



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

### HB2853

Introduced 2/16/2023, by Rep. Dave Severin

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-160	
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/16-133	from Ch. 108 1/2, par. 16-133
40 ILCS 5/16-203	

Amends the General Provisions and Downstate Teacher Articles of the Illinois Pension Code. Provides that a teacher may establish one additional day of service credit for each day of service credit that was earned between March 16, 2020 and June 30, 2021 in which the teacher provided in-person instruction if he or she pays certain contributions and supplies satisfactory evidence. For a Tier 1 member, provides that the System shall waive the reduction in retirement annuity for persons who retire before age 60 if the member has attained age 59 and earned service credit in the 2020-2021 school. For a Tier 2 member, provides that the reduction in retirement annuity for persons who retire before age 67 shall be waived if the member has attained age 66 and earned service credit in the 2020-2021 school year. For a Tier 1 member who earned service credit in the 2020-2021 school year and has not attained age 59 or a Tier 2 member who earned service credit in the 2020-2021 school year and has not attained age 66, provides that the member shall be deemed to be one year older than his or her actual age for purposes of provisions concerning a reduction in retirement annuity due to a member's age. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Effective immediately.

LRB103 28267 RPS 54646 b

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Sections 1-160, 16-127, 16-133, and 16-203 as  
6 follows:

7 (40 ILCS 5/1-160)

8 (Text of Section from P.A. 102-719)

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

10 (a) The provisions of this Section apply to a person who,  
11 on or after January 1, 2011, first becomes a member or a  
12 participant under any reciprocal retirement system or pension  
13 fund established under this Code, other than a retirement  
14 system or pension fund established under Article 2, 3, 4, 5, 6,  
15 7, 15, or 18 of this Code, notwithstanding any other provision  
16 of this Code to the contrary, but do not apply to any  
17 self-managed plan established under this Code or to any  
18 participant of the retirement plan established under Section  
19 22-101; except that this Section applies to a person who  
20 elected to establish alternative credits by electing in  
21 writing after January 1, 2011, but before August 8, 2011,  
22 under Section 7-145.1 of this Code. Notwithstanding anything  
23 to the contrary in this Section, for purposes of this Section,

1 a person who is a Tier 1 regular employee as defined in Section  
2 7-109.4 of this Code or who participated in a retirement  
3 system under Article 15 prior to January 1, 2011 shall be  
4 deemed a person who first became a member or participant prior  
5 to January 1, 2011 under any retirement system or pension fund  
6 subject to this Section. The changes made to this Section by  
7 Public Act 98-596 are a clarification of existing law and are  
8 intended to be retroactive to January 1, 2011 (the effective  
9 date of Public Act 96-889), notwithstanding the provisions of  
10 Section 1-103.1 of this Code.

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

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

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

1 under Section 1-161.

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

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

22 (1) (Blank).

23 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
24 annual salary for any 4 consecutive years within the last  
25 10 years of service immediately preceding the date of  
26 withdrawal".

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

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

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

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

6 A member of the Teachers' Retirement System of the State  
7 of Illinois who retires on or after June 1, 2021 and for whom  
8 the 2020-2021 school year is used in the calculation of the  
9 member's final average salary shall use the higher of the  
10 following for the purpose of determining the member's final  
11 average salary:

12 (A) the amount otherwise calculated under the first  
13 paragraph of this subsection; or

14 (B) an amount calculated by the Teachers' Retirement  
15 System of the State of Illinois using the average of the  
16 monthly (or annual) salary obtained by dividing the total  
17 salary or earnings calculated under Article 16 applicable  
18 to the member or participant during the 96 months (or 8  
19 years) of service within the last 120 months (or 10 years)  
20 of service in which the total salary or earnings  
21 calculated under the Article was the highest by the number  
22 of months (or years) of service in that period.

23 (b-5) Beginning on January 1, 2011, for all purposes under  
24 this Code (including without limitation the calculation of  
25 benefits and employee contributions), the annual earnings,  
26 salary, or wages (based on the plan year) of a member or

1 participant to whom this Section applies shall not exceed  
2 \$106,800; however, that amount shall annually thereafter be  
3 increased by the lesser of (i) 3% of that amount, including all  
4 previous adjustments, or (ii) one-half the annual unadjusted  
5 percentage increase (but not less than zero) in the consumer  
6 price index-u for the 12 months ending with the September  
7 preceding each November 1, including all previous adjustments.

8 For the purposes of this Section, "consumer price index-u"  
9 means the index published by the Bureau of Labor Statistics of  
10 the United States Department of Labor that measures the  
11 average change in prices of goods and services purchased by  
12 all urban consumers, United States city average, all items,  
13 1982-84 = 100. The new amount resulting from each annual  
14 adjustment shall be determined by the Public Pension Division  
15 of the Department of Insurance and made available to the  
16 boards of the retirement systems and pension funds by November  
17 1 of each year.

18 (c) A member or participant is entitled to a retirement  
19 annuity upon written application if he or she has attained age  
20 67 (age 65, with respect to service under Article 12 that is  
21 subject to this Section, for a member or participant under  
22 Article 12 who first becomes a member or participant under  
23 Article 12 on or after January 1, 2022 or who makes the  
24 election under item (i) of subsection (d-15) of this Section)  
25 and has at least 10 years of service credit and is otherwise  
26 eligible under the requirements of the applicable Article.

1           A member or participant who has attained age 62 (age 60,  
2 with respect to service under Article 12 that is subject to  
3 this Section, for a member or participant under Article 12 who  
4 first becomes a member or participant under Article 12 on or  
5 after January 1, 2022 or who makes the election under item (i)  
6 of subsection (d-15) of this Section) and has at least 10 years  
7 of service credit and is otherwise eligible under the  
8 requirements of the applicable Article may elect to receive  
9 the lower retirement annuity provided in subsection (d) of  
10 this Section.

11           (c-5) A person who first becomes a member or a participant  
12 subject to this Section on or after July 6, 2017 (the effective  
13 date of Public Act 100-23), notwithstanding any other  
14 provision of this Code to the contrary, is entitled to a  
15 retirement annuity under Article 8 or Article 11 upon written  
16 application if he or she has attained age 65 and has at least  
17 10 years of service credit and is otherwise eligible under the  
18 requirements of Article 8 or Article 11 of this Code,  
19 whichever is applicable.

20           (d) The retirement annuity of a member or participant who  
21 is retiring after attaining age 62 (age 60, with respect to  
22 service under Article 12 that is subject to this Section, for a  
23 member or participant under Article 12 who first becomes a  
24 member or participant under Article 12 on or after January 1,  
25 2022 or who makes the election under item (i) of subsection  
26 (d-15) of this Section) with at least 10 years of service

1 credit shall be reduced by one-half of 1% for each full month  
2 that the member's age is under age 67 (age 65, with respect to  
3 service under Article 12 that is subject to this Section, for a  
4 member or participant under Article 12 who first becomes a  
5 member or participant under Article 12 on or after January 1,  
6 2022 or who makes the election under item (i) of subsection  
7 (d-15) of this Section). However, this reduction shall be  
8 waived for any member under Article 16 who has attained age 66  
9 and has earned service credit under Article 16 for the  
10 2020-2021 school year. For the purposes of this subsection,  
11 any member under Article 16 who has not attained age 66 and has  
12 earned service credit under Article 16 for the 2020-2021  
13 school year shall be deemed to be one year older than his or  
14 her actual age.

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

20 (d-10) Each person who first became a member or  
21 participant under Article 8 or Article 11 of this Code on or  
22 after January 1, 2011 and prior to July 6, 2017 (the effective  
23 date of Public Act 100-23) shall make an irrevocable election  
24 either:

25 (i) to be eligible for the reduced retirement age  
26 provided in subsections (c-5) and (d-5) of this Section,



1 the eligibility for which is conditioned upon the member  
2 or participant agreeing to the increases in employee  
3 contributions for age and service annuities provided in  
4 subsection (a-5) of Section 8-174 of this Code (for  
5 service under Article 8) or subsection (a-5) of Section  
6 11-170 of this Code (for service under Article 11); or

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

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

22 (d-15) Each person who first becomes a member or  
23 participant under Article 12 on or after January 1, 2011 and  
24 prior to January 1, 2022 shall make an irrevocable election  
25 either:

26 (i) to be eligible for the reduced retirement age

1 specified in subsections (c) and (d) of this Section, the  
2 eligibility for which is conditioned upon the member or  
3 participant agreeing to the increase in employee  
4 contributions for service annuities specified in  
5 subsection (b) of Section 12-150; or

6 (ii) to not agree to item (i) of this subsection  
7 (d-15), in which case the member or participant shall not  
8 be eligible for the reduced retirement age specified in  
9 subsections (c) and (d) of this Section and shall not be  
10 subject to the increase in employee contributions for  
11 service annuities specified in subsection (b) of Section  
12 12-150.

13 The election provided for in this subsection shall be made  
14 between January 1, 2022 and April 1, 2022. A person subject to  
15 this subsection who makes the required election shall remain  
16 bound by that election. A person subject to this subsection  
17 who fails for any reason to make the required election within  
18 the time specified in this subsection shall be deemed to have  
19 made the election under item (ii).

20 (e) Any retirement annuity or supplemental annuity shall  
21 be subject to annual increases on the January 1 occurring  
22 either on or after the attainment of age 67 (age 65, with  
23 respect to service under Article 12 that is subject to this  
24 Section, for a member or participant under Article 12 who  
25 first becomes a member or participant under Article 12 on or  
26 after January 1, 2022 or who makes the election under item (i)

1 of subsection (d-15); and beginning on July 6, 2017 (the  
2 effective date of Public Act 100-23), age 65 with respect to  
3 service under Article 8 or Article 11 for eligible persons  
4 who: (i) are subject to subsection (c-5) of this Section; or  
5 (ii) made the election under item (i) of subsection (d-10) of  
6 this Section) or the first anniversary of the annuity start  
7 date, whichever is later. Each annual increase shall be  
8 calculated at 3% or one-half the annual unadjusted percentage  
9 increase (but not less than zero) in the consumer price  
10 index-u for the 12 months ending with the September preceding  
11 each November 1, whichever is less, of the originally granted  
12 retirement annuity. If the annual unadjusted percentage change  
13 in the consumer price index-u for the 12 months ending with the  
14 September preceding each November 1 is zero or there is a  
15 decrease, then the annuity shall not be increased.

16 For the purposes of Section 1-103.1 of this Code, the  
17 changes made to this Section by Public Act 102-263 are  
18 applicable without regard to whether the employee was in  
19 active service on or after August 6, 2021 (the effective date  
20 of Public Act 102-263).

21 For the purposes of Section 1-103.1 of this Code, the  
22 changes made to this Section by Public Act 100-23 are  
23 applicable without regard to whether the employee was in  
24 active service on or after July 6, 2017 (the effective date of  
25 Public Act 100-23).

26 (f) The initial survivor's or widow's annuity of an

1 otherwise eligible survivor or widow of a retired member or  
2 participant who first became a member or participant on or  
3 after January 1, 2011 shall be in the amount of 66 2/3% of the  
4 retired member's or participant's retirement annuity at the  
5 date of death. In the case of the death of a member or  
6 participant who has not retired and who first became a member  
7 or participant on or after January 1, 2011, eligibility for a  
8 survivor's or widow's annuity shall be determined by the  
9 applicable Article of this Code. The initial benefit shall be  
10 66 2/3% of the earned annuity without a reduction due to age. A  
11 child's annuity of an otherwise eligible child shall be in the  
12 amount prescribed under each Article if applicable. Any  
13 survivor's or widow's annuity shall be increased (1) on each  
14 January 1 occurring on or after the commencement of the  
15 annuity if the deceased member died while receiving a  
16 retirement annuity or (2) in other cases, on each January 1  
17 occurring after the first anniversary of the commencement of  
18 the annuity. Each annual increase shall be calculated at 3% or  
19 one-half the annual unadjusted percentage increase (but not  
20 less than zero) in the consumer price index-u for the 12 months  
21 ending with the September preceding each November 1, whichever  
22 is less, of the originally granted survivor's annuity. If the  
23 annual unadjusted percentage change in the consumer price  
24 index-u for the 12 months ending with the September preceding  
25 each November 1 is zero or there is a decrease, then the  
26 annuity shall not be increased.

1 (g) The benefits in Section 14-110 apply if the person is a  
2 fire fighter in the fire protection service of a department, a  
3 security employee of the Department of Corrections or the  
4 Department of Juvenile Justice, or a security employee of the  
5 Department of Innovation and Technology, as those terms are  
6 defined in subsection (b) and subsection (c) of Section  
7 14-110. A person who meets the requirements of this Section is  
8 entitled to an annuity calculated under the provisions of  
9 Section 14-110, in lieu of the regular or minimum retirement  
10 annuity, only if the person has withdrawn from service with  
11 not less than 20 years of eligible creditable service and has  
12 attained age 60, regardless of whether the attainment of age  
13 60 occurs while the person is still in service.

14 (g-5) The benefits in Section 14-110 apply if the person  
15 is a State policeman, investigator for the Secretary of State,  
16 conservation police officer, investigator for the Department  
17 of Revenue or the Illinois Gaming Board, investigator for the  
18 Office of the Attorney General, Commerce Commission police  
19 officer, or arson investigator, as those terms are defined in  
20 subsection (b) and subsection (c) of Section 14-110. A person  
21 who meets the requirements of this Section is entitled to an  
22 annuity calculated under the provisions of Section 14-110, in  
23 lieu of the regular or minimum retirement annuity, only if the  
24 person has withdrawn from service with not less than 20 years  
25 of eligible creditable service and has attained age 55,  
26 regardless of whether the attainment of age 55 occurs while

1 the person is still in service.

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

16 If a person who first becomes a member of a retirement  
17 system or pension fund subject to this Section on or after  
18 January 1, 2012 and is receiving a retirement annuity or  
19 retirement pension under that system or fund and accepts on a  
20 contractual basis a position to provide services to a  
21 governmental entity from which he or she has retired, then  
22 that person's annuity or retirement pension earned as an  
23 active employee of the employer shall be suspended during that  
24 contractual service. A person receiving an annuity or  
25 retirement pension under this Code shall notify the pension  
26 fund or retirement system from which he or she is receiving an

1 annuity or retirement pension, as well as his or her  
2 contractual employer, of his or her retirement status before  
3 accepting contractual employment. A person who fails to submit  
4 such notification shall be guilty of a Class A misdemeanor and  
5 required to pay a fine of \$1,000. Upon termination of that  
6 contractual employment, the person's retirement annuity or  
7 retirement pension payments shall resume and, if appropriate,  
8 be recalculated under the applicable provisions of this Code.

9 (i) (Blank).

10 (j) In the case of a conflict between the provisions of  
11 this Section and any other provision of this Code, the  
12 provisions of this Section shall control.

13 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
14 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
15 5-6-22.)

16 (Text of Section from P.A. 102-813)

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

18 (a) The provisions of this Section apply to a person who,  
19 on or after January 1, 2011, first becomes a member or a  
20 participant under any reciprocal retirement system or pension  
21 fund established under this Code, other than a retirement  
22 system or pension fund established under Article 2, 3, 4, 5, 6,  
23 7, 15, or 18 of this Code, notwithstanding any other provision  
24 of this Code to the contrary, but do not apply to any  
25 self-managed plan established under this Code or to any

1 participant of the retirement plan established under Section  
2 22-101; except that this Section applies to a person who  
3 elected to establish alternative credits by electing in  
4 writing after January 1, 2011, but before August 8, 2011,  
5 under Section 7-145.1 of this Code. Notwithstanding anything  
6 to the contrary in this Section, for purposes of this Section,  
7 a person who is a Tier 1 regular employee as defined in Section  
8 7-109.4 of this Code or who participated in a retirement  
9 system under Article 15 prior to January 1, 2011 shall be  
10 deemed a person who first became a member or participant prior  
11 to January 1, 2011 under any retirement system or pension fund  
12 subject to this Section. The changes made to this Section by  
13 Public Act 98-596 are a clarification of existing law and are  
14 intended to be retroactive to January 1, 2011 (the effective  
15 date of Public Act 96-889), notwithstanding the provisions of  
16 Section 1-103.1 of this Code.

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

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



1 for that Article, unless that person elects under subsection  
2 (b) of Section 1-161 to instead receive the benefits provided  
3 under this Section and the applicable provisions of that  
4 Article.

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

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

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

1 average salary" shall be substituted for the following:

2 (1) (Blank).

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 A member of the Teachers' Retirement System of the State  
13 of Illinois who retires on or after June 1, 2021 and for whom  
14 the 2020-2021 school year is used in the calculation of the  
15 member's final average salary shall use the higher of the  
16 following for the purpose of determining the member's final  
17 average salary:

18 (A) the amount otherwise calculated under the first  
19 paragraph of this subsection; or

20 (B) an amount calculated by the Teachers' Retirement  
21 System of the State of Illinois using the average of the  
22 monthly (or annual) salary obtained by dividing the total  
23 salary or earnings calculated under Article 16 applicable  
24 to the member or participant during the 96 months (or 8  
25 years) of service within the last 120 months (or 10 years)  
26 of service in which the total salary or earnings

1           calculated under the Article was the highest by the number  
2           of months (or years) of service in that period.

3           (b-5) Beginning on January 1, 2011, for all purposes under  
4           this Code (including without limitation the calculation of  
5           benefits and employee contributions), the annual earnings,  
6           salary, or wages (based on the plan year) of a member or  
7           participant to whom this Section applies shall not exceed  
8           \$106,800; however, that amount shall annually thereafter be  
9           increased by the lesser of (i) 3% of that amount, including all  
10          previous adjustments, or (ii) one-half the annual unadjusted  
11          percentage increase (but not less than zero) in the consumer  
12          price index-u for the 12 months ending with the September  
13          preceding each November 1, including 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  
22          boards of the retirement systems and pension funds by November  
23          1 of each year.

24          (c) A member or participant is entitled to a retirement  
25          annuity upon written application if he or she has attained age  
26          67 (age 65, with respect to service under Article 12 that is

1 subject to this Section, for a member or participant under  
2 Article 12 who first becomes a member or participant under  
3 Article 12 on or after January 1, 2022 or who makes the  
4 election under item (i) of subsection (d-15) of this Section)  
5 and has at least 10 years of service credit and is otherwise  
6 eligible under the requirements of the applicable Article.

7 A member or participant who has attained age 62 (age 60,  
8 with respect to service under Article 12 that is subject to  
9 this Section, for a member or participant under Article 12 who  
10 first becomes a member or participant under Article 12 on or  
11 after January 1, 2022 or who makes the election under item (i)  
12 of subsection (d-15) of this Section) and has at least 10 years  
13 of service credit and is otherwise eligible under the  
14 requirements of the applicable Article may elect to receive  
15 the lower retirement annuity provided in subsection (d) of  
16 this Section.

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

26 (d) The retirement annuity of a member or participant who

1 is retiring after attaining age 62 (age 60, with respect to  
2 service under Article 12 that is subject to this Section, for a  
3 member or participant under Article 12 who first becomes a  
4 member or participant under Article 12 on or after January 1,  
5 2022 or who makes the election under item (i) of subsection  
6 (d-15) of this Section) with at least 10 years of service  
7 credit shall be reduced by one-half of 1% for each full month  
8 that the member's age is under age 67 (age 65, with respect to  
9 service under Article 12 that is subject to this Section, for a  
10 member or participant under Article 12 who first becomes a  
11 member or participant under Article 12 on or after January 1,  
12 2022 or who makes the election under item (i) of subsection  
13 (d-15) of this Section). However, this reduction shall be  
14 waived for any member under Article 16 who has attained age 66  
15 and has earned service credit under Article 16 for the  
16 2020-2021 school year. For the purposes of this subsection,  
17 any member under Article 16 who has not attained age 66 and has  
18 earned service credit under Article 16 for the 2020-2021  
19 school year shall be deemed to be one year older than his or  
20 her actual age.

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

26 (d-10) Each person who first became a member or

1 participant under Article 8 or Article 11 of this Code on or  
2 after January 1, 2011 and prior to July 6, 2017 (the effective  
3 date of Public Act 100-23) shall make an irrevocable election  
4 either:

5 (i) to be eligible for the reduced retirement age  
6 provided in subsections (c-5) and (d-5) of this Section,  
7 the eligibility for which is conditioned upon the member  
8 or participant agreeing to the increases in employee  
9 contributions for age and service annuities provided in  
10 subsection (a-5) of Section 8-174 of this Code (for  
11 service under Article 8) or subsection (a-5) of Section  
12 11-170 of this Code (for service under Article 11); or

13 (ii) to not agree to item (i) of this subsection  
14 (d-10), in which case the member or participant shall  
15 continue to be subject to the retirement age provisions in  
16 subsections (c) and (d) of this Section and the employee  
17 contributions for age and service annuity as provided in  
18 subsection (a) of Section 8-174 of this Code (for service  
19 under Article 8) or subsection (a) of Section 11-170 of  
20 this Code (for service under Article 11).

21 The election provided for in this subsection shall be made  
22 between October 1, 2017 and November 15, 2017. A person  
23 subject to this subsection who makes the required election  
24 shall remain bound by that election. A person subject to this  
25 subsection who fails for any reason to make the required  
26 election within the time specified in this subsection shall be

1 deemed to have made the election under item (ii).

2 (d-15) Each person who first becomes a member or  
3 participant under Article 12 on or after January 1, 2011 and  
4 prior to January 1, 2022 shall make an irrevocable election  
5 either:

6 (i) to be eligible for the reduced retirement age  
7 specified in subsections (c) and (d) of this Section, the  
8 eligibility for which is conditioned upon the member or  
9 participant agreeing to the increase in employee  
10 contributions for service annuities specified in  
11 subsection (b) of Section 12-150; or

12 (ii) to not agree to item (i) of this subsection  
13 (d-15), in which case the member or participant shall not  
14 be eligible for the reduced retirement age specified in  
15 subsections (c) and (d) of this Section and shall not be  
16 subject to the increase in employee contributions for  
17 service annuities specified in subsection (b) of Section  
18 12-150.

19 The election provided for in this subsection shall be made  
20 between January 1, 2022 and April 1, 2022. A person subject to  
21 this subsection who makes the required election shall remain  
22 bound by that election. A person subject to this subsection  
23 who fails for any reason to make the required election within  
24 the time specified in this subsection shall be deemed to have  
25 made the election under item (ii).

26 (e) Any retirement annuity or supplemental annuity shall

1 be subject to annual increases on the January 1 occurring  
2 either on or after the attainment of age 67 (age 65, with  
3 respect to service under Article 12 that is subject to this  
4 Section, for a member or participant under Article 12 who  
5 first becomes a member or participant under Article 12 on or  
6 after January 1, 2022 or who makes the election under item (i)  
7 of subsection (d-15); and beginning on July 6, 2017 (the  
8 effective date of Public Act 100-23), age 65 with respect to  
9 service under Article 8 or Article 11 for eligible persons  
10 who: (i) are subject to subsection (c-5) of this Section; or  
11 (ii) made the election under item (i) of subsection (d-10) of  
12 this Section) or the first anniversary of the annuity start  
13 date, whichever is later. Each annual increase shall be  
14 calculated at 3% or one-half the annual unadjusted percentage  
15 increase (but not less than zero) in the consumer price  
16 index-u for the 12 months ending with the September preceding  
17 each November 1, whichever is less, of the originally granted  
18 retirement annuity. If the annual unadjusted percentage change  
19 in the consumer price index-u for the 12 months ending with the  
20 September preceding each November 1 is zero or there is a  
21 decrease, then the annuity shall not be increased.

22 For the purposes of Section 1-103.1 of this Code, the  
23 changes made to this Section by Public Act 102-263 are  
24 applicable without regard to whether the employee was in  
25 active service on or after August 6, 2021 (the effective date  
26 of Public Act 102-263).



1 For the purposes of Section 1-103.1 of this Code, the  
2 changes made to this Section by Public Act 100-23 are  
3 applicable without regard to whether the employee was in  
4 active service on or after July 6, 2017 (the effective date of  
5 Public Act 100-23).

6 (f) The initial survivor's or widow's annuity of an  
7 otherwise eligible survivor or widow of a retired member or  
8 participant who first became a member or participant on or  
9 after January 1, 2011 shall be in the amount of 66 2/3% of the  
10 retired member's or participant's retirement annuity at the  
11 date of death. In the case of the death of a member or  
12 participant who has not retired and who first became a member  
13 or participant on or after January 1, 2011, eligibility for a  
14 survivor's or widow's annuity shall be determined by the  
15 applicable Article of this Code. The initial benefit shall be  
16 66 2/3% of the earned annuity without a reduction due to age. A  
17 child's annuity of an otherwise eligible child shall be in the  
18 amount prescribed under each Article if applicable. Any  
19 survivor's or widow's annuity shall be increased (1) on each  
20 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. Each 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 survivor's annuity. If the  
3 annual unadjusted percentage change in the consumer price  
4 index-u for the 12 months ending with the September preceding  
5 each November 1 is zero or there is a decrease, then the  
6 annuity shall not be increased.

7 (g) The benefits in Section 14-110 apply only if the  
8 person is a State policeman, a fire fighter in the fire  
9 protection service of a department, a conservation police  
10 officer, an investigator for the Secretary of State, an arson  
11 investigator, a Commerce Commission police officer,  
12 investigator for the Department of Revenue or the Illinois  
13 Gaming Board, a security employee of the Department of  
14 Corrections or the Department of Juvenile Justice, or a  
15 security employee of the Department of Innovation and  
16 Technology, as those terms are defined in subsection (b) and  
17 subsection (c) of Section 14-110. A person who meets the  
18 requirements of this Section is entitled to an annuity  
19 calculated under the provisions of Section 14-110, in lieu of  
20 the regular or minimum retirement annuity, only if the person  
21 has withdrawn from service with not less than 20 years of  
22 eligible creditable service and has attained age 60,  
23 regardless of whether the attainment of age 60 occurs while  
24 the person is still in service.

25 (h) If a person who first becomes a member or a participant  
26 of a retirement system or pension fund subject to this Section

1 on or after January 1, 2011 is receiving a retirement annuity  
2 or retirement pension under that system or fund and becomes a  
3 member or participant under any other system or fund created  
4 by this Code and is employed on a full-time basis, except for  
5 those members or participants exempted from the provisions of  
6 this Section under subsection (a) of this Section, then the  
7 person's retirement annuity or retirement pension under that  
8 system or fund shall be suspended during that employment. Upon  
9 termination of that employment, the person's retirement  
10 annuity or retirement pension payments shall resume and be  
11 recalculated if recalculation is provided for under the  
12 applicable Article of this Code.

13 If a person who first becomes a member of a retirement  
14 system or pension fund subject to this Section on or after  
15 January 1, 2012 and is receiving a retirement annuity or  
16 retirement pension under that system or fund and accepts on a  
17 contractual basis a position to provide services to a  
18 governmental entity from which he or she has retired, then  
19 that person's annuity or retirement pension earned as an  
20 active employee of the employer shall be suspended during that  
21 contractual service. A person receiving an annuity or  
22 retirement pension under this Code shall notify the pension  
23 fund or retirement system from which he or she is receiving an  
24 annuity or retirement pension, as well as his or her  
25 contractual employer, of his or her retirement status before  
26 accepting contractual employment. A person who fails to submit

1 such notification shall be guilty of a Class A misdemeanor and  
2 required to pay a fine of \$1,000. Upon termination of that  
3 contractual employment, the person's retirement annuity or  
4 retirement pension payments shall resume and, if appropriate,  
5 be recalculated under the applicable provisions of this Code.

6 (i) (Blank).

7 (j) In the case of a conflict between the provisions of  
8 this Section and any other provision of this Code, the  
9 provisions of this Section shall control.

10 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
11 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
12 5-13-22.)

13 (Text of Section from P.A. 102-956)

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

15 (a) The provisions of this Section apply to a person who,  
16 on or after January 1, 2011, first becomes a member or a  
17 participant under any reciprocal retirement system or pension  
18 fund established under this Code, other than a retirement  
19 system or pension fund established under Article 2, 3, 4, 5, 6,  
20 7, 15, or 18 of this Code, notwithstanding any other provision  
21 of this Code to the contrary, but do not apply to any  
22 self-managed plan established under this Code or to any  
23 participant of the retirement plan established under Section  
24 22-101; except that this Section applies to a person who  
25 elected to establish alternative credits by electing in

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

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

21 This Section does not apply to a person who first becomes a  
22 member or participant under Article 16 on or after the  
23 implementation date of the plan created under Section 1-161  
24 for that Article, unless that person elects under subsection  
25 (b) of Section 1-161 to instead receive the benefits provided  
26 under this Section and the applicable provisions of that

1 Article.

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

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

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

25 (1) (Blank).

26 (2) In Articles 8, 9, 10, 11, and 12, "highest average

1 annual salary for any 4 consecutive years within the last  
2 10 years of service immediately preceding the date of  
3 withdrawal".

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

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

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

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

9 A member of the Teachers' Retirement System of the State  
10 of Illinois who retires on or after June 1, 2021 and for whom  
11 the 2020-2021 school year is used in the calculation of the  
12 member's final average salary shall use the higher of the  
13 following for the purpose of determining the member's final  
14 average salary:

15 (A) the amount otherwise calculated under the first  
16 paragraph of this subsection; or

17 (B) an amount calculated by the Teachers' Retirement  
18 System of the State of Illinois using the average of the  
19 monthly (or annual) salary obtained by dividing the total  
20 salary or earnings calculated under Article 16 applicable  
21 to the member or participant during the 96 months (or 8  
22 years) of service within the last 120 months (or 10 years)  
23 of service in which the total salary or earnings  
24 calculated under the Article was the highest by the number  
25 of months (or years) of service in that period.

26 (b-5) Beginning on January 1, 2011, for all purposes under

1 this Code (including without limitation the calculation of  
2 benefits and employee contributions), the annual earnings,  
3 salary, or wages (based on the plan year) of a member or  
4 participant to whom this Section applies shall not exceed  
5 \$106,800; however, that amount shall annually thereafter be  
6 increased by the lesser of (i) 3% of that amount, including all  
7 previous adjustments, or (ii) one-half the annual unadjusted  
8 percentage increase (but not less than zero) in the consumer  
9 price index-u for the 12 months ending with the September  
10 preceding each November 1, including all previous adjustments.

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

21 (c) A member or participant is entitled to a retirement  
22 annuity upon written application if he or she has attained age  
23 67 (age 65, with respect to service under Article 12 that is  
24 subject to this Section, for a member or participant under  
25 Article 12 who first becomes a member or participant under  
26 Article 12 on or after January 1, 2022 or who makes the



1 election under item (i) of subsection (d-15) of this Section)  
2 and has at least 10 years of service credit and is otherwise  
3 eligible under the requirements of the applicable Article.

4 A member or participant who has attained age 62 (age 60,  
5 with respect to service under Article 12 that is subject to  
6 this Section, for a member or participant under Article 12 who  
7 first becomes a member or participant under Article 12 on or  
8 after January 1, 2022 or who makes the election under item (i)  
9 of subsection (d-15) of this Section) and has at least 10 years  
10 of service credit and is otherwise eligible under the  
11 requirements of the applicable Article may elect to receive  
12 the lower retirement annuity provided in subsection (d) of  
13 this Section.

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

23 (d) The retirement annuity of a member or participant who  
24 is retiring after attaining age 62 (age 60, with respect to  
25 service under Article 12 that is subject to this Section, for a  
26 member or participant under Article 12 who first becomes a

1 member or participant under Article 12 on or after January 1,  
2 2022 or who makes the election under item (i) of subsection  
3 (d-15) of this Section) with at least 10 years of service  
4 credit shall be reduced by one-half of 1% for each full month  
5 that the member's age is under age 67 (age 65, with respect to  
6 service under Article 12 that is subject to this Section, for a  
7 member or participant under Article 12 who first becomes a  
8 member or participant under Article 12 on or after January 1,  
9 2022 or who makes the election under item (i) of subsection  
10 (d-15) of this Section). However, this reduction shall be  
11 waived for any member under Article 16 who has attained age 66  
12 and has earned service credit under Article 16 for the  
13 2020-2021 school year. For the purposes of this subsection,  
14 any member under Article 16 who has not attained age 66 and has  
15 earned service credit under Article 16 for the 2020-2021  
16 school year shall be deemed to be one year older than his or  
17 her actual age.

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

23 (d-10) Each person who first became a member or  
24 participant under Article 8 or Article 11 of this Code on or  
25 after January 1, 2011 and prior to July 6, 2017 (the effective  
26 date of Public Act 100-23) shall make an irrevocable election

1 either:

2 (i) to be eligible for the reduced retirement age  
3 provided in subsections (c-5) and (d-5) of this Section,  
4 the eligibility for which is conditioned upon the member  
5 or participant agreeing to the increases in employee  
6 contributions for age and service annuities provided in  
7 subsection (a-5) of Section 8-174 of this Code (for  
8 service under Article 8) or subsection (a-5) of Section  
9 11-170 of this Code (for service under Article 11); or

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

18 The election provided for in this subsection shall be made  
19 between October 1, 2017 and November 15, 2017. A person  
20 subject to this subsection who makes the required election  
21 shall remain bound by that election. A person subject to this  
22 subsection who fails for any reason to make the required  
23 election within the time specified in this subsection shall be  
24 deemed to have made the election under item (ii).

25 (d-15) Each person who first becomes a member or  
26 participant under Article 12 on or after January 1, 2011 and

1 prior to January 1, 2022 shall make an irrevocable election  
2 either:

3 (i) to be eligible for the reduced retirement age  
4 specified in subsections (c) and (d) of this Section, the  
5 eligibility for which is conditioned upon the member or  
6 participant agreeing to the increase in employee  
7 contributions for service annuities specified in  
8 subsection (b) of Section 12-150; or

9 (ii) to not agree to item (i) of this subsection  
10 (d-15), in which case the member or participant shall not  
11 be eligible for the reduced retirement age specified in  
12 subsections (c) and (d) of this Section and shall not be  
13 subject to the increase in employee contributions for  
14 service annuities specified in subsection (b) of Section  
15 12-150.

16 The election provided for in this subsection shall be made  
17 between January 1, 2022 and April 1, 2022. A person subject to  
18 this subsection who makes the required election shall remain  
19 bound by that election. A person subject to this subsection  
20 who fails for any reason to make the required election within  
21 the time specified in this subsection shall be deemed to have  
22 made the election under item (ii).

23 (e) Any retirement annuity or supplemental annuity shall  
24 be subject to annual increases on the January 1 occurring  
25 either on or after the attainment of age 67 (age 65, with  
26 respect to service under Article 12 that is subject to this

1 Section, for a member or participant under Article 12 who  
2 first becomes a member or participant under Article 12 on or  
3 after January 1, 2022 or who makes the election under item (i)  
4 of subsection (d-15); and beginning on July 6, 2017 (the  
5 effective date of Public Act 100-23), age 65 with respect to  
6 service under Article 8 or Article 11 for eligible persons  
7 who: (i) are subject to subsection (c-5) of this Section; or  
8 (ii) made the election under item (i) of subsection (d-10) of  
9 this Section) or the first anniversary of the annuity start  
10 date, whichever is later. Each annual increase shall be  
11 calculated at 3% or one-half the annual unadjusted percentage  
12 increase (but not less than zero) in the consumer price  
13 index-u for the 12 months ending with the September preceding  
14 each November 1, whichever is less, of the originally granted  
15 retirement annuity. If the annual unadjusted percentage change  
16 in the consumer price index-u for the 12 months ending with the  
17 September preceding each November 1 is zero or there is a  
18 decrease, then the annuity shall not be increased.

19 For the purposes of Section 1-103.1 of this Code, the  
20 changes made to this Section by Public Act 102-263 are  
21 applicable without regard to whether the employee was in  
22 active service on or after August 6, 2021 (the effective date  
23 of Public Act 102-263).

24 For the purposes of Section 1-103.1 of this Code, the  
25 changes made to this Section by Public Act 100-23 are  
26 applicable without regard to whether the employee was in

1 active service on or after July 6, 2017 (the effective date of  
2 Public Act 100-23).

3 (f) The initial survivor's or widow's annuity of an  
4 otherwise eligible survivor or widow of a retired member or  
5 participant who first became a member or participant on or  
6 after January 1, 2011 shall be in the amount of 66 2/3% of the  
7 retired member's or participant's retirement annuity at the  
8 date of death. In the case of the death of a member or  
9 participant who has not retired and who first became a member  
10 or participant on or after January 1, 2011, eligibility for a  
11 survivor's or widow's annuity shall be determined by the  
12 applicable Article of this Code. The initial benefit shall be  
13 66 2/3% of the earned annuity without a reduction due to age. A  
14 child's annuity of an otherwise eligible child shall be in the  
15 amount prescribed under each Article if applicable. Any  
16 survivor's or widow's annuity shall be increased (1) on each  
17 January 1 occurring on or after the commencement of the  
18 annuity if the deceased member died while receiving a  
19 retirement annuity or (2) in other cases, on each January 1  
20 occurring after the first anniversary of the commencement of  
21 the annuity. Each annual increase shall be calculated at 3% or  
22 one-half the annual unadjusted percentage increase (but not  
23 less than zero) in the consumer price index-u for the 12 months  
24 ending with the September preceding each November 1, whichever  
25 is less, of the originally granted survivor's annuity. If the  
26 annual unadjusted percentage change in the consumer price

1 index-u for the 12 months ending with the September preceding  
2 each November 1 is zero or there is a decrease, then the  
3 annuity shall not be increased.

4 (g) The benefits in Section 14-110 apply only if the  
5 person is a State policeman, a fire fighter in the fire  
6 protection service of a department, a conservation police  
7 officer, an investigator for the Secretary of State, an  
8 investigator for the Office of the Attorney General, an arson  
9 investigator, a Commerce Commission police officer,  
10 investigator for the Department of Revenue or the Illinois  
11 Gaming Board, a security employee of the Department of  
12 Corrections or the Department of Juvenile Justice, or a  
13 security employee of the Department of Innovation and  
14 Technology, as those terms are defined in subsection (b) and  
15 subsection (c) of Section 14-110. A person who meets the  
16 requirements of this Section is entitled to an annuity  
17 calculated under the provisions of Section 14-110, in lieu of  
18 the regular or minimum retirement annuity, only if the person  
19 has withdrawn from service with not less than 20 years of  
20 eligible creditable service and has attained age 60,  
21 regardless of whether the attainment of age 60 occurs while  
22 the person is still in service.

23 (h) If a person who first becomes a member or a participant  
24 of a retirement system or pension fund subject to this Section  
25 on or after January 1, 2011 is receiving a retirement annuity  
26 or retirement pension under that system or fund and becomes a

1 member or participant under any other system or fund created  
2 by this Code and is employed on a full-time basis, except for  
3 those members or participants exempted from the provisions of  
4 this Section under subsection (a) of this Section, then the  
5 person's retirement annuity or retirement pension under that  
6 system or fund shall be suspended during that employment. Upon  
7 termination of that employment, the person's retirement  
8 annuity or retirement pension payments shall resume and be  
9 recalculated if recalculation is provided for under the  
10 applicable Article of this Code.

11 If a person who first becomes a member of a retirement  
12 system or pension fund subject to this Section on or after  
13 January 1, 2012 and is receiving a retirement annuity or  
14 retirement pension under that system or fund and accepts on a  
15 contractual basis a position to provide services to a  
16 governmental entity from which he or she has retired, then  
17 that person's annuity or retirement pension earned as an  
18 active employee of the employer shall be suspended during that  
19 contractual service. A person receiving an annuity or  
20 retirement pension under this Code shall notify the pension  
21 fund or retirement system from which he or she is receiving an  
22 annuity or retirement pension, as well as his or her  
23 contractual employer, of his or her retirement status before  
24 accepting contractual employment. A person who fails to submit  
25 such notification shall be guilty of a Class A misdemeanor and  
26 required to pay a fine of \$1,000. Upon termination of that



1 contractual employment, the person's retirement annuity or  
2 retirement pension payments shall resume and, if appropriate,  
3 be recalculated under the applicable provisions of this Code.

4 (i) (Blank).

5 (j) In the case of a conflict between the provisions of  
6 this Section and any other provision of this Code, the  
7 provisions of this Section shall control.

8 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
9 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.  
10 5-27-22.)

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

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

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

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

21 (1) Prior service as a teacher.

22 (2) Service in a capacity essentially similar or  
23 equivalent to that of a teacher, in the public common  
24 schools in school districts in this State not included  
25 within the provisions of this System, or of any other

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

1 subdivision (b) (2) made by Public Act 86-272 shall apply  
2 not only to persons who on or after its effective date  
3 (August 23, 1989) are in service as a teacher under the  
4 System, but also to persons whose status as such a teacher  
5 terminated prior to such effective date, whether or not  
6 such person is an annuitant on that date.

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

23 The changes to this Section and Section 16-128  
24 relating to military service made by P.A. 87-794 shall  
25 apply not only to persons who on or after its effective  
26 date are in service as a teacher under the System, but also

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

20 Credit for military service shall be determined as  
21 follows: if entry occurs during the months of July,  
22 August, or September and the member was a teacher at the  
23 end of the immediately preceding school term, credit shall  
24 be granted from July 1 of the year in which he or she  
25 entered service; if entry occurs during the school term  
26 and the teacher was in teaching service at the beginning

1 of the school term, credit shall be granted from July 1 of  
2 such year. In all other cases where credit for military  
3 service is allowed, credit shall be granted from the date  
4 of entry into the service.

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

20 (4) Any periods served as a member of the General  
21 Assembly.

22 (5) (i) Any periods for which a teacher, as defined in  
23 Section 16-106, is granted a leave of absence, provided he  
24 or she returns to teaching service creditable under this  
25 System or the State Universities Retirement System  
26 following the leave; (ii) periods during which a teacher

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

21 Any qualified member or annuitant may apply for credit  
22 under item (iii) or (iv) of this paragraph (5) without  
23 regard to whether service was terminated before the  
24 effective date of this amendatory Act of 1997. In the case  
25 of an annuitant who establishes credit under item (iii) or  
26 (iv), the annuity shall be recalculated to include the

1 additional service credit. The increase in annuity shall  
2 take effect on the date the System receives written  
3 notification of the annuitant's intent to purchase the  
4 credit, if the required evidence is submitted and the  
5 required contribution paid within 60 days of that  
6 notification, otherwise on the first annuity payment date  
7 following the System's receipt of the required evidence  
8 and contribution. The increase in an annuity recalculated  
9 under this provision shall be included in the calculation  
10 of automatic annual increases in the annuity accruing  
11 after the effective date of the recalculation.

12 Optional credit may be purchased under this subsection  
13 (b) (5) for periods during which a teacher has been granted  
14 a leave of absence pursuant to Section 24-13 of the School  
15 Code. A teacher whose service under this Article  
16 terminated prior to the effective date of P.A. 86-1488  
17 shall be eligible to purchase such optional credit. If a  
18 teacher who purchases this optional credit is already  
19 receiving a retirement annuity under this Article, the  
20 annuity shall be recalculated as if the annuitant had  
21 applied for the leave of absence credit at the time of  
22 retirement. The difference between the entitled annuity  
23 and the actual annuity shall be credited to the purchase  
24 of the optional credit. The remainder of the purchase cost  
25 of the optional credit shall be paid on or before April 1,  
26 1992.

1           The change in this paragraph made by Public Act 86-273  
2 shall be applicable to teachers who retire after June 1,  
3 1989, as well as to teachers who are in service on that  
4 date.

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

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

24           (7) Periods prior to February 1, 1987 served as an  
25 employee of the Illinois Mathematics and Science Academy  
26 for which credit has not been terminated under Section



1 15-113.9 of this Code.

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

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

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

15 (11) One additional day of service credit for each day  
16 of service credit that was earned between March 16, 2020  
17 and June 30, 2021 for any day in which the teacher provided  
18 in-person instruction during that period.

19 (b-1) A member may establish optional credit for up to 2  
20 years of service as a teacher or administrator employed by a  
21 private school recognized by the Illinois State Board of  
22 Education, provided that the teacher (i) was certified under  
23 the law governing the certification of teachers at the time  
24 the service was rendered, (ii) applies in writing on or before  
25 June 30, 2023, (iii) supplies satisfactory evidence of the  
26 employment, (iv) completes at least 10 years of contributing

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

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

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

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

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

26 (Source: P.A. 102-525, eff. 8-20-21.)

1 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

2 Sec. 16-133. Retirement annuity; amount.

3 (a) The amount of the retirement annuity shall be (i) in  
4 the case of a person who first became a teacher under this  
5 Article before July 1, 2005, the larger of the amounts  
6 determined under paragraphs (A) and (B) below, or (ii) in the  
7 case of a person who first becomes a teacher under this Article  
8 on or after July 1, 2005, the amount determined under the  
9 applicable provisions of paragraph (B):

10 (A) An amount consisting of the sum of the following:

11 (1) An amount that can be provided on an  
12 actuarially equivalent basis by the member's  
13 accumulated contributions at the time of retirement;  
14 and

15 (2) The sum of (i) the amount that can be provided  
16 on an actuarially equivalent basis by the member's  
17 accumulated contributions representing service prior  
18 to July 1, 1947, and (ii) the amount that can be  
19 provided on an actuarially equivalent basis by the  
20 amount obtained by multiplying 1.4 times the member's  
21 accumulated contributions covering service subsequent  
22 to June 30, 1947; and

23 (3) If there is prior service, 2 times the amount  
24 that would have been determined under subparagraph (2)  
25 of paragraph (A) above on account of contributions

1           which would have been made during the period of prior  
2           service creditable to the member had the System been  
3           in operation and had the member made contributions at  
4           the contribution rate in effect prior to July 1, 1947.

5           This paragraph (A) does not apply to a person who  
6           first becomes a teacher under this Article on or after  
7           July 1, 2005.

8           (B) An amount consisting of the greater of the  
9           following:

10                   (1) For creditable service earned before July 1,  
11                   1998 that has not been augmented under Section  
12                   16-129.1: 1.67% of final average salary for each of  
13                   the first 10 years of creditable service, 1.90% of  
14                   final average salary for each year in excess of 10 but  
15                   not exceeding 20, 2.10% of final average salary for  
16                   each year in excess of 20 but not exceeding 30, and  
17                   2.30% of final average salary for each year in excess  
18                   of 30; and

19                   For creditable service earned on or after July 1,  
20                   1998 by a member who has at least 24 years of  
21                   creditable service on July 1, 1998 and who does not  
22                   elect to augment service under Section 16-129.1: 2.2%  
23                   of final average salary for each year of creditable  
24                   service earned on or after July 1, 1998 but before the  
25                   member reaches a total of 30 years of creditable  
26                   service and 2.3% of final average salary for each year

1 of creditable service earned on or after July 1, 1998  
2 and after the member reaches a total of 30 years of  
3 creditable service; and

4 For all other creditable service: 2.2% of final  
5 average salary for each year of creditable service; or

6 (2) 1.5% of final average salary for each year of  
7 creditable service plus the sum \$7.50 for each of the  
8 first 20 years of creditable service.

9 The amount of the retirement annuity determined under this  
10 paragraph (B) shall be reduced by 1/2 of 1% for each month  
11 that the member is less than age 60 at the time the  
12 retirement annuity begins. However, this reduction shall  
13 not apply (i) if the member has at least 35 years of  
14 creditable service, or (ii) if the member retires on  
15 account of disability under Section 16-149.2 of this  
16 Article with at least 20 years of creditable service, or  
17 (iii) if the member (1) has earned during the period  
18 immediately preceding the last day of service at least one  
19 year of contributing creditable service as an employee of  
20 a department as defined in Section 14-103.04, (2) has  
21 earned at least 5 years of contributing creditable service  
22 as an employee of a department as defined in Section  
23 14-103.04, (3) retires on or after January 1, 2001, and  
24 (4) retires having attained an age which, when added to  
25 the number of years of his or her total creditable  
26 service, equals at least 85. Portions of years shall be

1 counted as decimal equivalents. The System shall waive  
2 this reduction for any member who has attained age 59 and  
3 has earned service credit for the 2020-2021 school year.  
4 For the purposes of this paragraph, any member who has not  
5 attained age 59 and has earned service credit for the  
6 2020-2021 school year shall be deemed to be one year older  
7 than his or her actual age.

8 (b) For purposes of this Section, except as provided in  
9 subsection (b-5), final average salary shall be the average  
10 salary for the highest 4 consecutive years within the last 10  
11 years of creditable service as determined under rules of the  
12 board.

13 The minimum final average salary shall be considered to  
14 be \$2,400 per year.

15 In the determination of final average salary for members  
16 other than elected officials and their appointees when such  
17 appointees are allowed by statute, that part of a member's  
18 salary for any year beginning after June 30, 1979 which  
19 exceeds the member's annual full-time salary rate with the  
20 same employer for the preceding year by more than 20% shall be  
21 excluded. The exclusion shall not apply in any year in which  
22 the member's creditable earnings are less than 50% of the  
23 preceding year's mean salary for downstate teachers as  
24 determined by the survey of school district salaries provided  
25 in Section 2-3.103 of the School Code.

26 (b-5) A teacher who retires on or after June 1, 2021 and

1 for whom the 2020-2021 school year is used in the calculation  
2 of the member's final average salary shall use the higher of  
3 the following for the purpose of determining the member's  
4 final average salary:

5 (A) the amount otherwise calculated under subsection  
6 (b); or

7 (B) an amount calculated by the System using the  
8 average salary for the 4 highest years within the last 10  
9 years of creditable service as determined under the rules  
10 of the board.

11 (c) In determining the amount of the retirement annuity  
12 under paragraph (B) of this Section, a fractional year shall  
13 be granted proportional credit.

14 (d) The retirement annuity determined under paragraph (B)  
15 of this Section shall be available only to members who render  
16 teaching service after July 1, 1947 for which member  
17 contributions are required, and to annuitants who re-enter  
18 under the provisions of Section 16-150.

19 (e) The maximum retirement annuity provided under  
20 paragraph (B) of this Section shall be 75% of final average  
21 salary.

22 (f) A member retiring after the effective date of this  
23 amendatory Act of 1998 shall receive a pension equal to 75% of  
24 final average salary if the member is qualified to receive a  
25 retirement annuity equal to at least 74.6% of final average  
26 salary under this Article or as proportional annuities under

1 Article 20 of this Code.

2 (Source: P.A. 102-16, eff. 6-17-21.)

3 (40 ILCS 5/16-203)

4 Sec. 16-203. Application and expiration of new benefit  
5 increases.

6 (a) As used in this Section, "new benefit increase" means  
7 an increase in the amount of any benefit provided under this  
8 Article, or an expansion of the conditions of eligibility for  
9 any benefit under this Article, that results from an amendment  
10 to this Code that takes effect after June 1, 2005 (the  
11 effective date of Public Act 94-4). "New benefit increase",  
12 however, does not include any benefit increase resulting from  
13 the changes made to Article 1 or this Article by Public Act  
14 95-910, Public Act 100-23, Public Act 100-587, Public Act  
15 100-743, Public Act 100-769, Public Act 101-10, Public Act  
16 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this  
17 amendatory Act of the 103rd General Assembly ~~Public Act 102-16~~  
18 ~~this amendatory Act of the 102nd General Assembly.~~

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

24 (c) The Public Act enacting a new benefit increase must  
25 identify and provide for payment to the System of additional



1 funding at least sufficient to fund the resulting annual  
2 increase in cost to the System as it accrues.

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

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

25 (e) Except as otherwise provided in the language creating  
26 the new benefit increase, a new benefit increase that expires

1 under this Section continues to apply to persons who applied  
2 and qualified for the affected benefit while the new benefit  
3 increase was in effect and to the affected beneficiaries and  
4 alternate payees of such persons, but does not apply to any  
5 other person, including, without limitation, a person who  
6 continues in service after the expiration date and did not  
7 apply and qualify for the affected benefit while the new  
8 benefit increase was in effect.

9 (Source: P.A. 101-10, eff. 6-5-19; 101-49, eff. 7-12-19;  
10 101-81, eff. 7-12-19; 102-16, eff. 6-17-21; 102-558, eff.  
11 8-20-21; 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; revised  
12 7-26-22.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.