re-employs that annuitant knowingly fails to notify the Board
17 to suspend the annuity, the participating municipality or
18 participating instrumentality may be required to reimburse the
19 Fund for an amount up to one-half of the total of any annuity
20 payments made to the annuitant after the date the annuity
21 should have been suspended, as determined by the Board. In no
22 case shall the total amount repaid by the annuitant plus any
23 amount reimbursed by the employer to the Fund be more than the
24 total of all annuity payments made to the annuitant after the
25 date the annuity should have been suspended. This subsection
26 shall not apply if the annuitant returned to work for the

1 employer for less than 12 months.

2 The Fund shall notify all annuitants that they must notify
3 the Fund immediately if they return to work for any
4 participating employer. The notification by the Fund shall
5 occur upon retirement and no less than annually thereafter in
6 a format determined by the Fund. The Fund shall also develop
7 and maintain a system to track annuitants who have returned to
8 work and notify the participating employer and annuitant at
9 least annually of the limitations on returning to work under
10 this Section.

11 (b) Supplemental annuities to persons who return to
12 service for less than 48 months shall be computed under the
13 provisions of Sections 7-141, 7-142 and 7-143. In determining
14 whether an employee is eligible for an annuity which requires
15 a minimum period of service, his entire period of service
16 shall be taken into consideration but the supplemental annuity
17 shall be based on earnings and service in the supplemental
18 period only. The effective date of the suspended and
19 supplemental annuity for the purpose of increases after
20 retirement shall be considered to be the effective date of the
21 suspended annuity.

22 (c) Supplemental annuities to persons who return to
23 service for 48 months or more shall be a monthly amount
24 determined as follows:

25 (1) An amount shall be computed under subparagraph b
26 of paragraph (1) of subsection (a) of Section 7-142,

1 considering all of the service credits of the employee;

2 (2) The actuarial value in monthly payments for life
3 of the annuity payments made before suspension shall be
4 determined and subtracted from the amount determined in
5 (1) above;

6 (3) The monthly amount of the suspended annuity, with
7 any applicable increases after retirement computed from
8 the effective date to the date of reinstatement, shall be
9 subtracted from the amount determined in (2) above and the
10 remainder shall be the amount of the supplemental annuity
11 provided that this amount shall not be less than the
12 amount computed under subsection (b) of this Section.

13 (4) The suspended annuity shall be reinstated at an
14 amount including any increases after retirement from the
15 effective date to date of reinstatement.

16 (5) The effective date of the combined suspended and
17 supplemental annuities for the purposes of increases after
18 retirement shall be considered to be the effective date of
19 the supplemental annuity.

20 (d) If a Tier 2 regular employee becomes a member or
21 participant under any other system or fund created by this
22 Code and is employed on a full-time basis, except for those
23 members or participants exempted from the provisions of
24 subsection (a) of Section 1-160 of this Code (other than a
25 participating employee under this Article), then the person's
26 retirement annuity shall be suspended during that employment.

1 Upon termination of that employment, the person's retirement
2 annuity shall resume and be recalculated as required by this
3 Section.

4 (e) If a Tier 2 regular employee first began participation
5 on or after January 1, 2012 and is receiving a retirement
6 annuity and accepts on a contractual basis a position to
7 provide services to a governmental entity from which he or she
8 has retired, then that person's annuity or retirement pension
9 shall be suspended during that contractual service,
10 notwithstanding the provisions of any other Section in this
11 Article. Such annuitant shall notify the Fund, as well as his
12 or her contractual employer, of his or her retirement status
13 before accepting contractual employment. A person who fails to
14 submit such notification shall be guilty of a Class A
15 misdemeanor and required to pay a fine of \$1,000. Upon
16 termination of that contractual employment, the person's
17 retirement annuity shall resume and be recalculated as
18 required by this Section.

19 (Source: P.A. 98-389, eff. 8-16-13; 99-745, eff. 8-5-16.)

20 (40 ILCS 5/7-156) (from Ch. 108 1/2, par. 7-156)

21 Sec. 7-156. Surviving spouse annuities - amount.

22 (a) The amount of surviving spouse annuity shall be:

23 1. Upon the death of an employee annuitant or such person
24 entitled, upon application, to a retirement annuity at date of
25 death, (i) an amount equal to ~~1/2~~ 50% for a Tier 1 regular

1 employee or 66 2/3% for a Tier 2 regular employee of the
2 retirement annuity which was or would have been payable
3 exclusive of the amount so payable which was provided from
4 additional credits, and disregarding any election made under
5 paragraph (b) of Section 7-142, plus (ii) an annuity which
6 could be provided at the then attained age of the surviving
7 spouse and under actuarial tables then in effect, from the
8 excess of the additional credits, (excluding any such credits
9 used to create a reversionary annuity) used to provide the
10 annuity granted pursuant to paragraph (a) (2) of Section 7-142
11 of this article over the total annuity payments made pursuant
12 thereto.

13 2. Upon the death of a participating employee on or after
14 attainment of age 55, an amount equal to ~~1/2~~ 50% for a Tier 1
15 regular employee or 66 2/3% for a Tier 2 regular employee of
16 the retirement annuity which he could have had as of the date
17 of death had he then retired and applied for annuity,
18 exclusive of the portion thereof which could have been
19 provided from additional credits, and disregarding paragraph
20 (b) of Section 7-142, plus an amount equal to the annuity which
21 could be provided from the total of his accumulated additional
22 credits at date of death, on the basis of the attained age of
23 the surviving spouse on such date.

24 3. Upon the death of a participating employee before age
25 55, an amount equal to ~~1/2~~ 50% for a Tier 1 regular employee or
26 66 2/3% for a Tier 2 regular employee of the retirement annuity

1 which he could have had as of his attained age on the date of
2 death, had he then retired and applied for annuity, and the
3 provisions of this Article that no such annuity shall begin
4 until the employee has attained at least age 55 were not
5 applicable, exclusive of the portion thereof which could have
6 been provided from additional credits and disregarding
7 paragraph (b) of Section 7-142, plus an amount equal to the
8 annuity which could be provided from the total of his
9 accumulated additional credits at date of death, on the basis
10 of the attained age of the surviving spouse on such date.

11 In the case of the surviving spouse of a person who dies
12 before June 1, 2006 (the effective date of Public Act 94-712)
13 ~~this amendatory Act of the 94th General Assembly~~, if the
14 surviving spouse is more than 5 years younger than the
15 deceased, that portion of the annuity which is not based on
16 additional credits shall be reduced in the ratio of the value
17 of a life annuity of \$1 per year at an age of 5 years less than
18 the attained age of the deceased, at the earlier of the date of
19 the death or the date his retirement annuity begins, to the
20 value of a life annuity of \$1 per year at the attained age of
21 the surviving spouse on such date, according to actuarial
22 tables approved by the Board. This reduction does not apply to
23 the surviving spouse of a person who dies on or after June 1,
24 2006 (the effective date of Public Act 94-712) ~~this amendatory~~
25 ~~Act of the 94th General Assembly~~.

26 In computing the amount of a surviving spouse annuity,

1 incremental increases of retirement annuities to the date of
2 death of the employee annuitant shall be considered.

3 (b) If the employee was a Tier 1 regular employee, each
4 ~~Each~~ surviving spouse annuity payable on January 1, 1988 shall
5 be increased on that date by 3% of the original amount of the
6 annuity. Each surviving spouse annuity that begins after
7 January 1, 1988 shall be increased on the January 1 next
8 occurring after the annuity begins, by an amount equal to (i)
9 3% of the original amount thereof if the deceased employee was
10 receiving a retirement annuity at the time of his death;
11 otherwise (ii) 0.25% ~~0.167%~~ of the original amount thereof for
12 each complete month which has elapsed since the date the
13 annuity began.

14 On each January 1 after the date of the initial increase
15 under this subsection, each surviving spouse annuity shall be
16 increased by 3% of the originally granted amount of the
17 annuity.

18 (c) If the participating employee was a Tier 2 regular
19 employee, each surviving spouse annuity shall be increased (1)
20 on each January 1 occurring on or after the commencement of the
21 annuity if the deceased member died while receiving a
22 retirement annuity or (2) in other cases, on each January 1
23 occurring after the first anniversary of the commencement of
24 the annuity. Such annual increase shall be calculated at 3% or
25 one-half the annual unadjusted percentage increase (but not
26 less than zero) in the consumer price index-u for the 12 months

1 ending with the September preceding each November 1, whichever
2 is less, of the originally granted surviving spouse annuity.
3 If the annual unadjusted percentage change in the consumer
4 price index-u for the 12 months ending with the September
5 preceding each November 1 is zero or there is a decrease, then
6 the annuity shall not be increased.

7 (Source: P.A. 94-712, eff. 6-1-06.)

8 (40 ILCS 5/7-191) (from Ch. 108 1/2, par. 7-191)

9 Sec. 7-191. To have accounts audited.

10 To have the accounts of the fund audited annually by a
11 certified public accountant ~~approved by the Auditor General.~~

12 (Source: Laws 1963, p. 161.)

13 Article 15.

14 Section 15-5. The Illinois Pension Code is amended by
15 changing Section 13-310 as follows:

16 (40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

17 Sec. 13-310. Ordinary disability benefit.

18 (a) Any employee who becomes disabled as the result of any
19 cause other than injury or illness incurred in the performance
20 of duty for the employer or any other employer, or while
21 engaged in self-employment activities, shall be entitled to an
22 ordinary disability benefit. The eligible period for this

1 benefit shall be 25% of the employee's total actual service
2 prior to the date of disability with a cumulative maximum
3 period of 5 years.

4 (b) The benefit shall be allowed only if the employee
5 files an application in writing with the Board, and a medical
6 report is submitted by at least one licensed and practicing
7 physician as part of the employee's application.

8 The benefit is not payable for any disability which begins
9 during any period of unpaid leave of absence. No benefit shall
10 be allowed for any period of disability prior to 30 days before
11 application is made, unless the Board finds good cause for the
12 delay in filing the application. The benefit shall not be paid
13 during any period for which the employee receives or is
14 entitled to receive any part of salary.

15 The benefit is not payable for any disability which begins
16 during any period of absence from duty other than allowable
17 vacation time in any calendar year. An employee whose
18 disability begins during any such ineligible period of absence
19 from service may not receive benefits until the employee
20 recovers from the disability and is in service for at least 15
21 consecutive working days after such recovery.

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

1 Beginning on the effective date of this amendatory Act of
2 the 94th General Assembly, an employee who first entered
3 service on or after June 13, 1997 is also eligible for ordinary
4 disability benefits on the 31st day after the last day worked,
5 provided all sick leave is exhausted.

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

9 (1) The employee returns to work or receives a
10 retirement annuity paid wholly or in part under this
11 Article;

12 (2) The disability ceases;

13 (3) The employee willfully and continuously refuses to
14 follow medical advice and treatment to enable the employee
15 to return to work. However this provision does not apply
16 to an employee who relies in good faith on treatment by
17 prayer through spiritual means alone in accordance with
18 the tenets and practice of a recognized church or
19 religious denomination, by a duly accredited practitioner
20 thereof;

21 (4) The employee (i) refuses to submit to a reasonable
22 physical examination within 30 days of application by a
23 physician appointed by the Board, (ii) in the case of
24 chronic alcoholism, the employee refuses to join a
25 rehabilitation program licensed by the Department of
26 Public Health of the State of Illinois and certified by

1 the Joint Commission on the Accreditation of Hospitals,
2 (iii) fails or refuses to consent to and sign an
3 authorization allowing the Board to receive copies of or
4 to examine the employee's medical and hospital records, or
5 (iv) fails or refuses to provide complete information
6 regarding any other employment for compensation he or she
7 has received since becoming disabled; or

8 (5) The eligible period for this benefit has been
9 exhausted.

10 The first payment of the benefit shall be made not later
11 than one month after the same has been granted, and subsequent
12 payments shall be made at least monthly ~~intervals of not more~~
13 ~~than 30 days.~~

14 (Source: P.A. 94-621, eff. 8-18-05.)

15 Article 20.

16 Section 20-5. The Illinois Pension Code is amended by
17 changing Sections 17-140 and 17-151.1 as follows:

18 (40 ILCS 5/17-140) (from Ch. 108 1/2, par. 17-140)

19 Sec. 17-140. Board officers. The president, recording
20 secretary and other officers of the Board shall be elected by
21 and from the members of the Board ~~board~~ at the first meeting of
22 the Board after the election of trustees.

23 In case any officer whose signature appears upon any check

1 or draft, issued pursuant to this Article, ceases ~~(after~~
2 ~~attaching his signature)~~ to hold ~~his~~ office, the ~~before the~~
3 ~~delivery thereof to the payee,~~ his signature nevertheless
4 shall be valid and sufficient for all purposes ~~with the same~~
5 ~~effect as if he had remained in office until delivery thereof.~~

6 (Source: P.A. 90-566, eff. 1-2-98.)

7 (40 ILCS 5/17-151.1)

8 Sec. 17-151.1. Recovery of amount paid in error.

9 (a) The Board may retain out of any annuity or benefit
10 payable to any person any amount that the Board determines is
11 owing to the Fund because (i) required employee contributions
12 were not made in whole or in part, (ii) employee or member
13 obligations to return refunds were not met, or (iii) money was
14 paid to any employee, member, or annuitant through
15 misrepresentation, fraud, or error.

16 If the Fund mistakenly sets any benefit at an incorrect
17 amount, the Fund shall recalculate the benefit as soon as may
18 be practicable after the mistake is discovered. The Fund shall
19 provide the recipient, or the survivor or beneficiary of the
20 recipient, as the case may be, with at least 60 days' notice of
21 the corrected amount.

22 If the benefit was mistakenly set too low, the Fund shall
23 make a lump sum payment to the recipient, or the survivor or
24 beneficiary of the recipient, as the case may be, of an amount
25 equal to the difference between the benefits that should have

1 been paid and those actually paid, plus interest at the rate of
2 3% from the date the unpaid amounts accrued to the date of
3 payment.

4 If the benefit was mistakenly set too high, the Fund may
5 recover the amount overpaid from the recipient, or the
6 survivor or beneficiary of the recipient, as the case may be,
7 plus interest at 3% from the date of overpayment to the date of
8 recovery. The recipient, or the survivor or beneficiary of the
9 recipient, as the case may be, may elect to repay the sum owed
10 either directly by a lump sum payment, in agreed-upon monthly
11 payments over a period not to exceed 5 years, or through an
12 actuarial equivalent reduction of the corrected benefit.
13 However, if (1) the amount of the benefit was mistakenly set
14 too high, (2) the error was undiscovered for 3 years or longer
15 from the date of the first mistaken benefit payment, and (3)
16 the error was not the result of incorrect information supplied
17 by the affected member, then upon discovery of the mistake the
18 benefit shall be adjusted to the correct level, but the
19 recipient of the benefit shall not be required to repay to the
20 Fund the excess amounts received in error.

21 (b) The Board and the Fund shall be held free from any
22 liability for any money retained or paid in accordance with
23 this Section, and the employee, member, or pensioner shall be
24 assumed to have assented and agreed to the disposition of
25 money due.

26 (c) The changes made by this amendatory Act of the 94th

1 General Assembly are not limited to persons in service on or
2 after the effective date of this amendatory Act.

3 (Source: P.A. 94-425, eff. 8-2-05.)

4 Article 25.

5 Section 25-5. The Illinois Pension Code is amended by
6 changing Section 17-106.1 as follows:

7 (40 ILCS 5/17-106.1)

8 Sec. 17-106.1. Administrator. Administrator means a member
9 who (i) is employed in a position that requires him or her to
10 hold a professional educator license with an administrative
11 endorsement ~~Type 75 Certificate~~ issued by the State Board of
12 Education ~~State Teacher Certification Board~~, (ii) is not on
13 the Chicago teachers' or the Chicago charter school teachers'
14 salary schedule, or (iii) is paid on an administrative
15 payroll.

16 (Source: P.A. 94-514, eff. 8-10-05; 94-912, eff. 6-23-06.)

17 Article 30.

18 Section 30-5. The Illinois Pension Code is amended by
19 changing Section 17-131 as follows:

20 (40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

1 Sec. 17-131. Administration of payroll deductions.

2 (a) An Employer or the Board shall make pension deductions
3 in each pay period on the basis of the salary earned in that
4 period, exclusive of salaries for overtime, extracurricular
5 activities, or any employment on an optional basis, such as in
6 summer school.

7 (b) If a salary paid in a pay period includes adjustments
8 on account of errors or omissions in prior pay periods, then
9 salary amounts and related pension deductions shall be
10 separately identified as to the adjusted pay period and
11 deductions by the Employer or the Board shall be at rates in
12 force during the applicable adjusted pay period.

13 (c) If members earn salaries for the school year, as
14 established by an Employer, or if they earn annual salaries
15 over more than a 10-calendar month period, or if they earn
16 annual salaries over more than 170 calendar days, the required
17 contribution amount shall be deducted by the Employer in
18 installments on the basis of salary earned in each pay period.
19 The total amounts for each pay period shall be deducted
20 whenever salary payments represent a partial or whole day's
21 pay.

22 (d) If an Employer or the Board pays a salary to a member
23 for vacation periods, then the salary shall be considered part
24 of the member's pensionable salary, shall be subject to the
25 standard deductions for pension contributions, and shall be
26 considered to represent pay for the number of whole days of

1 vacation.

2 (e) If deductions from salaries result in amounts of less
3 than one cent, the fractional sums shall be increased to the
4 next higher cent. Any excess of these fractional increases
5 over the prescribed annual contributions shall be credited to
6 the members' accounts.

7 (f) In the event that, pursuant to Section 17-130.1,
8 employee contributions are picked up or made by the Employer
9 or the Board of Education ~~of Education~~ on behalf of its employees, then the
10 amount of the employee contributions which are picked up or
11 made in that manner shall not be deducted from the salaries of
12 such employees.

13 (Source: P.A. 101-261, eff. 8-9-19.)

14 Article 35.

15 Section 35-5. The Illinois Pension Code is amended by
16 changing Section 15-159 as follows:

17 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

18 Sec. 15-159. Board created.

19 (a) A board of trustees constituted as provided in this
20 Section shall administer this System. The board shall be known
21 as the Board of Trustees of the State Universities Retirement
22 System.

23 (b) (Blank).

1 (c) (Blank).

2 (d) Beginning on the 90th day after April 3, 2009 (the
3 effective date of Public Act 96-6), the Board of Trustees
4 shall be constituted as follows:

5 (1) The Chairperson of the Board of Higher Education.

6 (2) Four trustees appointed by the Governor with the
7 advice and consent of the Senate who may not be members of
8 the system or hold an elective State office and who shall
9 serve for a term of 6 years, except that the terms of the
10 initial appointees under this subsection (d) shall be as
11 follows: 2 for a term of 3 years and 2 for a term of 6
12 years. The term of an appointed trustee shall terminate
13 immediately upon becoming a member of the system or being
14 sworn into an elective State office, and the position
15 shall be considered to be vacant and shall be filled
16 pursuant to subsection (f) of this Section.

17 (3) Four participating employees ~~active participants~~
18 of the system to be elected from the contributing
19 membership of the system by the contributing members, no
20 more than 2 of which may be from any of the University of
21 Illinois campuses, who shall serve for a term of 6 years,
22 except that the terms of the initial electees shall be as
23 follows: 2 for a term of 3 years and 2 for a term of 6
24 years.

25 (4) Two annuitants of the system who have been
26 annuitants for at least one full year, to be elected from

1 and by the annuitants of the system, no more than one of
2 which may be from any of the University of Illinois
3 campuses, who shall serve for a term of 6 years, except
4 that the terms of the initial electees shall be as
5 follows: one for a term of 3 years and one for a term of 6
6 years.

7 The chairperson of the Board shall be appointed by the
8 Governor from among the trustees.

9 For the purposes of this Section, the Governor may make a
10 nomination and the Senate may confirm the nominee in advance
11 of the commencement of the nominee's term of office.

12 (e) The 6 elected trustees shall be elected within 90 days
13 after April 3, 2009 (the effective date of Public Act 96-6) for
14 a term beginning on the 90th day after that effective date.
15 Trustees shall be elected thereafter as terms expire for a
16 6-year term beginning July 15 next following their election,
17 and such election shall be held on May 1, or on May 2 when May
18 1 falls on a Sunday. The board may establish rules for the
19 election of trustees to implement the provisions of Public Act
20 96-6 and for future elections. Candidates for the
21 participating trustee shall be nominated by petitions in
22 writing, signed by not less than 400 participants with their
23 addresses shown opposite their names. Candidates for the
24 annuitant trustee shall be nominated by petitions in writing,
25 signed by not less than 100 annuitants with their addresses
26 shown opposite their names. If there is more than one

1 qualified nominee for each elected trustee, then the board
2 shall conduct a secret ballot election by mail for that
3 trustee, in accordance with rules as established by the board.
4 If there is only one qualified person nominated by petition
5 for each elected trustee, then the election as required by
6 this Section shall not be conducted for that trustee and the
7 board shall declare such nominee duly elected. A vacancy
8 occurring in the elective membership of the board shall be
9 filled for the unexpired term by the elected trustees serving
10 on the board for the remainder of the term. Nothing in this
11 subsection shall preclude the adoption of rules providing for
12 internet or phone balloting in addition, or as an alternative,
13 to election by mail.

14 (f) A vacancy in the appointed membership on the board of
15 trustees caused by resignation, death, expiration of term of
16 office, or other reason shall be filled by a qualified person
17 appointed by the Governor for the remainder of the unexpired
18 term.

19 (g) Trustees ~~(other than the trustees incumbent on June~~
20 ~~30, 1995 or as provided in subsection (c) of this Section)~~
21 shall continue in office until their respective successors are
22 appointed and have qualified, except that a trustee elected
23 appointed to one of the participating employee participant
24 positions after the effective date of this amendatory Act of
25 the 102nd General Assembly shall be disqualified immediately
26 upon the termination of his or her status as a participating

1 ~~employee participant~~ and a trustee elected ~~appointed~~ to one of
2 the annuitant positions after the effective date of this
3 amendatory Act of the 102nd General Assembly shall be
4 disqualified immediately upon the termination of his or her
5 status as an annuitant receiving a retirement annuity.

6 An elected trustee who is incumbent on the effective date
7 of this amendatory Act of the 102nd General Assembly whose
8 status as a participating employee or annuitant has terminated
9 after having been elected shall continue to serve in the
10 participating employee or annuitant position to which he or
11 she was elected for the remainder of the term.

12 (h) Each trustee must take an oath of office before a
13 notary public of this State and shall qualify as a trustee upon
14 the presentation to the board of a certified copy of the oath.
15 The oath must state that the person will diligently and
16 honestly administer the affairs of the retirement system, and
17 will not knowingly violate or willfully permit to be violated
18 any provisions of this Article.

19 Each trustee shall serve without compensation but shall be
20 reimbursed for expenses necessarily incurred in attending
21 board meetings and carrying out his or her duties as a trustee
22 or officer of the system.

23 (Source: P.A. 101-610, eff. 1-1-20.)

1 Section 40-5. The Illinois Pension Code is amended by
2 changing Section 10-107 as follows:

3 (40 ILCS 5/10-107) (from Ch. 108 1/2, par. 10-107)

4 Sec. 10-107. Financing - Tax levy. The forest preserve
5 district may levy an annual tax on the value, as equalized or
6 assessed by the Department of Revenue, of all taxable property
7 in the district for the purpose of providing revenue for the
8 fund. The rate of such tax in any year may not exceed the rate
9 herein specified for that year or the rate which will produce,
10 when extended, the sum herein stated for that year, whichever
11 is higher: for any year prior to 1970, .00103% or \$195,000; for
12 the year 1970, .00111% or \$210,000; for the year 1971, .00116%
13 or \$220,000. For the year 1972 and each year thereafter, the
14 Forest Preserve District shall levy a tax annually at a rate on
15 the dollar of the value, as equalized or assessed by the
16 Department of Revenue upon all taxable property in the county,
17 when extended, not to exceed an amount equal to the total
18 amount of contributions by the employees to the fund made in
19 the calendar year 2 years prior to the year for which the
20 annual applicable tax is levied, multiplied by 1.25 for the
21 year 1972; and by 1.30 for the year 1973 and for each year
22 thereafter.

23 The tax shall be levied and collected in like manner with
24 the general taxes of the district and shall be in addition to
25 the maximum of all other tax rates which the district may levy

1 upon the aggregate valuation of all taxable property and shall
2 be exclusive of and in addition to the maximum amount and rate
3 of taxes the district may levy for general purposes or under
4 and by virtue of any laws which limit the amount of tax which
5 the district may levy for general purposes. The county clerk
6 of the county in which the forest preserve district is located
7 in reducing tax levies under the provisions of "An Act
8 concerning the levy and extension of taxes", approved May 9,
9 1901, as amended, shall not consider any such tax as a part of
10 the general tax levy for forest preserve purposes, and shall
11 not include the same in the limitation of 1% of the assessed
12 valuation upon which taxes are required to be extended, and
13 shall not reduce the same under the provisions of that Act. The
14 proceeds of the tax herein authorized shall be kept as a
15 separate fund.

16 The forest preserve district may use other lawfully
17 available funds in lieu of all or part of the levy.

18 The Board may establish a manpower program reserve, or a
19 special forest preserve district contribution rate, with
20 respect to employees whose wages are funded as program
21 participants under the Comprehensive Employment and Training
22 Act of 1973 in the manner provided in subsection (d) or (e),
23 respectively, of Section 9-169.

24 (Source: P.A. 81-1509.)

25 Article 45.

1 Section 45-5. The Illinois Pension Code is amended by
2 changing Section 9-158 as follows:

3 (40 ILCS 5/9-158) (from Ch. 108 1/2, par. 9-158)

4 Sec. 9-158. Proof of disability, duty and ordinary. Proof
5 of duty or ordinary disability shall be furnished to the board
6 by at least one licensed and practicing physician appointed by
7 or acceptable to the board, except that this requirement may
8 be waived by the board for proof of duty disability if the
9 employee has been compensated by the county for such
10 disability or specific loss under the Workers' Compensation
11 Act or Workers' Occupational Diseases Act. The physician
12 requirement may also be waived by the board for ordinary
13 disability maternity claims of up to 8 weeks. With respect to
14 duty disability, satisfactory proof must be provided to the
15 board that the final adjudication of the claim required under
16 subsection (d) of Section 9-159 established that the
17 disability or death resulted from an injury incurred in the
18 performance of an act or acts of duty. The board may require
19 other evidence of disability. Each disabled employee who
20 receives duty or ordinary disability benefit shall be examined
21 at least once a year or a longer period of time as determined
22 by the board, by one or more licensed and practicing
23 physicians appointed by the board. When the disability ceases,
24 the board shall discontinue payment of the benefit.

1 (Source: P.A. 99-578, eff. 7-15-16.)

2 Article 50.

3 Section 50-5. The Illinois Pension Code is amended by
4 adding Section 14-148.5 as follows:

5 (40 ILCS 5/14-148.5 new)

6 Sec. 14-148.5. Indemnification of financial institution
7 for recovery of overpayment. The System may indemnify a bank,
8 savings and loan association, or other financial institution
9 insured by an agency of the federal government as necessary to
10 recover for the System any benefit overpayment that the System
11 has made to the financial institution on behalf of a member.

12 (40 ILCS 5/21-120 rep.)

13 Section 50-10. The Illinois Pension Code is amended by
14 repealing Section 21-120.

15 Article 55.

16 Section 55-5. The Illinois Pension Code is amended by
17 adding Section 4-108.8 and by changing Sections 7-139.8,
18 14-110, and 14-152.1 as follows:

19 (40 ILCS 5/4-108.8 new)

1 Sec. 4-108.8. Transfer of creditable service to the State
2 Employees' Retirement System.

3 (a) Any active member of the State Employees' Retirement
4 System who is an arson investigator may apply for transfer of
5 some or all of his or her credits and creditable service
6 accumulated in any firefighters' pension fund under this
7 Article to the State Employees' Retirement System in
8 accordance with Section 14-110. The creditable service shall
9 be transferred only upon payment by the firefighters' pension
10 fund to the State Employees' Retirement System of an amount
11 equal to:

12 (1) the amounts accumulated to the credit of the
13 applicant for the service to be transferred on file with
14 the fund on the date of transfer;

15 (2) employer contributions in an amount equal to the
16 amount determined under paragraph (1); and

17 (3) any interest paid by the applicant in order to
18 reinstate service to be transferred.

19 Participation in the firefighters' pension fund with
20 respect to the service to be transferred shall terminate on
21 the date of transfer.

22 (b) Any person applying to transfer service under this
23 Section may reinstate service that was terminated by receipt
24 of a refund, by paying to the firefighters' pension fund the
25 amount of the refund with interest thereon at the actuarially
26 assumed rate of interest, compounded annually, from the date

1 of refund to the date of payment.

2 (40 ILCS 5/7-139.8) (from Ch. 108 1/2, par. 7-139.8)

3 Sec. 7-139.8. Transfer to Article 14 System.

4 (a) Any active member of the State Employees' Retirement
5 System who is a State policeman, an investigator for the
6 Secretary of State, a conservation police officer, an
7 investigator for the Office of the Attorney General, an
8 investigator for the Department of Revenue, a Commerce
9 Commission police officer, an investigator for the Office of
10 the State's Attorneys Appellate Prosecutor, or a controlled
11 substance inspector may apply for transfer of some or all of
12 his or her credits and creditable service accumulated in this
13 Fund for service as a sheriff's law enforcement employee,
14 person employed by a participating municipality to perform
15 police duties, or law enforcement officer employed on a
16 full-time basis by a forest preserve district to the State
17 Employees' Retirement System in accordance with Section
18 14-110. The creditable service shall be transferred only upon
19 payment by this Fund to the State Employees' Retirement System
20 of an amount equal to:

21 (1) the amounts accumulated to the credit of the
22 applicant for the service to be transferred, including
23 interest; and

24 (2) municipality credits based on such service,
25 including interest; and

1 (3) any interest paid by the applicant to reinstate
2 such service.

3 Participation in this Fund as to any credits transferred under
4 this Section shall terminate on the date of transfer.

5 (b) Any person applying to transfer service under this
6 Section may reinstate credits and creditable service
7 terminated upon receipt of a separation benefit, by paying to
8 the Fund the amount of the separation benefit plus interest
9 thereon at the actuarially assumed rate of interest to the
10 date of payment.

11 (Source: P.A. 95-530, eff. 8-28-07; 96-745, eff. 8-25-09.)

12 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

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:
24 if retirement occurs on or after January 1, 2001, 3% of
25 final average compensation for each year of creditable

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

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

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

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

25 (b) For the purpose of this Section, "eligible creditable
26 service" means creditable service resulting from service in

1 one or more of the following positions:

2 (1) State policeman;

3 (2) fire fighter in the fire protection service of a
4 department;

5 (3) air pilot;

6 (4) special agent;

7 (5) investigator for the Secretary of State;

8 (6) conservation police officer;

9 (7) investigator for the Department of Revenue or the
10 Illinois Gaming Board;

11 (8) security employee of the Department of Human
12 Services;

13 (9) Central Management Services security police
14 officer;

15 (10) security employee of the Department of
16 Corrections or the Department of Juvenile Justice;

17 (11) dangerous drugs investigator;

18 (12) investigator for the Department of State Police;

19 (13) investigator for the Office of the Attorney
20 General;

21 (14) controlled substance inspector;

22 (15) investigator for the Office of the State's
23 Attorneys Appellate Prosecutor;

24 (16) Commerce Commission police officer;

25 (17) arson investigator;

26 (18) State highway maintenance worker;

1 (19) security employee of the Department of Innovation
2 and Technology; or

3 (20) transferred employee.

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

14 A person under paragraph (20) is entitled to eligible
15 creditable service for service credit earned under this
16 Article on and after his or her transfer by Executive Order No.
17 2003-10, Executive Order No. 2004-2, or Executive Order No.
18 2016-1.

19 (c) For the purposes of this Section:

20 (1) The term "State policeman" includes any title or
21 position in the Department of State Police that is held by
22 an individual employed under the State Police Act.

23 (2) The term "fire fighter in the fire protection
24 service of a department" includes all officers in such
25 fire protection service including fire chiefs and
26 assistant fire chiefs.

1 (3) The term "air pilot" includes any employee whose
2 official job description on file in the Department of
3 Central Management Services, or in the department by which
4 he is employed if that department is not covered by the
5 Personnel Code, states that his principal duty is the
6 operation of aircraft, and who possesses a pilot's
7 license; however, the change in this definition made by
8 this amendatory Act of 1983 shall not operate to exclude
9 any noncovered employee who was an "air pilot" for the
10 purposes of this Section on January 1, 1984.

11 (4) The term "special agent" means any person who by
12 reason of employment by the Division of Narcotic Control,
13 the Bureau of Investigation or, after July 1, 1977, the
14 Division of Criminal Investigation, the Division of
15 Internal Investigation, the Division of Operations, or any
16 other Division or organizational entity in the Department
17 of State Police is vested by law with duties to maintain
18 public order, investigate violations of the criminal law
19 of this State, enforce the laws of this State, make
20 arrests and recover property. The term "special agent"
21 includes any title or position in the Department of State
22 Police that is held by an individual employed under the
23 State Police Act.

24 (5) The term "investigator for the Secretary of State"
25 means any person employed by the Office of the Secretary
26 of State and vested with such investigative duties as

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

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

13 (6) The term "Conservation Police Officer" means any
14 person employed by the Division of Law Enforcement of the
15 Department of Natural Resources and vested with such law
16 enforcement 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. The
19 term "Conservation Police Officer" includes the positions
20 of Chief Conservation Police Administrator and Assistant
21 Conservation Police Administrator.

22 (7) The term "investigator for the Department of
23 Revenue" means any person employed by the Department of
24 Revenue and vested with such investigative duties as
25 render him ineligible for coverage under the Social
26 Security Act by reason of Sections 218(d)(5)(A),

1 218(d)(8)(D) and 218(1)(1) of that Act.

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

8 (8) The term "security employee of the Department of
9 Human Services" means any person employed by the
10 Department of Human Services who (i) is employed at the
11 Chester Mental Health Center and has daily contact with
12 the residents thereof, (ii) is employed within a security
13 unit at a facility operated by the Department and has
14 daily contact with the residents of the security unit,
15 (iii) is employed at a facility operated by the Department
16 that includes a security unit and is regularly scheduled
17 to work at least 50% of his or her working hours within
18 that security unit, or (iv) is a mental health police
19 officer. "Mental health police officer" means any person
20 employed by the Department of Human Services in a position
21 pertaining to the Department's mental health and
22 developmental disabilities functions who is vested with
23 such law enforcement duties as render the person
24 ineligible for coverage under the Social Security Act by
25 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
26 218(1)(1) of that Act. "Security unit" means that portion

1 of a facility that is devoted to the care, containment,
2 and treatment of persons committed to the Department of
3 Human Services as sexually violent persons, persons unfit
4 to stand trial, or persons not guilty by reason of
5 insanity. With respect to past employment, references to
6 the Department of Human Services include its predecessor,
7 the Department of Mental Health and Developmental
8 Disabilities.

9 The changes made to this subdivision (c)(8) by Public
10 Act 92-14 apply to persons who retire on or after January
11 1, 2001, notwithstanding Section 1-103.1.

12 (9) "Central Management Services security police
13 officer" means any person employed by the Department of
14 Central Management Services who is vested with such law
15 enforcement duties as render him ineligible for coverage
16 under the Social Security Act by reason of Sections
17 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

18 (10) For a member who first became an employee under
19 this Article before July 1, 2005, the term "security
20 employee of the Department of Corrections or the
21 Department of Juvenile Justice" means any employee of the
22 Department of Corrections or the Department of Juvenile
23 Justice or the former Department of Personnel, and any
24 member or employee of the Prisoner Review Board, who has
25 daily contact with inmates or youth by working within a
26 correctional facility or Juvenile facility operated by the

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

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

16 (12) The term "investigator for the Department of
17 State Police" means a person employed by the Department of
18 State Police who is vested under Section 4 of the Narcotic
19 Control Division Abolition Act with such law enforcement
20 powers as render him ineligible for coverage under the
21 Social Security Act by reason of Sections 218(d)(5)(A),
22 218(d)(8)(D) and 218(1)(1) of that Act.

23 (13) "Investigator for the Office of the Attorney
24 General" means any person who is employed as such by the
25 Office of the Attorney General and is vested with such
26 investigative duties as render him ineligible for coverage

1 under the Social Security Act by reason of Sections
2 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
3 the period before January 1, 1989, the term includes all
4 persons who were employed as investigators by the Office
5 of the Attorney General, without regard to social security
6 status.

7 (14) "Controlled substance inspector" means any person
8 who is employed as such by the Department of Professional
9 Regulation and is vested with such law enforcement duties
10 as render him ineligible for coverage under the Social
11 Security Act by reason of Sections 218(d)(5)(A),
12 218(d)(8)(D) and 218(1)(1) of that Act. The term
13 "controlled substance inspector" includes the Program
14 Executive of Enforcement and the Assistant Program
15 Executive of Enforcement.

16 (15) The term "investigator for the Office of the
17 State's Attorneys Appellate Prosecutor" means a person
18 employed in that capacity on a full time basis under the
19 authority of Section 7.06 of the State's Attorneys
20 Appellate Prosecutor's Act.

21 (16) "Commerce Commission police officer" means any
22 person employed by the Illinois Commerce Commission who is
23 vested with such law enforcement duties as render him
24 ineligible for coverage under the Social Security Act by
25 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
26 218(1)(1) of that Act.

1 (17) "Arson investigator" means any person who is
2 employed as such by the Office of the State Fire Marshal
3 and is vested with such law enforcement duties as render
4 the person ineligible for coverage under the Social
5 Security Act by reason of Sections 218(d)(5)(A),
6 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
7 employed as an arson investigator on January 1, 1995 and
8 is no longer in service but not yet receiving a retirement
9 annuity may convert his or her creditable service for
10 employment as an arson investigator into eligible
11 creditable service by paying to the System the difference
12 between the employee contributions actually paid for that
13 service and the amounts that would have been contributed
14 if the applicant were contributing at the rate applicable
15 to persons with the same social security status earning
16 eligible creditable service on the date of application.

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

19 (i) A person employed on a full-time basis by the
20 Illinois Department of Transportation in the position
21 of highway maintainer, highway maintenance lead
22 worker, highway maintenance lead/lead worker, heavy
23 construction equipment operator, power shovel
24 operator, or bridge mechanic; and whose principal
25 responsibility is to perform, on the roadway, the
26 actual maintenance necessary to keep the highways that

1 form a part of the State highway system in serviceable
2 condition for vehicular traffic.

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

16 (19) The term "security employee of the Department of
17 Innovation and Technology" means a person who was a
18 security employee of the Department of Corrections or the
19 Department of Juvenile Justice, was transferred to the
20 Department of Innovation and Technology pursuant to
21 Executive Order 2016-01, and continues to perform similar
22 job functions under that Department.

23 (20) "Transferred employee" means an employee who was
24 transferred to the Department of Central Management
25 Services by Executive Order No. 2003-10 or Executive Order
26 No. 2004-2 or transferred to the Department of Innovation

1 and Technology by Executive Order No. 2016-1, or both, and
2 was entitled to eligible creditable service for services
3 immediately preceding the transfer.

4 (d) A security employee of the Department of Corrections
5 or the Department of Juvenile Justice, a security employee of
6 the Department of Human Services who is not a mental health
7 police officer, and a security employee of the Department of
8 Innovation and Technology shall not be eligible for the
9 alternative retirement annuity provided by this Section unless
10 he or she meets the following minimum age and service
11 requirements at the time of retirement:

12 (i) 25 years of eligible creditable service and age
13 55; or

14 (ii) beginning January 1, 1987, 25 years of eligible
15 creditable service and age 54, or 24 years of eligible
16 creditable service and age 55; or

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

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

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

26 (vi) beginning January 1, 1991, 25 years of eligible

1 creditable service and age 50, or 20 years of eligible
2 creditable service and age 55.

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

12 (e) If a member enters military service while working in a
13 position in which eligible creditable service may be earned,
14 and returns to State service in the same or another such
15 position, and fulfills in all other respects the conditions
16 prescribed in this Article for credit for military service,
17 such military service shall be credited as eligible creditable
18 service for the purposes of the retirement annuity prescribed
19 in this Section.

20 (f) For purposes of calculating retirement annuities under
21 this Section, periods of service rendered after December 31,
22 1968 and before October 1, 1975 as a covered employee in the
23 position of special agent, conservation police officer, mental
24 health police officer, or investigator for the Secretary of
25 State, shall be deemed to have been service as a noncovered
26 employee, provided that the employee pays to the System prior

1 to retirement an amount equal to (1) the difference between
2 the employee contributions that would have been required for
3 such service as a noncovered employee, and the amount of
4 employee contributions actually paid, plus (2) if payment is
5 made after July 31, 1987, regular interest on the amount
6 specified in item (1) from the date of service to the date of
7 payment.

8 For purposes of calculating retirement annuities under
9 this Section, periods of service rendered after December 31,
10 1968 and before January 1, 1982 as a covered employee in the
11 position of investigator for the Department of Revenue shall
12 be deemed to have been service as a noncovered employee,
13 provided that the employee pays to the System prior to
14 retirement an amount equal to (1) the difference between the
15 employee contributions that would have been required for such
16 service as a noncovered employee, and the amount of employee
17 contributions actually paid, plus (2) if payment is made after
18 January 1, 1990, regular interest on the amount specified in
19 item (1) from the date of service to the date of payment.

20 (g) A State policeman may elect, not later than January 1,
21 1990, to establish eligible creditable service for up to 10
22 years of his service as a policeman under Article 3, by filing
23 a written election with the Board, accompanied by payment of
24 an amount to be determined by the Board, equal to (i) the
25 difference between the amount of employee and employer
26 contributions transferred to the System under Section 3-110.5,

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

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

19 (h) Subject to the limitation in subsection (i), a State
20 policeman or investigator for the Secretary of State may elect
21 to establish eligible creditable service for up to 12 years of
22 his service as a policeman under Article 5, by filing a written
23 election with the Board on or before January 31, 1992, and
24 paying to the System by January 31, 1994 an amount to be
25 determined by the Board, equal to (i) the difference between
26 the amount of employee and employer contributions transferred

1 to the System under Section 5-236, and the amounts that would
2 have been contributed had such contributions been made at the
3 rates applicable to State policemen, plus (ii) interest
4 thereon at the effective rate for each year, compounded
5 annually, from the date of service to the date of payment.

6 Subject to the limitation in subsection (i), a State
7 policeman, conservation police officer, or investigator for
8 the Secretary of State may elect to establish eligible
9 creditable service for up to 10 years of service as a sheriff's
10 law enforcement employee under Article 7, by filing a written
11 election with the Board on or before January 31, 1993, 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 7-139.7, and the amounts that
16 would have been contributed had such contributions been made
17 at the 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 5 years of service as a police
24 officer under Article 3, a policeman under Article 5, a
25 sheriff's law enforcement employee under Article 7, a member
26 of the county police department under Article 9, or a police

1 officer under Article 15 by filing a written election with the
2 Board and paying to the System an amount to be determined by
3 the Board, equal to (i) the difference between the amount of
4 employee and employer contributions transferred to the System
5 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
6 and the amounts that would have been contributed had such
7 contributions been made at the rates applicable to State
8 policemen, plus (ii) interest thereon at the effective rate
9 for each year, compounded annually, from the date of service
10 to the date of payment.

11 Subject to the limitation in subsection (i), an
12 investigator for the Office of the Attorney General, or an
13 investigator for the Department of Revenue, may elect to
14 establish eligible creditable service for up to 5 years of
15 service as a police officer under Article 3, a policeman under
16 Article 5, a sheriff's law enforcement employee under Article
17 7, or a member of the county police department under Article 9
18 by filing a written election with the Board within 6 months
19 after August 25, 2009 (the effective date of Public Act
20 96-745) and paying to the System an amount to be determined by
21 the Board, equal to (i) the difference between the amount of
22 employee and employer contributions transferred to the System
23 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
24 amounts that would have been contributed had such
25 contributions been made at the rates applicable to State
26 policemen, plus (ii) interest thereon at the actuarially

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

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

23 Subject to the limitation in subsection (i), a State
24 policeman, arson investigator, or Commerce Commission police
25 officer may elect to establish eligible creditable service for
26 up to 5 years of service as a person employed by a

1 participating municipality to perform police duties under
2 Article 7, a county corrections officer, a court services
3 officer under Article 9, or a firefighter under Article 4 by
4 filing a written election with the Board within 6 months after
5 the effective date of this amendatory Act of the 102nd General
6 Assembly and paying to the System an amount to be determined by
7 the Board equal to (i) the difference between the amount of
8 employee and employer contributions transferred to the System
9 under Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts
10 that would have been contributed had such contributions been
11 made at the rates applicable to State policemen, plus (ii)
12 interest thereon at the actuarially assumed rate for each
13 year, compounded annually, from the date of service to the
14 date of payment.

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

1 been contributed had such contributions been made at the rates
2 applicable to State policemen, plus (ii) interest thereon at
3 the actuarially assumed rate for each year, compounded
4 annually, from the date 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 the
10 effective date of this amendatory Act of the 102nd General
11 Assembly and paying to the System an amount to be determined by
12 the Board equal to (i) the difference between the amount of
13 employee contributions originally paid for that service and
14 the amounts that would have been contributed had such
15 contributions been made at the rates applicable to State
16 policemen, plus (ii) the difference between the employer's
17 normal cost of the credit prior to the conversion authorized
18 by this amendatory Act of the 102nd General Assembly and the
19 employer's normal cost of the credit converted in accordance
20 with this amendatory Act of the 102nd General Assembly, plus
21 (iii) interest thereon at the actuarially assumed rate for
22 each year, compounded annually, from the date of service to
23 the date of payment.

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

1 years.

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

17 (k) Subject to the limitation in subsection (i) of this
18 Section, an alternative formula employee may elect to
19 establish eligible creditable service for periods spent as a
20 full-time law enforcement officer or full-time corrections
21 officer employed by the federal government or by a state or
22 local government located outside of Illinois, for which credit
23 is not held in any other public employee pension fund or
24 retirement system. To obtain this credit, the applicant must
25 file a written application with the Board by March 31, 1998,
26 accompanied by evidence of eligibility acceptable to the Board

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

13 (1) Subject to the limitation in subsection (i), a
14 security employee of the Department of Corrections may elect,
15 not later than July 1, 1998, to establish eligible creditable
16 service for up to 10 years of his or her service as a policeman
17 under Article 3, by filing a written election with the Board,
18 accompanied by payment of 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 System
21 under Section 3-110.5, and the amounts that would have been
22 contributed had such contributions been made at the rates
23 applicable to security employees of the Department of
24 Corrections, 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 (1-5) Subject to the limitation in subsection (i) of this
2 Section, a State policeman may elect to establish eligible
3 creditable service for up to 5 years of service as a full-time
4 law enforcement officer employed by the federal government or
5 by a state or local government located outside of Illinois for
6 which credit is not held in any other public employee pension
7 fund or retirement system. To obtain this credit, the
8 applicant must file a written application with the Board no
9 later than 3 years after the effective date of this amendatory
10 Act of the 101st General Assembly, accompanied by evidence of
11 eligibility acceptable to the Board and payment of an amount
12 to be determined by the Board, equal to (1) employee
13 contributions for the credit being established, based upon the
14 applicant's salary on the first day as an alternative formula
15 employee after the employment for which credit is being
16 established and the rates then applicable to alternative
17 formula employees, plus (2) an amount determined by the Board
18 to be the employer's normal cost of the benefits accrued for
19 the credit being established, plus (3) regular interest on the
20 amounts in items (1) and (2) from the first day as an
21 alternative formula employee after the employment for which
22 credit is being established to the date of payment.

23 (m) The amendatory changes to this Section made by this
24 amendatory Act of the 94th General Assembly apply only to: (1)
25 security employees of the Department of Juvenile Justice
26 employed by the Department of Corrections before the effective

1 date of this amendatory Act of the 94th General Assembly and
2 transferred to the Department of Juvenile Justice by this
3 amendatory Act of the 94th General Assembly; and (2) persons
4 employed by the Department of Juvenile Justice on or after the
5 effective date of this amendatory Act of the 94th General
6 Assembly who are required by subsection (b) of Section
7 3-2.5-15 of the Unified Code of Corrections to have any
8 bachelor's or advanced degree from an accredited college or
9 university or, in the case of persons who provide vocational
10 training, who are required to have adequate knowledge in the
11 skill for which they are providing the vocational training.

12 (n) A person employed in a position under subsection (b)
13 of this Section who has purchased service credit under
14 subsection (j) of Section 14-104 or subsection (b) of Section
15 14-105 in any other capacity under this Article may convert up
16 to 5 years of that service credit into service credit covered
17 under this Section by paying to the Fund an amount equal to (1)
18 the additional employee contribution required under Section
19 14-133, plus (2) the additional employer contribution required
20 under Section 14-131, plus (3) interest on items (1) and (2) at
21 the actuarially assumed rate from the date of the service to
22 the date of payment.

23 (o) Subject to the limitation in subsection (i), a
24 conservation police officer, investigator for the Secretary of
25 State, Commerce Commission police officer, investigator for
26 the Department of Revenue or the Illinois Gaming Board, or

1 arson investigator subject to subsection (g) of Section 1-160
2 may elect to convert up to 8 years of service credit
3 established before the effective date of this amendatory Act
4 of the 101st General Assembly as a conservation police
5 officer, investigator for the Secretary of State, Commerce
6 Commission police officer, investigator for the Department of
7 Revenue or the Illinois Gaming Board, or arson investigator
8 under this Article into eligible creditable service by filing
9 a written election with the Board no later than one year after
10 the effective date of this amendatory Act of the 101st General
11 Assembly, accompanied by payment of an amount to be determined
12 by the Board equal to (i) the difference between the amount of
13 the employee contributions actually paid for that service and
14 the amount of the employee contributions that would have been
15 paid had the employee contributions been made as a noncovered
16 employee serving in a position in which eligible creditable
17 service, as defined in this Section, may be earned, plus (ii)
18 interest thereon at the effective rate for each year,
19 compounded annually, from the date of service to the date of
20 payment.

21 (Source: P.A. 100-19, eff. 1-1-18; 100-611, eff. 7-20-18;
22 101-610, eff. 1-1-20.)

23 (40 ILCS 5/14-152.1)

24 Sec. 14-152.1. Application and expiration of new benefit
25 increases.

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

13 (b) Notwithstanding any other provision of this Code or
14 any subsequent amendment to this Code, every new benefit
15 increase is subject to this Section and shall be deemed to be
16 granted only in conformance with and contingent upon
17 compliance with the provisions of this Section.

18 (c) The Public Act enacting a new benefit increase must
19 identify and provide for payment to the System of additional
20 funding at least sufficient to fund the resulting annual
21 increase in cost to the System as it accrues.

22 Every new benefit increase is contingent upon the General
23 Assembly providing the additional funding required under this
24 subsection. The Commission on Government Forecasting and
25 Accountability shall analyze whether adequate additional
26 funding has been provided for the new benefit increase and

1 shall report its analysis to the Public Pension Division of
2 the Department of Insurance. A new benefit increase created by
3 a Public Act that does not include the additional funding
4 required under this subsection is null and void. If the Public
5 Pension Division determines that the additional funding
6 provided for a new benefit increase under this subsection is
7 or has become inadequate, it may so certify to the Governor and
8 the State Comptroller and, in the absence of corrective action
9 by the General Assembly, the new benefit increase shall expire
10 at the end of the fiscal year in which the certification is
11 made.

12 (d) Every new benefit increase shall expire 5 years after
13 its effective date or on such earlier date as may be specified
14 in the language enacting the new benefit increase or provided
15 under subsection (c). This does not prevent the General
16 Assembly from extending or re-creating a new benefit increase
17 by law.

18 (e) Except as otherwise provided in the language creating
19 the new benefit increase, a new benefit increase that expires
20 under this Section continues to apply to persons who applied
21 and qualified for the affected benefit while the new benefit
22 increase was in effect and to the affected beneficiaries and
23 alternate payees of such persons, but does not apply to any
24 other person, including, without limitation, a person who
25 continues in service after the expiration date and did not
26 apply and qualify for the affected benefit while the new

1 benefit increase was in effect.

2 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
3 100-611, eff. 7-20-18; 101-10, eff. 6-5-19; 101-81, eff.
4 7-12-19; 101-610, eff. 1-1-20.)

5 Article 65.

6 Section 65-5. The Illinois Pension Code is amended by
7 changing Section 17-147 as follows:

8 (40 ILCS 5/17-147) (from Ch. 108 1/2, par. 17-147)

9 Sec. 17-147. Custody of Fund; bonds; legal Fund ~~Bonds~~
10 ~~Legal~~ proceedings. The city treasurer, ex officio ~~ex officio~~,
11 shall be the custodian of the Fund, and shall secure and safely
12 keep it, subject to the control and direction of the Board. The
13 city treasurer ~~He~~ shall keep the ~~his~~ books and accounts
14 concerning the Fund in the manner prescribed by the Board. The
15 books and accounts shall always be subject to the inspection
16 of the Board or any member thereof. The city treasurer shall be
17 liable on the city treasurer's ~~his~~ official bond for the
18 proper performance of ~~his~~ duties and the conservation of the
19 Fund.

20 Payments from the Fund shall be made upon checks or
21 through direct deposit transmittals authorized ~~warrants signed~~
22 ~~by the president and the secretary of the Board of Education,~~
23 ~~the president of the Board, and countersigned by the executive~~

1 director or by such person as the Board may designate from time
2 to time by appropriate resolution.

3 Neither the treasurer nor any other officer having the
4 custody of the Fund is entitled to retain any interest
5 accruing thereon, but such interest shall accrue and inure to
6 the benefit of such Fund, become a part thereof, subject to the
7 purposes of this Article.

8 Any legal proceedings necessary for the enforcement of the
9 provisions of this Article shall be brought by and in the name
10 of the Board of the Fund.

11 (Source: P.A. 90-566, eff. 1-2-98.)

12 Article 70.

13 Section 70-5. The Illinois Pension Code is amended by
14 changing Section 16-106 as follows:

15 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

16 Sec. 16-106. Teacher. "Teacher": The following
17 individuals, provided that, for employment prior to July 1,
18 1990, they are employed on a full-time basis, or if not
19 full-time, on a permanent and continuous basis in a position
20 in which services are expected to be rendered for at least one
21 school term:

22 (1) Any educational, administrative, professional or
23 other staff employed in the public common schools included

1 within this system in a position requiring certification
2 under the law governing the certification of teachers;

3 (2) Any educational, administrative, professional or
4 other staff employed in any facility of the Department of
5 Children and Family Services or the Department of Human
6 Services, in a position requiring certification under the
7 law governing the certification of teachers, and any
8 person who (i) works in such a position for the Department
9 of Corrections, (ii) was a member of this System on May 31,
10 1987, and (iii) did not elect to become a member of the
11 State Employees' Retirement System pursuant to Section
12 14-108.2 of this Code; except that "teacher" does not
13 include any person who (A) becomes a security employee of
14 the Department of Human Services, as defined in Section
15 14-110, after June 28, 2001 (the effective date of Public
16 Act 92-14), or (B) becomes a member of the State
17 Employees' Retirement System pursuant to Section 14-108.2c
18 of this Code;

19 (3) Any regional superintendent of schools, assistant
20 regional superintendent of schools, State Superintendent
21 of Education; any person employed by the State Board of
22 Education as an executive; any executive of the boards
23 engaged in the service of public common school education
24 in school districts covered under this system of which the
25 State Superintendent of Education is an ex-officio member;

26 (4) Any employee of a school board association

1 operating in compliance with Article 23 of the School Code
2 who is certificated under the law governing the
3 certification of teachers, provided that he or she becomes
4 such an employee before the effective date of this
5 amendatory Act of the 99th General Assembly;

6 (5) Any person employed by the retirement system who:

7 (i) was an employee of and a participant in the
8 system on August 17, 2001 (the effective date of
9 Public Act 92-416), or

10 (ii) becomes an employee of the system on or after
11 August 17, 2001;

12 (6) Any educational, administrative, professional or
13 other staff employed by and under the supervision and
14 control of a regional superintendent of schools or the
15 chief administrative officer of the education service
16 centers established under Section 2-3.62 of the School
17 Code and serving that portion of a Class II county outside
18 a city of 500,000 or more inhabitants, provided such
19 employment position requires the person to be certificated
20 under the law governing the certification of teachers and
21 is in an educational program serving 2 or more districts
22 in accordance with a joint agreement authorized by the
23 School Code or by federal legislation;

24 (7) Any educational, administrative, professional or
25 other staff employed in an educational program serving 2
26 or more school districts in accordance with a joint

1 agreement authorized by the School Code or by federal
2 legislation and in a position requiring certification
3 under the laws governing the certification of teachers;

4 (8) Any officer or employee of a statewide teacher
5 organization or officer of a national teacher organization
6 who is certified under the law governing certification of
7 teachers, provided: (i) the individual had previously
8 established creditable service under this Article, (ii)
9 the individual files with the system an irrevocable
10 election to become a member before the effective date of
11 this amendatory Act of the 97th General Assembly, (iii)
12 the individual does not receive credit for such service
13 under any other Article of this Code, and (iv) the
14 individual first became an officer or employee of the
15 teacher organization and becomes a member before the
16 effective date of this amendatory Act of the 97th General
17 Assembly;

18 (9) Any educational, administrative, professional, or
19 other staff employed in a charter school operating in
20 compliance with the Charter Schools Law who is
21 certificated under the law governing the certification of
22 teachers;

23 (10) Any person employed, on the effective date of
24 this amendatory Act of the 94th General Assembly, by the
25 Macon-Piatt Regional Office of Education in a
26 birth-through-age-three pilot program receiving funds

1 under Section 2-389 of the School Code who is required by
2 the Macon-Piatt Regional Office of Education to hold a
3 teaching certificate, provided that the Macon-Piatt
4 Regional Office of Education makes an election, within 6
5 months after the effective date of this amendatory Act of
6 the 94th General Assembly, to have the person participate
7 in the system. Any service established prior to the
8 effective date of this amendatory Act of the 94th General
9 Assembly for service as an employee of the Macon-Piatt
10 Regional Office of Education in a birth-through-age-three
11 pilot program receiving funds under Section 2-389 of the
12 School Code shall be considered service as a teacher if
13 employee and employer contributions have been received by
14 the system and the system has not refunded those
15 contributions.

16 An annuitant receiving a retirement annuity under this
17 Article who is employed by a board of education or other
18 employer as permitted under Section 16-118 or 16-150.1 is not
19 a "teacher" for purposes of this Article. A person who has
20 received a single-sum retirement benefit under Section
21 16-136.4 of this Article is not a "teacher" for purposes of
22 this Article. For purposes of this Article, "teacher" does not
23 include a person employed by an entity that provides
24 substitute teaching services under Section 2-3.173 of the
25 School Code and is not a school district.

26 (Source: P.A. 100-813, eff. 8-13-18; 101-502, eff. 8-23-19.)

1 Article 75.

2 Section 75-5. The State Employees Group Insurance Act of
3 1971 is amended by changing Section 6.5 as follows:

4 (5 ILCS 375/6.5)

5 Sec. 6.5. Health benefits for TRS benefit recipients and
6 TRS dependent beneficiaries.

7 (a) Purpose. It is the purpose of this amendatory Act of
8 1995 to transfer the administration of the program of health
9 benefits established for benefit recipients and their
10 dependent beneficiaries under Article 16 of the Illinois
11 Pension Code to the Department of Central Management Services.

12 (b) Transition provisions. The Board of Trustees of the
13 Teachers' Retirement System shall continue to administer the
14 health benefit program established under Article 16 of the
15 Illinois Pension Code through December 31, 1995. Beginning
16 January 1, 1996, the Department of Central Management Services
17 shall be responsible for administering a program of health
18 benefits for TRS benefit recipients and TRS dependent
19 beneficiaries under this Section. The Department of Central
20 Management Services and the Teachers' Retirement System shall
21 cooperate in this endeavor and shall coordinate their
22 activities so as to ensure a smooth transition and
23 uninterrupted health benefit coverage.

1 (c) Eligibility. All persons who were enrolled in the
2 Article 16 program at the time of the transfer shall be
3 eligible to participate in the program established under this
4 Section without any interruption or delay in coverage or
5 limitation as to pre-existing medical conditions. Eligibility
6 to participate shall be determined by the Teachers' Retirement
7 System. Eligibility information shall be communicated to the
8 Department of Central Management Services in a format
9 acceptable to the Department.

10 Eligible TRS benefit recipients may enroll or re-enroll in
11 the program of health benefits established under this Section
12 during any applicable annual open enrollment period and as
13 otherwise permitted by the Department of Central Management
14 Services. A TRS benefit recipient shall not be deemed
15 ineligible to participate solely by reason of the TRS benefit
16 recipient having made a previous election to disenroll or
17 otherwise not participate in the program of health benefits.

18 A TRS dependent beneficiary who is a child age 19 or over
19 and mentally or physically disabled does not become ineligible
20 to participate by reason of (i) becoming ineligible to be
21 claimed as a dependent for Illinois or federal income tax
22 purposes or (ii) receiving earned income, so long as those
23 earnings are insufficient for the child to be fully
24 self-sufficient.

25 (d) Coverage. The level of health benefits provided under
26 this Section shall be similar to the level of benefits

1 provided by the program previously established under Article
2 16 of the Illinois Pension Code.

3 Group life insurance benefits are not included in the
4 benefits to be provided to TRS benefit recipients and TRS
5 dependent beneficiaries under this Act.

6 The program of health benefits under this Section may
7 include any or all of the benefit limitations, including but
8 not limited to a reduction in benefits based on eligibility
9 for federal Medicare benefits, that are provided under
10 subsection (a) of Section 6 of this Act for other health
11 benefit programs under this Act.

12 (e) Insurance rates and premiums. The Director shall
13 determine the insurance rates and premiums for TRS benefit
14 recipients and TRS dependent beneficiaries, and shall present
15 to the Teachers' Retirement System of the State of Illinois,
16 by April 15 of each calendar year, the rate-setting
17 methodology (including but not limited to utilization levels
18 and costs) used to determine the amount of the health care
19 premiums.

20 For Fiscal Year 1996, the premium shall be equal to
21 the premium actually charged in Fiscal Year 1995; in
22 subsequent years, the premium shall never be lower than
23 the premium charged in Fiscal Year 1995.

24 For Fiscal Year 2003, the premium shall not exceed
25 110% of the premium actually charged in Fiscal Year 2002.

26 For Fiscal Year 2004, the premium shall not exceed

1 112% of the premium actually charged in Fiscal Year 2003.

2 For Fiscal Year 2005, the premium shall not exceed a
3 weighted average of 106.6% of the premium actually charged
4 in Fiscal Year 2004.

5 For Fiscal Year 2006, the premium shall not exceed a
6 weighted average of 109.1% of the premium actually charged
7 in Fiscal Year 2005.

8 For Fiscal Year 2007, the premium shall not exceed a
9 weighted average of 103.9% of the premium actually charged
10 in Fiscal Year 2006.

11 For Fiscal Year 2008 and thereafter, the premium in
12 each fiscal year shall not exceed 105% of the premium
13 actually charged in the previous fiscal year.

14 Rates and premiums may be based in part on age and
15 eligibility for federal medicare coverage. However, the cost
16 of participation for a TRS dependent beneficiary who is an
17 unmarried child age 19 or over and mentally or physically
18 disabled shall not exceed the cost for a TRS dependent
19 beneficiary who is an unmarried child under age 19 and
20 participates in the same major medical or managed care
21 program.

22 The cost of health benefits under the program shall be
23 paid as follows:

24 (1) For a TRS benefit recipient selecting a managed
25 care program, up to 75% of the total insurance rate shall
26 be paid from the Teacher Health Insurance Security Fund.

1 Effective with Fiscal Year 2007 and thereafter, for a TRS
2 benefit recipient selecting a managed care program, 75% of
3 the total insurance rate shall be paid from the Teacher
4 Health Insurance Security Fund.

5 (2) For a TRS benefit recipient selecting the major
6 medical coverage program, up to 50% of the total insurance
7 rate shall be paid from the Teacher Health Insurance
8 Security Fund if a managed care program is accessible, as
9 determined by the Teachers' Retirement System. Effective
10 with Fiscal Year 2007 and thereafter, for a TRS benefit
11 recipient selecting the major medical coverage program,
12 50% of the total insurance rate shall be paid from the
13 Teacher Health Insurance Security Fund if a managed care
14 program is accessible, as determined by the Department of
15 Central Management Services.

16 (3) For a TRS benefit recipient selecting the major
17 medical coverage program, up to 75% of the total insurance
18 rate shall be paid from the Teacher Health Insurance
19 Security Fund if a managed care program is not accessible,
20 as determined by the Teachers' Retirement System.
21 Effective with Fiscal Year 2007 and thereafter, for a TRS
22 benefit recipient selecting the major medical coverage
23 program, 75% of the total insurance rate shall be paid
24 from the Teacher Health Insurance Security Fund if a
25 managed care program is not accessible, as determined by
26 the Department of Central Management Services.

1 (3.1) For a TRS dependent beneficiary who is Medicare
2 primary and enrolled in a managed care plan, or the major
3 medical coverage program if a managed care plan is not
4 available, 25% of the total insurance rate shall be paid
5 from the Teacher Health Security Fund as determined by the
6 Department of Central Management Services. For the purpose
7 of this item (3.1), the term "TRS dependent beneficiary
8 who is Medicare primary" means a TRS dependent beneficiary
9 who is participating in Medicare Parts A and B.

10 (4) Except as otherwise provided in item (3.1), the
11 balance of the rate of insurance, including the entire
12 premium of any coverage for TRS dependent beneficiaries
13 that has been elected, shall be paid by deductions
14 authorized by the TRS benefit recipient to be withheld
15 from his or her monthly annuity or benefit payment from
16 the Teachers' Retirement System; except that (i) if the
17 balance of the cost of coverage exceeds the amount of the
18 monthly annuity or benefit payment, the difference shall
19 be paid directly to the Teachers' Retirement System by the
20 TRS benefit recipient, and (ii) all or part of the balance
21 of the cost of coverage may, at the school board's option,
22 be paid to the Teachers' Retirement System by the school
23 board of the school district from which the TRS benefit
24 recipient retired, in accordance with Section 10-22.3b of
25 the School Code. The Teachers' Retirement System shall
26 promptly deposit all moneys withheld by or paid to it

1 under this subdivision (e)(4) into the Teacher Health
2 Insurance Security Fund. These moneys shall not be
3 considered assets of the Retirement System.

4 (5) If, for any month beginning on or after January 1,
5 2013, a TRS benefit recipient or TRS dependent beneficiary
6 was enrolled in Medicare Parts A and B and such Medicare
7 coverage was primary to coverage under this Section but
8 payment for coverage under this Section was made at a rate
9 greater than the Medicare primary rate published by the
10 Department of Central Management Services, the TRS benefit
11 recipient or TRS dependent beneficiary shall be eligible
12 for a refund equal to the difference between the amount
13 paid by the TRS benefit recipient or TRS dependent
14 beneficiary and the published Medicare primary rate. To
15 receive a refund pursuant to this subsection, the TRS
16 benefit recipient or TRS dependent beneficiary must
17 provide documentation to the Department of Central
18 Management Services evidencing the TRS benefit recipient's
19 or TRS dependent beneficiary's Medicare coverage and the
20 amount paid by the TRS benefit recipient or TRS dependent
21 beneficiary during the applicable time period. ~~If in any~~
22 ~~case an error is made in billing a TRS benefit recipient~~
23 ~~under this Section, the Department shall identify the~~
24 ~~error and refund the overpaid amount as soon as~~
25 ~~practicable. A TRS benefit recipient who has overpaid~~
26 ~~under this Section shall be entitled to a refund of~~

1 ~~overpayments for up to 7 years of past payments.~~

2 (f) Financing. Beginning July 1, 1995, all revenues
3 arising from the administration of the health benefit programs
4 established under Article 16 of the Illinois Pension Code or
5 this Section shall be deposited into the Teacher Health
6 Insurance Security Fund, which is hereby created as a
7 nonappropriated trust fund to be held outside the State
8 Treasury, with the State Treasurer as custodian. Any interest
9 earned on moneys in the Teacher Health Insurance Security Fund
10 shall be deposited into the Fund.

11 Moneys in the Teacher Health Insurance Security Fund shall
12 be used only to pay the costs of the health benefit program
13 established under this Section, including associated
14 administrative costs, and the costs associated with the health
15 benefit program established under Article 16 of the Illinois
16 Pension Code, as authorized in this Section. Beginning July 1,
17 1995, the Department of Central Management Services may make
18 expenditures from the Teacher Health Insurance Security Fund
19 for those costs.

20 After other funds authorized for the payment of the costs
21 of the health benefit program established under Article 16 of
22 the Illinois Pension Code are exhausted and until January 1,
23 1996 (or such later date as may be agreed upon by the Director
24 of Central Management Services and the Secretary of the
25 Teachers' Retirement System), the Secretary of the Teachers'
26 Retirement System may make expenditures from the Teacher

1 Health Insurance Security Fund as necessary to pay up to 75% of
2 the cost of providing health coverage to eligible benefit
3 recipients (as defined in Sections 16-153.1 and 16-153.3 of
4 the Illinois Pension Code) who are enrolled in the Article 16
5 health benefit program and to facilitate the transfer of
6 administration of the health benefit program to the Department
7 of Central Management Services.

8 The Department of Central Management Services, or any
9 successor agency designated to procure healthcare contracts
10 pursuant to this Act, is authorized to establish funds,
11 separate accounts provided by any bank or banks as defined by
12 the Illinois Banking Act, or separate accounts provided by any
13 savings and loan association or associations as defined by the
14 Illinois Savings and Loan Act of 1985 to be held by the
15 Director, outside the State treasury, for the purpose of
16 receiving the transfer of moneys from the Teacher Health
17 Insurance Security Fund. The Department may promulgate rules
18 further defining the methodology for the transfers. Any
19 interest earned by moneys in the funds or accounts shall inure
20 to the Teacher Health Insurance Security Fund. The transferred
21 moneys, and interest accrued thereon, shall be used
22 exclusively for transfers to administrative service
23 organizations or their financial institutions for payments of
24 claims to claimants and providers under the self-insurance
25 health plan. The transferred moneys, and interest accrued
26 thereon, shall not be used for any other purpose including,

1 but not limited to, reimbursement of administration fees due
2 the administrative service organization pursuant to its
3 contract or contracts with the Department.

4 (g) Contract for benefits. The Director shall by contract,
5 self-insurance, or otherwise make available the program of
6 health benefits for TRS benefit recipients and their TRS
7 dependent beneficiaries that is provided for in this Section.
8 The contract or other arrangement for the provision of these
9 health benefits shall be on terms deemed by the Director to be
10 in the best interest of the State of Illinois and the TRS
11 benefit recipients based on, but not limited to, such criteria
12 as administrative cost, service capabilities of the carrier or
13 other contractor, and the costs of the benefits.

14 (g-5) Committee. A Teacher Retirement Insurance Program
15 Committee shall be established, to consist of 10 persons
16 appointed by the Governor.

17 The Committee shall convene at least 4 times each year,
18 and shall consider and make recommendations on issues
19 affecting the program of health benefits provided under this
20 Section. Recommendations of the Committee shall be based on a
21 consensus of the members of the Committee.

22 If the Teacher Health Insurance Security Fund experiences
23 a deficit balance based upon the contribution and subsidy
24 rates established in this Section and Section 6.6 for Fiscal
25 Year 2008 or thereafter, the Committee shall make
26 recommendations for adjustments to the funding sources

1 established under these Sections.

2 In addition, the Committee shall identify proposed
3 solutions to the funding shortfalls that are affecting the
4 Teacher Health Insurance Security Fund, and it shall report
5 those solutions to the Governor and the General Assembly
6 within 6 months after August 15, 2011 (the effective date of
7 Public Act 97-386).

8 (h) Continuation of program. It is the intention of the
9 General Assembly that the program of health benefits provided
10 under this Section be maintained on an ongoing, affordable
11 basis.

12 The program of health benefits provided under this Section
13 may be amended by the State and is not intended to be a pension
14 or retirement benefit subject to protection under Article
15 XIII, Section 5 of the Illinois Constitution.

16 (i) Repeal. (Blank).

17 (Source: P.A. 100-1017, eff. 8-21-18; 101-483, eff. 1-1-20.)

18 Article 99.

19 Section 99-90. The State Mandates Act is amended by adding
20 Section 8.45 as follows:

21 (30 ILCS 805/8.45 new)

22 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
23 8 of this Act, no reimbursement by the State is required for

1 the implementation of any mandate created by this amendatory
2 Act of the 102nd General Assembly.

3 Section 99-99. Effective date. This Article and Articles
4 5, 15, 35, 50, 55, and 75 take effect upon becoming law.