



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4873

Introduced 2/7/2024, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Makes changes to Tier 2 benefits for members or participants under the 5 State-funded retirement systems and the Chicago Teachers Pension Fund, including changes to automatic annual increases, age and service requirements for retirement, and limits on the amount of salary for annuity purposes. Establishes an accelerated pension benefit payment option for the General Assembly, Downstate Police, Downstate Firefighter, Chicago Teachers, and Judges Articles of the Code. Establishes a deferred retirement option plan for certain members who are otherwise eligible to retire under the Illinois Municipal Retirement Fund (IMRF), State Employees, State Universities, Downstate Teachers, or Chicago Teachers Article of the Code under which a participant may continue in active service for up to 5 years while having his or her retirement pension paid into a special account. Requires the State Treasurer to administer the deferred retirement option plan for the State Employees, State Universities, Downstate Teachers, and Chicago Teachers Articles. Amends the General Obligation Bond Act. Provides that each fiscal year after certain State pension funding bonds and income tax proceed bonds are retired, the Comptroller shall order and the State Treasurer shall transfer \$500,000,000 from the General Revenue Fund to the Pension Unfunded Liability Reduction Fund each fiscal year, which shall be used for making additional contributions to the 5 State-funded retirement systems. Restricts participation in the General Assembly Retirement System and Judges Retirement System to persons who become participants before January 13, 2027. Provides for participation in the State Employees Retirement System by judges and members of the General Assembly. Authorizes the transfer of service credit from those Systems to the State Employees Retirement System. Authorizes investigators for the Department of the Lottery and Tier 2 security employees of the Department of Corrections and security employees of the Department of Human Services to establish eligible creditable service under the alternative annuity provisions of the State Employees Article. Provides that the Retirement Systems Reciprocal Act (Article 20 of the Code) is adopted and made a part of the Downstate Police and Downstate Firefighter Articles. Makes other changes. Effective July 1, 2025.

LRB103 35886 RPS 65971 b

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Article 1.

5 Section 1-5. The Illinois Pension Code is amended by
6 changing Sections 1-160, 2-108.1, 2-119.1, 14-103.10, 15-111,
7 18-125, and 18-128.01 as follows:

8 (40 ILCS 5/1-160)

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

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

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

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

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

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

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

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

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

24 (1) (Blank).

25 (2) In Articles 8, 9, 10, 11, and 12, "highest average
26 annual salary for any 4 consecutive years within the last

1 10 years of service immediately preceding the date of
2 withdrawal".

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

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

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

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

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

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

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

25 (b-5) Except as provided in subsections (b-15) and (b-20)
26 ~~Beginning on January 1, 2011, for all purposes under this Code~~

1 (including without limitation the calculation of benefits and
2 employee contributions), the annual earnings, salary, or wages
3 (based on the plan year) of a member or participant to whom
4 this Section applies shall not exceed \$106,800; however, that
5 amount shall annually thereafter be increased by the lesser of
6 (i) 3% of that amount, including all previous adjustments, or
7 (ii) one-half the annual unadjusted percentage increase (but
8 not less than zero) in the consumer price index-u for the 12
9 months ending with the September preceding each November 1,
10 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 (b-10) Beginning on January 1, 2024, for all purposes
22 under this Code (including, without limitation, the
23 calculation of benefits and employee contributions), the
24 annual earnings, salary, or wages (based on the plan year) of a
25 member or participant under Article 9 to whom this Section
26 applies shall include an annual earnings, salary, or wage cap

1 that tracks the Social Security wage base. Maximum annual
2 earnings, wages, or salary shall be the annual contribution
3 and benefit base established for the applicable year by the
4 Commissioner of the Social Security Administration under the
5 federal Social Security Act.

6 However, in no event shall the annual earnings, salary, or
7 wages for the purposes of this Article and Article 9 exceed any
8 limitation imposed on annual earnings, salary, or wages under
9 Section 1-117. Under no circumstances shall the maximum amount
10 of annual earnings, salary, or wages be greater than the
11 amount set forth in this subsection (b-10) as a result of
12 reciprocal service or any provisions regarding reciprocal
13 services, nor shall the Fund under Article 9 be required to pay
14 any refund as a result of the application of this maximum
15 annual earnings, salary, and wage cap.

16 Nothing in this subsection (b-10) shall cause or otherwise
17 result in any retroactive adjustment of any employee
18 contributions. Nothing in this subsection (b-10) shall cause
19 or otherwise result in any retroactive adjustment of
20 disability or other payments made between January 1, 2011 and
21 January 1, 2024.

22 (b-15) Beginning January 1, 2026 and until January 1,
23 2029, for all purposes under this Code (including, without
24 limitation, the calculation of benefits and employee
25 contributions), the annual earnings, salary, or wages (based
26 on the plan year) of a member or participant under Article 14,

1 16, or 17 to whom this Section applies shall not exceed the
2 amount determined under subsection (b-5) plus the earnings
3 limitation adjustment for that year.

4 In this subsection, "earnings limitation adjustment" means
5 the product that results from multiplying (i) the difference
6 between the federal Social Security wage base for the coming
7 calendar year and the amount calculated under subsection (b-5)
8 for that calendar year by (ii) the smoothing factor for that
9 calendar year. The earnings limitation adjustment shall be
10 determined by the Public Pension Division of the Department of
11 Insurance and made available to the boards of the retirement
12 systems and pension funds by December 1 of each year. If the
13 difference between the federal Social Security wage base for
14 the coming calendar year and the amount calculated under
15 subsection (b-5) for that calendar year is zero or less than
16 zero, the earnings limitation adjustment shall be zero.

17 In this subsection, "smoothing factor" means:

18 (1) for calendar year 2026, 25%;

19 (2) for calendar year 2027, 50%; and

20 (3) for calendar year 2028, 75%.

21 In this subsection and subsection (b-20), "Social Security
22 wage base" means the contribution and benefit base calculated
23 for the calendar year in question by the Commissioner of
24 Social Security under Section 230 of the federal Social
25 Security Act (42 U.S.C. 430).

26 (b-20) Beginning January 1, 2029, 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 under Article 14, 16, or 17 to whom this Section
5 applies shall not exceed the federal Social Security wage base
6 then in effect.

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 (age 65, with respect to service under Article 12 that is
10 subject to this Section, for a member or participant under
11 Article 12 who first becomes a member or participant under
12 Article 12 on or after January 1, 2022 or who makes the
13 election under item (i) of subsection (d-15) of this Section)
14 and has at least 10 years of service credit and is otherwise
15 eligible under the requirements of the applicable Article.

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

26 (c-5) A person who first becomes a member or a participant

1 subject to this Section on or after July 6, 2017 (the effective
2 date of Public Act 100-23), notwithstanding any other
3 provision of this Code to the contrary, is entitled to a
4 retirement annuity under Article 8 or Article 11 upon written
5 application if he or she has attained age 65 and has at least
6 10 years of service credit and is otherwise eligible under the
7 requirements of Article 8 or Article 11 of this Code,
8 whichever is applicable.

9 (d) The retirement annuity of a member or participant who
10 is retiring after attaining age 62 (age 60, with respect to
11 service under Article 12 that is subject to this Section, for a
12 member or participant under Article 12 who first becomes a
13 member or participant under Article 12 on or after January 1,
14 2022 or who makes the election under item (i) of subsection
15 (d-15) of this Section) with at least 10 years of service
16 credit shall be reduced by one-half of 1% for each full month
17 that the member's age is under age 67 (age 65, with respect to
18 service under Article 12 that is subject to this Section, for a
19 member or participant under Article 12 who first becomes a
20 member or participant under Article 12 on or after January 1,
21 2022 or who makes the election under item (i) of subsection
22 (d-15) of this Section).

23 (d-5) The retirement annuity payable under Article 8 or
24 Article 11 to an eligible person subject to subsection (c-5)
25 of this Section who is retiring at age 60 with at least 10
26 years of service credit shall be reduced by one-half of 1% for

1 each full month that the member's age is under age 65.

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

7 (i) to be eligible for the reduced retirement age
8 provided in subsections (c-5) and (d-5) of this Section,
9 the eligibility for which is conditioned upon the member
10 or participant agreeing to the increases in employee
11 contributions for age and service annuities provided in
12 subsection (a-5) of Section 8-174 of this Code (for
13 service under Article 8) or subsection (a-5) of Section
14 11-170 of this Code (for service under Article 11); or

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

23 The election provided for in this subsection shall be made
24 between October 1, 2017 and November 15, 2017. A person
25 subject to this subsection who makes the required election
26 shall remain bound by that election. A person subject to this

1 subsection who fails for any reason to make the required
2 election within the time specified in this subsection shall be
3 deemed to have made the election under item (ii).

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

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

14 (ii) to not agree to item (i) of this subsection
15 (d-15), in which case the member or participant shall not
16 be eligible for the reduced retirement age specified in
17 subsections (c) and (d) of this Section and shall not be
18 subject to the increase in employee contributions for
19 service annuities specified in subsection (b) of Section
20 12-150.

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

1 made the election under item (ii).

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

24 For the purposes of Section 1-103.1 of this Code, the
25 changes made to this Section by Public Act 102-263 are
26 applicable without regard to whether the employee was in

1 active service on or after August 6, 2021 (the effective date
2 of Public Act 102-263).

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

8 (f) The initial survivor's or widow's annuity of an
9 otherwise eligible survivor or widow of a retired member or
10 participant who first became a member or participant on or
11 after January 1, 2011 shall be in the amount of 66 2/3% of the
12 retired member's or participant's retirement annuity at the
13 date of death. In the case of the death of a member or
14 participant who has not retired and who first became a member
15 or participant on or after January 1, 2011, eligibility for a
16 survivor's or widow's annuity shall be determined by the
17 applicable Article of this Code. The initial benefit shall be
18 66 2/3% of the earned annuity without a reduction due to age. A
19 child's annuity of an otherwise eligible child shall be in the
20 amount prescribed under each Article if applicable. Any
21 survivor's or widow's annuity shall be increased (1) on each
22 January 1 occurring on or after the commencement of the
23 annuity if the deceased member died while receiving a
24 retirement annuity or (2) in other cases, on each January 1
25 occurring after the first anniversary of the commencement of
26 the annuity. Each annual increase shall be calculated at 3% or

1 one-half the annual unadjusted percentage increase (but not
2 less than zero) in the consumer price index-u for the 12 months
3 ending with the September preceding each November 1, whichever
4 is less, of the originally granted survivor's annuity. If the
5 annual unadjusted percentage change in the consumer price
6 index-u for the 12 months ending with the September preceding
7 each November 1 is zero or there is a decrease, then the
8 annuity shall not be increased.

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

22 (g-5) The benefits in Section 14-110 apply if the person
23 is a State policeman, investigator for the Secretary of State,
24 conservation police officer, investigator for the Department
25 of Revenue or the Illinois Gaming Board, investigator for the
26 Office of the Attorney General, Commerce Commission police

1 officer, or arson investigator, as those terms are defined in
2 subsection (b) and subsection (c) of Section 14-110. A person
3 who meets the requirements of this Section is entitled to an
4 annuity calculated under the provisions of Section 14-110, in
5 lieu of the regular or minimum retirement annuity, only if the
6 person has withdrawn from service with not less than 20 years
7 of eligible creditable service and has attained age 55,
8 regardless of whether the attainment of age 55 occurs while
9 the person is still in service.

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

24 If a person who first becomes a member of a retirement
25 system or pension fund subject to this Section on or after
26 January 1, 2012 and is receiving a retirement annuity or

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

17 (i) (Blank).

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

21 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
22 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
23 5-6-22.)

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

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

1 (a) The provisions of this Section apply to a person who,
2 on or after January 1, 2011, first becomes a member or a
3 participant under any reciprocal retirement system or pension
4 fund established under this Code, other than a retirement
5 system or pension fund established under Article 2, 3, 4, 5, 6,
6 7, 15, or 18 of this Code, notwithstanding any other provision
7 of this Code to the contrary, but do not apply to any
8 self-managed plan established under this Code or to any
9 participant of the retirement plan established under Section
10 22-101; except that this Section applies to a person who
11 elected to establish alternative credits by electing in
12 writing after January 1, 2011, but before August 8, 2011,
13 under Section 7-145.1 of this Code. Notwithstanding anything
14 to the contrary in this Section, for purposes of this Section,
15 a person who is a Tier 1 regular employee as defined in Section
16 7-109.4 of this Code or who participated in a retirement
17 system under Article 15 prior to January 1, 2011 shall be
18 deemed a person who first became a member or participant prior
19 to January 1, 2011 under any retirement system or pension fund
20 subject to this Section. The changes made to this Section by
21 Public Act 98-596 are a clarification of existing law and are
22 intended to be retroactive to January 1, 2011 (the effective
23 date of Public Act 96-889), notwithstanding the provisions of
24 Section 1-103.1 of this Code.

25 This Section does not apply to a person who first becomes a
26 noncovered employee under Article 14 on or after the

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

6 This Section does not apply to a person who first becomes a
7 member or participant under Article 16 on or after the
8 implementation date of the plan created under Section 1-161
9 for that Article, unless that person elects under subsection
10 (b) of Section 1-161 to instead receive the benefits provided
11 under this Section and the applicable provisions of that
12 Article.

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

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

23 (b) "Final average salary" means, except as otherwise
24 provided in this subsection, the average monthly (or annual)
25 salary obtained by dividing the total salary or earnings
26 calculated under the Article applicable to the member or

1 participant during the 96 consecutive months (or 8 consecutive
2 years) of service within the last 120 months (or 10 years) of
3 service in which the total salary or earnings calculated under
4 the applicable Article was the highest by the number of months
5 (or years) of service in that period. For the purposes of a
6 person who first becomes a member or participant of any
7 retirement system or pension fund to which this Section
8 applies on or after January 1, 2011, in this Code, "final
9 average salary" shall be substituted for the following:

10 (1) (Blank).

11 (2) In Articles 8, 9, 10, 11, and 12, "highest average
12 annual salary for any 4 consecutive years within the last
13 10 years of service immediately preceding the date of
14 withdrawal".

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

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

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

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

20 A member of the Teachers' Retirement System of the State
21 of Illinois who retires on or after June 1, 2021 and for whom
22 the 2020-2021 school year is used in the calculation of the
23 member's final average salary shall use the higher of the
24 following for the purpose of determining the member's final
25 average salary:

26 (A) the amount otherwise calculated under the first

1 paragraph of this subsection; or

2 (B) an amount calculated by the Teachers' Retirement
3 System of the State of Illinois using the average of the
4 monthly (or annual) salary obtained by dividing the total
5 salary or earnings calculated under Article 16 applicable
6 to the member or participant during the 96 months (or 8
7 years) of service within the last 120 months (or 10 years)
8 of service in which the total salary or earnings
9 calculated under the Article was the highest by the number
10 of months (or years) of service in that period.

11 (b-5) Except as provided in subsections (b-15) and (b-20)
12 ~~Beginning on January 1, 2011,~~ for all purposes under this Code
13 (including without limitation the calculation of benefits and
14 employee contributions), the annual earnings, salary, or wages
15 (based on the plan year) of a member or participant to whom
16 this Section applies shall not exceed \$106,800; however, that
17 amount shall annually thereafter be increased by the lesser of
18 (i) 3% of that amount, including all previous adjustments, or
19 (ii) one-half the annual unadjusted percentage increase (but
20 not less than zero) in the consumer price index-u for the 12
21 months ending with the September preceding each November 1,
22 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 (b-10) Beginning on January 1, 2024, for all purposes
8 under this Code (including, without limitation, the
9 calculation of benefits and employee contributions), the
10 annual earnings, salary, or wages (based on the plan year) of a
11 member or participant under Article 9 to whom this Section
12 applies shall include an annual earnings, salary, or wage cap
13 that tracks the Social Security wage base. Maximum annual
14 earnings, wages, or salary shall be the annual contribution
15 and benefit base established for the applicable year by the
16 Commissioner of the Social Security Administration under the
17 federal Social Security Act.

18 However, in no event shall the annual earnings, salary, or
19 wages for the purposes of this Article and Article 9 exceed any
20 limitation imposed on annual earnings, salary, or wages under
21 Section 1-117. Under no circumstances shall the maximum amount
22 of annual earnings, salary, or wages be greater than the
23 amount set forth in this subsection (b-10) as a result of
24 reciprocal service or any provisions regarding reciprocal
25 services, nor shall the Fund under Article 9 be required to pay
26 any refund as a result of the application of this maximum

1 annual earnings, salary, and wage cap.

2 Nothing in this subsection (b-10) shall cause or otherwise
3 result in any retroactive adjustment of any employee
4 contributions. Nothing in this subsection (b-10) shall cause
5 or otherwise result in any retroactive adjustment of
6 disability or other payments made between January 1, 2011 and
7 January 1, 2024.

8 (b-15) Beginning January 1, 2026 and until January 1,
9 2029, for all purposes under this Code (including, without
10 limitation, the calculation of benefits and employee
11 contributions), the annual earnings, salary, or wages (based
12 on the plan year) of a member or participant under Article 14,
13 16, or 17 to whom this Section applies shall not exceed the
14 amount determined under subsection (b-5) plus the earnings
15 limitation adjustment for that year.

16 In this subsection, "earnings limitation adjustment" means
17 the product that results from multiplying (i) the difference
18 between the federal Social Security wage base for the coming
19 calendar year and the amount calculated under subsection (b-5)
20 for that calendar year by (ii) the smoothing factor for that
21 calendar year. The earnings limitation adjustment shall be
22 determined by the Public Pension Division of the Department of
23 Insurance and made available to the boards of the retirement
24 systems and pension funds by December 1 of each year. If the
25 difference between the federal Social Security wage base for
26 the coming calendar year and the amount calculated under

1 subsection (b-5) for that calendar year is zero or less than
2 zero, the earnings limitation adjustment shall be zero.

3 In this subsection, "smoothing factor" means:

4 (1) for calendar year 2026, 25%;

5 (2) for calendar year 2027, 50%; and

6 (3) for calendar year 2028, 75%.

7 In this subsection and subsection (b-20), "Social Security
8 wage base" means the contribution and benefit base calculated
9 for the calendar year in question by the Commissioner of
10 Social Security under Section 230 of the federal Social
11 Security Act (42 U.S.C. 430).

12 (b-20) Beginning January 1, 2029, 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 under Article 14, 16, or 17 to whom this Section
17 applies shall not exceed the federal Social Security wage base
18 then in effect.

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

1 eligible under the requirements of the applicable Article.

2 A member or participant who has attained age 62 (age 60,
3 with respect to service under Article 12 that is subject to
4 this 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) of this Section) and has at least 10 years
8 of service credit and is otherwise eligible under the
9 requirements of the applicable Article may elect to receive
10 the lower retirement annuity provided in subsection (d) of
11 this Section.

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

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

1 (d-15) of this Section) with at least 10 years of service
2 credit shall be reduced by one-half of 1% for each full month
3 that the member's age is under age 67 (age 65, with respect to
4 service under Article 12 that is subject to this Section, for a
5 member or participant under Article 12 who first becomes a
6 member or participant under Article 12 on or after January 1,
7 2022 or who makes the election under item (i) of subsection
8 (d-15) of this Section).

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

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

19 (i) to be eligible for the reduced retirement age
20 provided in subsections (c-5) and (d-5) of this Section,
21 the eligibility for which is conditioned upon the member
22 or participant agreeing to the increases in employee
23 contributions for age and service annuities provided in
24 subsection (a-5) of Section 8-174 of this Code (for
25 service under Article 8) or subsection (a-5) of Section
26 11-170 of this Code (for service under Article 11); or

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

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

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

20 (i) to be eligible for the reduced retirement age
21 specified in subsections (c) and (d) of this Section, the
22 eligibility for which is conditioned upon the member or
23 participant agreeing to the increase in employee
24 contributions for service annuities specified in
25 subsection (b) of Section 12-150; or

26 (ii) to not agree to item (i) of this subsection

1 (d-15), in which case the member or participant shall not
2 be eligible for the reduced retirement age specified in
3 subsections (c) and (d) of this Section and shall not be
4 subject to the increase in employee contributions for
5 service annuities specified in subsection (b) of Section
6 12-150.

7 The election provided for in this subsection shall be made
8 between January 1, 2022 and April 1, 2022. A person subject to
9 this subsection who makes the required election shall remain
10 bound by that election. A person subject to this subsection
11 who fails for any reason to make the required election within
12 the time specified in this subsection shall be deemed to have
13 made the election under item (ii).

14 (e) Any retirement annuity or supplemental annuity shall
15 be subject to annual increases on the January 1 occurring
16 either on or after the attainment of age 67 (age 65, with
17 respect to service under Article 12 that is subject to this
18 Section, for a member or participant under Article 12 who
19 first becomes a member or participant under Article 12 on or
20 after January 1, 2022 or who makes the election under item (i)
21 of subsection (d-15); and beginning on July 6, 2017 (the
22 effective date of Public Act 100-23), age 65 with respect to
23 service under Article 8 or Article 11 for eligible persons
24 who: (i) are subject to subsection (c-5) of this Section; or
25 (ii) made the election under item (i) of subsection (d-10) of
26 this Section) or the first anniversary of the annuity start

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

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

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

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

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

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

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

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

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

20 (i) (Blank).

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

24 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
26 5-13-22.)

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

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

3 (a) The provisions of this Section apply to a person who,
4 on or after January 1, 2011, first becomes a member or a
5 participant under any reciprocal retirement system or pension
6 fund established under this Code, other than a retirement
7 system or pension fund established under Article 2, 3, 4, 5, 6,
8 7, 15, or 18 of this Code, notwithstanding any other provision
9 of this Code to the contrary, but do not apply to any
10 self-managed plan established under this Code or to any
11 participant of the retirement plan established under Section
12 22-101; except that this Section applies to a person who
13 elected to establish alternative credits by electing in
14 writing after January 1, 2011, but before August 8, 2011,
15 under Section 7-145.1 of this Code. Notwithstanding anything
16 to the contrary in this Section, for purposes of this Section,
17 a person who is a Tier 1 regular employee as defined in Section
18 7-109.4 of this Code or who participated in a retirement
19 system under Article 15 prior to January 1, 2011 shall be
20 deemed a person who first became a member or participant prior
21 to January 1, 2011 under any retirement system or pension fund
22 subject to this Section. The changes made to this Section by
23 Public Act 98-596 are a clarification of existing law and are
24 intended to be retroactive to January 1, 2011 (the effective
25 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

2 This Section does not apply to a person who first becomes a
3 noncovered employee under Article 14 on or after the
4 implementation date of the plan created under Section 1-161
5 for that Article, unless that person elects under subsection
6 (b) of Section 1-161 to instead receive the benefits provided
7 under this Section and the applicable provisions of that
8 Article.

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

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

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

26 (b) "Final average salary" means, except as otherwise

1 provided in this subsection, the average monthly (or annual)
2 salary obtained by dividing the total salary or earnings
3 calculated under the Article applicable to the member or
4 participant during the 96 consecutive months (or 8 consecutive
5 years) of service within the last 120 months (or 10 years) of
6 service in which the total salary or earnings calculated under
7 the applicable Article was the highest by the number of months
8 (or years) of service in that period. For the purposes of a
9 person who first becomes a member or participant of any
10 retirement system or pension fund to which this Section
11 applies on or after January 1, 2011, in this Code, "final
12 average salary" shall be substituted for the following:

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average
15 annual salary for any 4 consecutive years within the last
16 10 years of service immediately preceding the date of
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State
24 of Illinois who retires on or after June 1, 2021 and for whom
25 the 2020-2021 school year is used in the calculation of the
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final
2 average salary:

3 (A) the amount otherwise calculated under the first
4 paragraph of this subsection; or

5 (B) an amount calculated by the Teachers' Retirement
6 System of the State of Illinois using the average of the
7 monthly (or annual) salary obtained by dividing the total
8 salary or earnings calculated under Article 16 applicable
9 to the member or participant during the 96 months (or 8
10 years) of service within the last 120 months (or 10 years)
11 of service in which the total salary or earnings
12 calculated under the Article was the highest by the number
13 of months (or years) of service in that period.

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

26 For the purposes of this Section, "consumer price index-u"

1 means the index published by the Bureau of Labor Statistics of
2 the United States Department of Labor that measures the
3 average change in prices of goods and services purchased by
4 all urban consumers, United States city average, all items,
5 1982-84 = 100. The new amount resulting from each annual
6 adjustment shall be determined by the Public Pension Division
7 of the Department of Insurance and made available to the
8 boards of the retirement systems and pension funds by November
9 1 of each year.

10 (b-10) Beginning on January 1, 2024, for all purposes
11 under this Code (including, without limitation, the
12 calculation of benefits and employee contributions), the
13 annual earnings, salary, or wages (based on the plan year) of a
14 member or participant under Article 9 to whom this Section
15 applies shall include an annual earnings, salary, or wage cap
16 that tracks the Social Security wage base. Maximum annual
17 earnings, wages, or salary shall be the annual contribution
18 and benefit base established for the applicable year by the
19 Commissioner of the Social Security Administration under the
20 federal Social Security Act.

21 However, in no event shall the annual earnings, salary, or
22 wages for the purposes of this Article and Article 9 exceed any
23 limitation imposed on annual earnings, salary, or wages under
24 Section 1-117. Under no circumstances shall the maximum amount
25 of annual earnings, salary, or wages be greater than the
26 amount set forth in this subsection (b-10) as a result of

1 reciprocal service or any provisions regarding reciprocal
2 services, nor shall the Fund under Article 9 be required to pay
3 any refund as a result of the application of this maximum
4 annual earnings, salary, and wage cap.

5 Nothing in this subsection (b-10) shall cause or otherwise
6 result in any retroactive adjustment of any employee
7 contributions. Nothing in this subsection (b-10) shall cause
8 or otherwise result in any retroactive adjustment of
9 disability or other payments made between January 1, 2011 and
10 January 1, 2024.

11 (b-15) Beginning January 1, 2026 and until January 1,
12 2029, for all purposes under this Code (including, without
13 limitation, the calculation of benefits and employee
14 contributions), the annual earnings, salary, or wages (based
15 on the plan year) of a member or participant under Article 14,
16 16, or 17 to whom this Section applies shall not exceed the
17 amount determined under subsection (b-5) plus the earnings
18 limitation adjustment for that year.

19 In this subsection, "earnings limitation adjustment" means
20 the product that results from multiplying (i) the difference
21 between the federal Social Security wage base for the coming
22 calendar year and the amount calculated under subsection (b-5)
23 for that calendar year by (ii) the smoothing factor for that
24 calendar year. The earnings limitation adjustment shall be
25 determined by the Public Pension Division of the Department of
26 Insurance and made available to the boards of the retirement

1 systems and pension funds by December 1 of each year. If the
2 difference between the federal Social Security wage base for
3 the coming calendar year and the amount calculated under
4 subsection (b-5) for that calendar year is zero or less than
5 zero, the earnings limitation adjustment shall be zero.

6 In this subsection, "smoothing factor" means:

7 (1) for calendar year 2026, 25%;

8 (2) for calendar year 2027, 50%; and

9 (3) for calendar year 2028, 75%.

10 In this subsection and subsection (b-20), "Social Security
11 wage base" means the contribution and benefit base calculated
12 for the calendar year in question by the Commissioner of
13 Social Security under Section 230 of the federal Social
14 Security Act (42 U.S.C. 430).

15 (b-20) Beginning January 1, 2029, for all purposes under
16 this Code (including, without limitation, the calculation of
17 benefits and employee contributions), the annual earnings,
18 salary, or wages (based on the plan year) of a member or
19 participant under Article 14, 16, or 17 to whom this Section
20 applies shall not exceed the federal Social Security wage base
21 then in effect.

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

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

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

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

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

1 member or participant under Article 12 who first becomes a
2 member or participant under Article 12 on or after January 1,
3 2022 or who makes the election under item (i) of subsection
4 (d-15) of this Section) with at least 10 years of service
5 credit shall be reduced by one-half of 1% for each full month
6 that the member's age is under age 67 (age 65, with respect to
7 service under Article 12 that is subject to this Section, for a
8 member or participant under Article 12 who first becomes a
9 member or participant under Article 12 on or after January 1,
10 2022 or who makes the election under item (i) of subsection
11 (d-15) of this Section).

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

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

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

1 subsection (a-5) of Section 8-174 of this Code (for
2 service under Article 8) or subsection (a-5) of Section
3 11-170 of this Code (for service under Article 11); or

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

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

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

23 (i) to be eligible for the reduced retirement age
24 specified in subsections (c) and (d) of this Section, the
25 eligibility for which is conditioned upon the member or
26 participant agreeing to the increase in employee

1 contributions for service annuities specified in
2 subsection (b) of Section 12-150; or

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

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

17 (e) Any retirement annuity or supplemental annuity shall
18 be subject to annual increases on the January 1 occurring
19 either on or after the attainment of age 67 (age 65, with
20 respect to service under Article 12 that is subject to this
21 Section, for a member or participant under Article 12 who
22 first becomes a member or participant under Article 12 on or
23 after January 1, 2022 or who makes the election under item (i)
24 of subsection (d-15); and beginning on July 6, 2017 (the
25 effective date of Public Act 100-23), age 65 with respect to
26 service under Article 8 or Article 11 for eligible persons

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

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

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

23 (f) The initial survivor's or widow's annuity of an
24 otherwise eligible survivor or widow of a retired member or
25 participant who first became a member or participant on or
26 after January 1, 2011 shall be in the amount of 66 2/3% of the

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

24 (g) The benefits in Section 14-110 apply only if the
25 person is a State policeman, a fire fighter in the fire
26 protection service of a department, a conservation police

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

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

1 termination of that employment, the person's retirement
2 annuity or retirement pension payments shall resume and be
3 recalculated if recalculation is provided for under the
4 applicable Article of this Code.

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

24 (i) (Blank).

25 (j) In the case of a conflict between the provisions of
26 this Section and any other provision of this Code, the

1 provisions of this Section shall control.

2 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
3 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
4 8-11-23.)

5 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

6 (Text of Section WITHOUT the changes made by P.A. 98-599,
7 which has been held unconstitutional)

8 Sec. 2-108.1. Highest salary for annuity purposes.

9 (a) "Highest salary for annuity purposes" means whichever
10 of the following is applicable to the participant:

11 For a participant who first becomes a participant of this
12 System before August 10, 2009 (the effective date of Public
13 Act 96-207):

14 (1) For a participant who is a member of the General
15 Assembly on his or her last day of service: the highest
16 salary that is prescribed by law, on the participant's
17 last day of service, for a member of the General Assembly
18 who is not an officer; plus, if the participant was
19 elected or appointed to serve as an officer of the General
20 Assembly for 2 or more years and has made contributions as
21 required under subsection (d) of Section 2-126, the
22 highest additional amount of compensation prescribed by
23 law, at the time of the participant's service as an
24 officer, for members of the General Assembly who serve in
25 that office.

1 (2) For a participant who holds one of the State
2 executive offices specified in Section 2-105 on his or her
3 last day of service: the highest salary prescribed by law
4 for service in that office on the participant's last day
5 of service.

6 (3) For a participant who is Clerk or Assistant Clerk
7 of the House of Representatives or Secretary or Assistant
8 Secretary of the Senate on his or her last day of service:
9 the salary received for service in that capacity on the
10 last day of service, but not to exceed the highest salary
11 (including additional compensation for service as an
12 officer) that is prescribed by law on the participant's
13 last day of service for the highest paid officer of the
14 General Assembly.

15 (4) For a participant who is a continuing participant
16 under Section 2-117.1 on his or her last day of service:
17 the salary received for service in that capacity on the
18 last day of service, but not to exceed the highest salary
19 (including additional compensation for service as an
20 officer) that is prescribed by law on the participant's
21 last day of service for the highest paid officer of the
22 General Assembly.

23 For a participant who first becomes a participant of this
24 System on or after August 10, 2009 (the effective date of
25 Public Act 96-207) and before January 1, 2011 (the effective
26 date of Public Act 96-889), the average monthly salary

1 obtained by dividing the total salary of the participant
2 during the period of: (1) the 48 consecutive months of service
3 within the last 120 months of service in which the total
4 compensation was the highest, or (2) the total period of
5 service, if less than 48 months, by the number of months of
6 service in that period.

7 For a participant who first becomes a participant of this
8 System on or after January 1, 2011 (the effective date of
9 Public Act 96-889), the average monthly salary obtained by
10 dividing the total salary of the participant during the 96
11 consecutive months of service within the last 120 months of
12 service in which the total compensation was the highest by the
13 number of months of service in that period; however, except as
14 provided in subsection (a-5) or (a-10), beginning January 1,
15 2011, the highest salary for annuity purposes may not exceed
16 \$106,800, except that that amount shall annually thereafter be
17 increased by the lesser of (i) 3% of that amount, including all
18 previous adjustments, or (ii) the annual unadjusted percentage
19 increase (but not less than zero) in the consumer price
20 index-u for the 12 months ending with the September preceding
21 each November 1. "Consumer price index-u" means the index
22 published by the Bureau of Labor Statistics of the United
23 States Department of Labor that measures the average change in
24 prices of goods and services purchased by all urban consumers,
25 United States city average, all items, 1982-84 = 100. The new
26 amount resulting from each annual adjustment shall be

1 determined by the Public Pension Division of the Department of
2 Insurance and made available to the Board by November 1 of each
3 year.

4 (a-5) Beginning January 1, 2026 and until January 1, 2029,
5 for a participant who first becomes a participant of this
6 System on or after January 1, 2011, the highest salary for
7 annuity purposes may not exceed the amount determined under
8 subsection (a) plus the earnings limitation adjustment for
9 that year.

10 In this subsection, "earnings limitation adjustment" means
11 the product that results from multiplying (i) the difference
12 between the federal Social Security wage base for the coming
13 calendar year and the amount calculated under subsection (a)
14 for that calendar year by (ii) the smoothing factor for that
15 calendar year. The earnings limitation adjustment shall be
16 determined by the Public Pension Division of the Department of
17 Insurance and made available to the boards of the retirement
18 systems and pension funds by December 1 of each year. If the
19 difference between the federal Social Security wage base for
20 the coming calendar year and the amount calculated under
21 subsection (a) for that calendar year is zero or less than
22 zero, the earnings limitation adjustment shall be zero.

23 In this subsection, "smoothing factor" means:

24 (1) for calendar year 2026, 25%;

25 (2) for calendar year 2027, 50%; and

26 (3) for calendar year 2028, 75%.

1 In this subsection and subsection (a-10), "Social Security
2 wage base" means the contribution and benefit base calculated
3 for the calendar year in question by the Commissioner of
4 Social Security under Section 230 of the federal Social
5 Security Act (42 U.S.C. 430).

6 (a-10) Beginning January 1, 2029, the highest salary for
7 annuity purposes may not exceed the federal Social Security
8 wage base then in effect.

9 (b) The earnings limitations of subsection (a), (a-5), and
10 (a-10), whichever is applicable, apply to earnings under any
11 other participating system under the Retirement Systems
12 Reciprocal Act that are considered in calculating a
13 proportional annuity under this Article, except in the case of
14 a person who first became a member of this System before August
15 22, 1994 and has not, on or after the effective date of this
16 amendatory Act of the 97th General Assembly, irrevocably
17 elected to have those limitations apply. The limitations of
18 subsection (a), (a-5), and (a-10), whichever is applicable,
19 shall apply, however, to earnings under any other
20 participating system under the Retirement Systems Reciprocal
21 Act that are considered in calculating the proportional
22 annuity of a person who first became a member of this System
23 before August 22, 1994 if, on or after the effective date of
24 this amendatory Act of the 97th General Assembly, that member
25 irrevocably elects to have those limitations apply.

26 (c) In calculating the subsection (a), (a-5), or (a-10),

1 whichever is applicable, earnings limitation to be applied to
2 earnings under any other participating system under the
3 Retirement Systems Reciprocal Act for the purpose of
4 calculating a proportional annuity under this Article, the
5 participant's last day of service shall be deemed to mean the
6 last day of service in any participating system from which the
7 person has applied for a proportional annuity under the
8 Retirement Systems Reciprocal Act.

9 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
10 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

11 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

12 (Text of Section WITHOUT the changes made by P.A. 98-599,
13 which has been held unconstitutional)

14 Sec. 2-119.1. Automatic increase in retirement annuity.

15 (a) A participant who retires after June 30, 1967, and who
16 has not received an initial increase under this Section before
17 the effective date of this amendatory Act of 1991, shall, in
18 January or July next following the first anniversary of
19 retirement, whichever occurs first, and in the same month of
20 each year thereafter, but in no event prior to age 60, have the
21 amount of the originally granted retirement annuity increased
22 as follows: for each year through 1971, 1 1/2%; for each year
23 from 1972 through 1979, 2%; and for 1980 and each year
24 thereafter, 3%. Annuitants who have received an initial
25 increase under this subsection prior to the effective date of

1 this amendatory Act of 1991 shall continue to receive their
2 annual increases in the same month as the initial increase.

3 (b) Beginning January 1, 1990, for eligible participants
4 who remain in service after attaining 20 years of creditable
5 service, the 3% increases provided under subsection (a) shall
6 begin to accrue on the January 1 next following the date upon
7 which the participant (1) attains age 55, or (2) attains 20
8 years of creditable service, whichever occurs later, and shall
9 continue to accrue while the participant remains in service;
10 such increases shall become payable on January 1 or July 1,
11 whichever occurs first, next following the first anniversary
12 of retirement. For any person who has service credit in the
13 System for the entire period from January 15, 1969 through
14 December 31, 1992, regardless of the date of termination of
15 service, the reference to age 55 in clause (1) of this
16 subsection (b) shall be deemed to mean age 50.

17 This subsection (b) does not apply to any person who first
18 becomes a member of the System after the effective date of this
19 amendatory Act of the 93rd General Assembly.

20 (b-5) Notwithstanding any other provision of this Article,
21 a participant who first becomes a participant on or after
22 January 1, 2011 (the effective date of Public Act 96-889)
23 shall, in January or July next following the first anniversary
24 of retirement, whichever occurs first, and in the same month
25 of each year thereafter, but in no event prior to age 67, have
26 the amount of the retirement annuity then being paid increased

1 by 3% or the annual unadjusted percentage increase in the
2 Consumer Price Index for All Urban Consumers as determined by
3 the Public Pension Division of the Department of Insurance
4 ~~under subsection (a) of Section 2-108.1~~, whichever is less.

5 In this subsection, "consumer price index-u" means the
6 index published by the Bureau of Labor Statistics of the
7 United States Department of Labor that measures the average
8 change in prices of goods and services purchased by all urban
9 consumers, United States city average, all items, 1982-84 =
10 100. The new amount resulting from each annual adjustment
11 shall be determined by the Public Pension Division of the
12 Department of Insurance and made available to the Board by
13 November 1 of each year.

14 (c) The foregoing provisions relating to automatic
15 increases are not applicable to a participant who retires
16 before having made contributions (at the rate prescribed in
17 Section 2-126) for automatic increases for less than the
18 equivalent of one full year. However, in order to be eligible
19 for the automatic increases, such a participant may make
20 arrangements to pay to the system the amount required to bring
21 the total contributions for the automatic increase to the
22 equivalent of one year's contributions based upon his or her
23 last salary.

24 (d) A participant who terminated service prior to July 1,
25 1967, with at least 14 years of service is entitled to an
26 increase in retirement annuity beginning January, 1976, and to

1 additional increases in January of each year thereafter.

2 The initial increase shall be 1 1/2% of the originally
3 granted retirement annuity multiplied by the number of full
4 years that the annuitant was in receipt of such annuity prior
5 to January 1, 1972, plus 2% of the originally granted
6 retirement annuity for each year after that date. The
7 subsequent annual increases shall be at the rate of 2% of the
8 originally granted retirement annuity for each year through
9 1979 and at the rate of 3% for 1980 and thereafter.

10 (e) Beginning January 1, 1990, all automatic annual
11 increases payable under this Section shall be calculated as a
12 percentage of the total annuity payable at the time of the
13 increase, including previous increases granted under this
14 Article.

15 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

17 (Text of Section WITHOUT the changes made by P.A. 98-599,
18 which has been held unconstitutional)

19 Sec. 14-103.10. Compensation.

20 (a) For periods of service prior to January 1, 1978, the
21 full rate of salary or wages payable to an employee for
22 personal services performed if he worked the full normal
23 working period for his position, subject to the following
24 maximum amounts: (1) prior to July 1, 1951, \$400 per month or
25 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957

1 inclusive, \$625 per month or \$7,500 per year; (3) beginning
2 July 1, 1957, no limitation.

3 In the case of service of an employee in a position
4 involving part-time employment, compensation shall be
5 determined according to the employees' earnings record.

6 (b) For periods of service on and after January 1, 1978,
7 all remuneration for personal services performed defined as
8 "wages" under the Social Security Enabling Act, including that
9 part of such remuneration which is in excess of any maximum
10 limitation provided in such Act, and including any benefits
11 received by an employee under a sick pay plan in effect before
12 January 1, 1981, but excluding lump sum salary payments:

- 13 (1) for vacation,
14 (2) for accumulated unused sick leave,
15 (3) upon discharge or dismissal,
16 (4) for approved holidays.

17 (c) For periods of service on or after December 16, 1978,
18 compensation also includes any benefits, other than lump sum
19 salary payments made at termination of employment, which an
20 employee receives or is eligible to receive under a sick pay
21 plan authorized by law.

22 (d) For periods of service after September 30, 1985,
23 compensation also includes any remuneration for personal
24 services not included as "wages" under the Social Security
25 Enabling Act, which is deducted for purposes of participation
26 in a program established pursuant to Section 125 of the

1 Internal Revenue Code or its successor laws.

2 (e) For members for which Section 1-160 applies for
3 periods of service on and after January 1, 2011, all
4 remuneration for personal services performed defined as
5 "wages" under the Social Security Enabling Act, excluding
6 remuneration that is in excess of the annual earnings, salary,
7 or wages of a member or participant, as provided in ~~subsection~~
8 ~~(b-5)~~ of Section 1-160, but including any benefits received by
9 an employee under a sick pay plan in effect before January 1,
10 1981. Compensation shall exclude lump sum salary payments:

- 11 (1) for vacation;
- 12 (2) for accumulated unused sick leave;
- 13 (3) upon discharge or dismissal; and
- 14 (4) for approved holidays.

15 (f) Notwithstanding the other provisions of this Section,
16 for service on or after July 1, 2013, "compensation" does not
17 include any stipend payable to an employee for service on a
18 board or commission.

19 (Source: P.A. 98-449, eff. 8-16-13.)

20 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

21 Sec. 15-111. Earnings.

22 (a) "Earnings": Subject to Section 15-111.5, an amount
23 paid for personal services equal to the sum of the basic
24 compensation plus extra compensation for summer teaching,
25 overtime or other extra service. For periods for which an

1 employee receives service credit under subsection (c) of
2 Section 15-113.1 or Section 15-113.2, earnings are equal to
3 the basic compensation on which contributions are paid by the
4 employee during such periods. Compensation for employment
5 which is irregular, intermittent and temporary shall not be
6 considered earnings, unless the participant is also receiving
7 earnings from the employer as an employee under Section
8 15-107.

9 With respect to transition pay paid by the University of
10 Illinois to a person who was a participating employee employed
11 in the fire department of the University of Illinois's
12 Champaign-Urbana campus immediately prior to the elimination
13 of that fire department:

14 (1) "Earnings" includes transition pay paid to the
15 employee on or after the effective date of this amendatory
16 Act of the 91st General Assembly.

17 (2) "Earnings" includes transition pay paid to the
18 employee before the effective date of this amendatory Act
19 of the 91st General Assembly only if (i) employee
20 contributions under Section 15-157 have been withheld from
21 that transition pay or (ii) the employee pays to the
22 System before January 1, 2001 an amount representing
23 employee contributions under Section 15-157 on that
24 transition pay. Employee contributions under item (ii) may
25 be paid in a lump sum, by withholding from additional
26 transition pay accruing before January 1, 2001, or in any

1 other manner approved by the System. Upon payment of the
2 employee contributions on transition pay, the
3 corresponding employer contributions become an obligation
4 of the State.

5 (b) For a Tier 2 member, the annual earnings shall not
6 exceed \$106,800; however, except as provided in subsection
7 (b-5) and (b-10), that amount shall annually thereafter be
8 increased by the lesser of (i) 3% of that amount, including all
9 previous adjustments, or (ii) one half the annual unadjusted
10 percentage increase (but not less than zero) in the consumer
11 price index-u for the 12 months ending with the September
12 preceding each November 1, including all previous adjustments.

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

23 (b-5) Beginning January 1, 2026 and until January 1, 2029,
24 for a participant who first becomes a participant of this
25 System on or after January 1, 2011, the annual earnings may not
26 exceed the amount determined under subsection (b) plus the

1 earnings limitation adjustment for that year.

2 In this subsection, "earnings limitation adjustment" means
3 the product that results from multiplying (i) the difference
4 between the federal Social Security wage base for the coming
5 calendar year and the amount calculated under subsection (b)
6 for that calendar year by (ii) the smoothing factor for that
7 calendar year. The earnings limitation adjustment shall be
8 determined by the Public Pension Division of the Department of
9 Insurance and made available to the boards of the retirement
10 systems and pension funds by December 1 of each year. If the
11 difference between the federal Social Security wage base for
12 the coming calendar year and the amount calculated under
13 subsection (b) for that calendar year is zero or less than
14 zero, the earnings limitation adjustment shall be zero.

15 In this subsection, "smoothing factor" means:

- 16 (1) for calendar year 2026, 25%;
17 (2) for calendar year 2027, 50%; and
18 (3) for calendar year 2028, 75%.

19 In this subsection and subsection (b-10), "Social Security
20 wage base" means the contribution and benefit base calculated
21 for the calendar year in question by the Commissioner of
22 Social Security under Section 230 of the federal Social
23 Security Act (42 U.S.C. 430).

24 (b-10) Beginning January 1, 2029, the annual earnings may
25 not exceed the federal Social Security wage base then in
26 effect.

1 (c) With each submission of payroll information in the
2 manner prescribed by the System, the employer shall certify
3 that the payroll information is correct and complies with all
4 applicable State and federal laws.

5 (Source: P.A. 98-92, eff. 7-16-13; 99-897, eff. 1-1-17.)

6 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

7 Sec. 18-125. Retirement annuity amount.

8 (a) The annual retirement annuity for a participant who
9 terminated service as a judge prior to July 1, 1971 shall be
10 based on the law in effect at the time of termination of
11 service.

12 (b) Except as provided in subsection (b-5), effective July
13 1, 1971, the retirement annuity for any participant in service
14 on or after such date shall be 3 1/2% of final average salary,
15 as defined in this Section, for each of the first 10 years of
16 service, and 5% of such final average salary for each year of
17 service in excess of 10.

18 For purposes of this Section, final average salary for a
19 participant who first serves as a judge before August 10, 2009
20 (the effective date of Public Act 96-207) shall be:

21 (1) the average salary for the last 4 years of
22 credited service as a judge for a participant who
23 terminates service before July 1, 1975.

24 (2) for a participant who terminates service after
25 June 30, 1975 and before July 1, 1982, the salary on the

1 last day of employment as a judge.

2 (3) for any participant who terminates service after
3 June 30, 1982 and before January 1, 1990, the average
4 salary for the final year of service as a judge.

5 (4) for a participant who terminates service on or
6 after January 1, 1990 but before July 14, 1995 (the
7 effective date of Public Act 89-136), the salary on the
8 last day of employment as a judge.

9 (5) for a participant who terminates service on or
10 after July 14, 1995 (the effective date of Public Act
11 89-136), the salary on the last day of employment as a
12 judge, or the highest salary received by the participant
13 for employment as a judge in a position held by the
14 participant for at least 4 consecutive years, whichever is
15 greater.

16 However, in the case of a participant who elects to
17 discontinue contributions as provided in subdivision (a)(2) of
18 Section 18-133, the time of such election shall be considered
19 the last day of employment in the determination of final
20 average salary under this subsection.

21 For a participant who first serves as a judge on or after
22 August 10, 2009 (the effective date of Public Act 96-207) and
23 before January 1, 2011 (the effective date of Public Act
24 96-889), final average salary shall be the average monthly
25 salary obtained by dividing the total salary of the
26 participant during the period of: (1) the 48 consecutive

1 months of service within the last 120 months of service in
2 which the total compensation was the highest, or (2) the total
3 period of service, if less than 48 months, by the number of
4 months of service in that period.

5 The maximum retirement annuity for any participant shall
6 be 85% of final average salary.

7 (b-5) Notwithstanding any other provision of this Article,
8 for a participant who first serves as a judge on or after
9 January 1, 2011 (the effective date of Public Act 96-889), the
10 annual retirement annuity is 3% of the participant's final
11 average salary for each year of service. The maximum
12 retirement annuity payable shall be 60% of the participant's
13 final average salary.

14 For a participant who first serves as a judge on or after
15 January 1, 2011 (the effective date of Public Act 96-889),
16 final average salary shall be the average monthly salary
17 obtained by dividing the total salary of the judge during the
18 96 consecutive months of service within the last 120 months of
19 service in which the total salary was the highest by the number
20 of months of service in that period; however, except as
21 provided in subsection (b-10) and (b-15), beginning January 1,
22 2011, the annual salary may not exceed \$106,800, except that
23 that amount shall annually thereafter be increased by the
24 lesser of (i) 3% of that amount, including all previous
25 adjustments, or (ii) the annual unadjusted percentage increase
26 (but not less than zero) in the consumer price index-u for the

1 12 months ending with the September preceding each November 1.
2 "Consumer price index-u" means the index published by the
3 Bureau of Labor Statistics of the United States Department of
4 Labor that measures the average change in prices of goods and
5 services purchased by all urban consumers, United States city
6 average, all items, 1982-84 = 100. The new amount resulting
7 from each annual adjustment shall be determined by the Public
8 Pension Division of the Department of Insurance and made
9 available to the Board by November 1st of each year.

10 (b-10) Beginning January 1, 2026 and until January 1,
11 2029, for a participant who first serves as a judge on or after
12 January 1, 2011, the annual salary may not exceed the amount
13 determined under subsection (b-5) plus the earnings limitation
14 adjustment for that year.

15 In this subsection, "earnings limitation adjustment" means
16 the product that results from multiplying (i) the difference
17 between the federal Social Security wage base for the coming
18 calendar year and the amount calculated under subsection (b-5)
19 for that calendar year by (ii) the smoothing factor for that
20 calendar year. The earnings limitation adjustment shall be
21 determined by the Public Pension Division of the Department of
22 Insurance and made available to the boards of the retirement
23 systems and pension funds by December 1 of each year. If the
24 difference between the federal Social Security wage base for
25 the coming calendar year and the amount calculated under
26 subsection (b-5) for that calendar year is zero or less than

1 zero, the earnings limitation adjustment shall be zero.

2 In this subsection, "smoothing factor" means:

3 (1) for calendar year 2026, 25%;

4 (2) for calendar year 2027, 50%; and

5 (3) for calendar year 2028, 75%.

6 In this subsection and subsection (b-15), "Social Security
7 wage base" means the contribution and benefit base calculated
8 for the calendar year in question by the Commissioner of
9 Social Security under Section 230 of the federal Social
10 Security Act (42 U.S.C. 430).

11 (b-15) Beginning January 1, 2029, the annual salary may
12 not exceed the federal Social Security wage base then in
13 effect.

14 (c) The retirement annuity for a participant who retires
15 prior to age 60 with less than 28 years of service in the
16 System shall be reduced 1/2 of 1% for each month that the
17 participant's age is under 60 years at the time the annuity
18 commences. However, for a participant who retires on or after
19 December 10, 1999 (the effective date of Public Act 91-653),
20 the percentage reduction in retirement annuity imposed under
21 this subsection shall be reduced by 5/12 of 1% for every month
22 of service in this System in excess of 20 years, and therefore
23 a participant with at least 26 years of service in this System
24 may retire at age 55 without any reduction in annuity.

25 The reduction in retirement annuity imposed by this
26 subsection shall not apply in the case of retirement on

1 account of disability.

2 (d) Notwithstanding any other provision of this Article,
3 for a participant who first serves as a judge on or after
4 January 1, 2011 (the effective date of Public Act 96-889) and
5 who is retiring after attaining age 62, the retirement annuity
6 shall be reduced by 1/2 of 1% for each month that the
7 participant's age is under age 67 at the time the annuity
8 commences.

9 (Source: P.A. 100-201, eff. 8-18-17.)

10 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

11 Sec. 18-128.01. Amount of survivor's annuity.

12 (a) Upon the death of an annuitant, his or her surviving
13 spouse shall be entitled to a survivor's annuity of 66 2/3% of
14 the annuity the annuitant was receiving immediately prior to
15 his or her death, inclusive of annual increases in the
16 retirement annuity to the date of death.

17 (b) Upon the death of an active participant, his or her
18 surviving spouse shall receive a survivor's annuity of 66 2/3%
19 of the annuity earned by the participant as of the date of his
20 or her death, determined without regard to whether the
21 participant had attained age 60 as of that time, or 7 1/2% of
22 the last salary of the decedent, whichever is greater.

23 (c) Upon the death of a participant who had terminated
24 service with at least 10 years of service, his or her surviving
25 spouse shall be entitled to a survivor's annuity of 66 2/3% of

1 the annuity earned by the deceased participant at the date of
2 death.

3 (d) Upon the death of an annuitant, active participant, or
4 participant who had terminated service with at least 10 years
5 of service, each surviving child under the age of 18 or
6 disabled as defined in Section 18-128 shall be entitled to a
7 child's annuity in an amount equal to 5% of the decedent's
8 final salary, not to exceed in total for all such children the
9 greater of 20% of the decedent's last salary or 66 2/3% of the
10 annuity received or earned by the decedent as provided under
11 subsections (a) and (b) of this Section. This child's annuity
12 shall be paid whether or not a survivor's annuity was elected
13 under Section 18-123.

14 (e) The changes made in the survivor's annuity provisions
15 by Public Act 82-306 shall apply to the survivors of a deceased
16 participant or annuitant whose death occurs on or after August
17 21, 1981.

18 (f) Beginning January 1, 1990, every survivor's annuity
19 shall be increased (1) on each January 1 occurring on or after
20 the commencement of the annuity if the deceased member died
21 while receiving a retirement annuity, or (2) in other cases,
22 on each January 1 occurring on or after the first anniversary
23 of the commencement of the annuity, by an amount equal to 3% of
24 the current amount of the annuity, including any previous
25 increases under this Article. Such increases shall apply
26 without regard to whether the deceased member was in service

1 on or after the effective date of this amendatory Act of 1991,
2 but shall not accrue for any period prior to January 1, 1990.

3 (g) Notwithstanding any other provision of this Article,
4 the initial survivor's annuity for a survivor of a participant
5 who first serves as a judge after January 1, 2011 (the
6 effective date of Public Act 96-889) shall be in the amount of
7 66 2/3% of the annuity received or earned by the decedent, and
8 shall be increased (1) on each January 1 occurring on or after
9 the commencement of the annuity if the deceased participant
10 died while receiving a retirement annuity, or (2) in other
11 cases, on each January 1 occurring on or after the first
12 anniversary of the commencement of the annuity, but in no
13 event prior to age 67, by an amount equal to 3% or the annual
14 unadjusted percentage increase in the consumer price index-u
15 as determined by the Public Pension Division of the Department
16 of Insurance ~~under subsection (b 5) of Section 18-125,~~
17 whichever is less, of the survivor's annuity then being paid.

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

1 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

2 Article 2.

3 Section 2-5. The Illinois Pension Code is amended by
4 changing Sections 1-160, 2-119.1, 15-136, and 18-125.1 as
5 follows:

6 (40 ILCS 5/1-160)

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

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

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

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

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

17 This Section does not apply to a person who first becomes a
18 member or participant under Article 16 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 elects under
25 subsection (c-5) of Section 1-161 to receive the benefits
26 under Section 1-161.

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

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

21 (1) (Blank).

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

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

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

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

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

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

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

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

22 (b-5) Beginning on January 1, 2011, for all purposes under
23 this Code (including without limitation the calculation of
24 benefits and employee contributions), the annual earnings,
25 salary, or wages (based on the plan year) of a member or
26 participant to whom this Section applies shall not exceed

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

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

17 (b-10) Beginning on January 1, 2024, for all purposes
18 under this Code (including, without limitation, the
19 calculation of benefits and employee contributions), the
20 annual earnings, salary, or wages (based on the plan year) of a
21 member or participant under Article 9 to whom this Section
22 applies shall include an annual earnings, salary, or wage cap
23 that tracks the Social Security wage base. Maximum annual
24 earnings, wages, or salary shall be the annual contribution
25 and benefit base established for the applicable year by the
26 Commissioner of the Social Security Administration under the

1 federal Social Security Act.

2 However, in no event shall the annual earnings, salary, or
3 wages for the purposes of this Article and Article 9 exceed any
4 limitation imposed on annual earnings, salary, or wages under
5 Section 1-117. Under no circumstances shall the maximum amount
6 of annual earnings, salary, or wages be greater than the
7 amount set forth in this subsection (b-10) as a result of
8 reciprocal service or any provisions regarding reciprocal
9 services, nor shall the Fund under Article 9 be required to pay
10 any refund as a result of the application of this maximum
11 annual earnings, salary, and wage cap.

12 Nothing in this subsection (b-10) shall cause or otherwise
13 result in any retroactive adjustment of any employee
14 contributions. Nothing in this subsection (b-10) shall cause
15 or otherwise result in any retroactive adjustment of
16 disability or other payments made between January 1, 2011 and
17 January 1, 2024.

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).

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

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

18 (i) to be eligible for the reduced retirement age
19 provided in subsections (c-5) and (d-5) of this Section,
20 the eligibility for which is conditioned upon the member
21 or participant agreeing to the increases in employee
22 contributions for age and service annuities provided in
23 subsection (a-5) of Section 8-174 of this Code (for
24 service under Article 8) or subsection (a-5) of Section
25 11-170 of this Code (for service under Article 11); or

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall
2 continue to be subject to the retirement age provisions in
3 subsections (c) and (d) of this Section and the employee
4 contributions for age and service annuity as provided in
5 subsection (a) of Section 8-174 of this Code (for service
6 under Article 8) or subsection (a) of Section 11-170 of
7 this Code (for service under Article 11).

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

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

19 (i) to be eligible for the reduced retirement age
20 specified in subsections (c) and (d) of this Section, the
21 eligibility for which is conditioned upon the member or
22 participant agreeing to the increase in employee
23 contributions for service annuities specified in
24 subsection (b) of Section 12-150; or

25 (ii) to not agree to item (i) of this subsection
26 (d-15), in which case the member or participant shall not

1 be eligible for the reduced retirement age specified in
2 subsections (c) and (d) of this Section and shall not be
3 subject to the increase in employee contributions for
4 service annuities specified in subsection (b) of Section
5 12-150.

6 The election provided for in this subsection shall be made
7 between January 1, 2022 and April 1, 2022. A person subject to
8 this subsection who makes the required election shall remain
9 bound by that election. A person subject to this subsection
10 who fails for any reason to make the required election within
11 the time specified in this subsection shall be deemed to have
12 made the election under item (ii).

13 (e) Except as otherwise provided in this subsection, any
14 ~~Any~~ retirement annuity or supplemental annuity shall be
15 subject to annual increases on the January 1 occurring either
16 on or after the attainment of age 67 (age 65, with respect to
17 service under Article 12 that is subject to this Section, for a
18 member or participant under Article 12 who first becomes a
19 member or participant under Article 12 on or after January 1,
20 2022 or who makes the election under item (i) of subsection
21 (d-15); and beginning on July 6, 2017 (the effective date of
22 Public Act 100-23), age 65 with respect to service under
23 Article 8 or Article 11 for eligible persons who: (i) are
24 subject to subsection (c-5) of this Section; or (ii) made the
25 election under item (i) of subsection (d-10) of this Section)
26 or the first anniversary of the annuity start date, whichever

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

11 Beginning January 1, 2026, any retirement annuity or
12 supplemental annuity of a member or participant under Article
13 14, 16, or 17 who is subject to this Section shall be subject
14 to annual increases on the January 1 occurring after the first
15 anniversary of the annuity start date. Each annual increase
16 for a member or participant of a retirement system or pension
17 fund established under Article 14, 16, or 17 who is subject to
18 this Section shall be calculated at 3% of the originally
19 granted retirement annuity.

20 For the purposes of Section 1-103.1 of this Code, the
21 changes made to this Section by this amendatory Act of the
22 103rd General Assembly are applicable without regard to
23 whether the employee was in active service on or after the
24 effective date of this amendatory Act of the 103rd General
25 Assembly.

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 102-263 are
2 applicable without regard to whether the employee was in
3 active service on or after August 6, 2021 (the effective date
4 of Public Act 102-263).

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

10 (f) The initial survivor's or widow's annuity of an
11 otherwise eligible survivor or widow of a retired member or
12 participant who first became a member or participant on or
13 after January 1, 2011 shall be in the amount of 66 2/3% of the
14 retired member's or participant's retirement annuity at the
15 date of death. In the case of the death of a member or
16 participant who has not retired and who first became a member
17 or participant on or after January 1, 2011, eligibility for a
18 survivor's or widow's annuity shall be determined by the
19 applicable Article of this Code. The initial benefit shall be
20 66 2/3% of the earned annuity without a reduction due to age. A
21 child's annuity of an otherwise eligible child shall be in the
22 amount prescribed under each Article if applicable. Any
23 survivor's or widow's annuity shall be increased (1) on each
24 January 1 occurring on or after the commencement of the
25 annuity if the deceased member died while receiving a
26 retirement annuity or (2) in other cases, on each January 1

1 occurring after the first anniversary of the commencement of
2 the annuity. Each annual increase shall be calculated at 3% or
3 one-half the annual unadjusted percentage increase (but not
4 less than zero) in the consumer price index-u for the 12 months
5 ending with the September preceding each November 1, whichever
6 is less, of the originally granted survivor's annuity. If the
7 annual unadjusted percentage change in the consumer price
8 index-u for the 12 months ending with the September preceding
9 each November 1 is zero or there is a decrease, then the
10 annuity shall not be increased.

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

24 (g-5) The benefits in Section 14-110 apply if the person
25 is a State policeman, investigator for the Secretary of State,
26 conservation police officer, investigator for the Department

1 of Revenue or the Illinois Gaming Board, investigator for the
2 Office of the Attorney General, Commerce Commission police
3 officer, or arson investigator, as those terms are defined in
4 subsection (b) and subsection (c) of Section 14-110. A person
5 who meets the requirements of this Section is entitled to an
6 annuity calculated under the provisions of Section 14-110, in
7 lieu of the regular or minimum retirement annuity, only if the
8 person has withdrawn from service with not less than 20 years
9 of eligible creditable service and has attained age 55,
10 regardless of whether the attainment of age 55 occurs while
11 the person is still in service.

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

26 If a person who first becomes a member of a retirement

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

19 (i) (Blank).

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

23 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
24 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
25 5-6-22.)

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

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

3 (a) The provisions of this Section apply to a person who,
4 on or after January 1, 2011, first becomes a member or a
5 participant under any reciprocal retirement system or pension
6 fund established under this Code, other than a retirement
7 system or pension fund established under Article 2, 3, 4, 5, 6,
8 7, 15, or 18 of this Code, notwithstanding any other provision
9 of this Code to the contrary, but do not apply to any
10 self-managed plan established under this Code or to any
11 participant of the retirement plan established under Section
12 22-101; except that this Section applies to a person who
13 elected to establish alternative credits by electing in
14 writing after January 1, 2011, but before August 8, 2011,
15 under Section 7-145.1 of this Code. Notwithstanding anything
16 to the contrary in this Section, for purposes of this Section,
17 a person who is a Tier 1 regular employee as defined in Section
18 7-109.4 of this Code or who participated in a retirement
19 system under Article 15 prior to January 1, 2011 shall be
20 deemed a person who first became a member or participant prior
21 to January 1, 2011 under any retirement system or pension fund
22 subject to this Section. The changes made to this Section by
23 Public Act 98-596 are a clarification of existing law and are
24 intended to be retroactive to January 1, 2011 (the effective
25 date of Public Act 96-889), notwithstanding the provisions of
26 Section 1-103.1 of this Code.

1 This Section does not apply to a person who first becomes a
2 noncovered employee under Article 14 on or after the
3 implementation date of the plan created under Section 1-161
4 for that Article, unless that person elects under subsection
5 (b) of Section 1-161 to instead receive the benefits provided
6 under this Section and the applicable provisions of that
7 Article.

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

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

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

25 (b) "Final average salary" means, except as otherwise
26 provided in this subsection, the average monthly (or annual)

1 salary obtained by dividing the total salary or earnings
2 calculated under the Article applicable to the member or
3 participant during the 96 consecutive months (or 8 consecutive
4 years) of service within the last 120 months (or 10 years) of
5 service in which the total salary or earnings calculated under
6 the applicable Article was the highest by the number of months
7 (or years) of service in that period. For the purposes of a
8 person who first becomes a member or participant of any
9 retirement system or pension fund to which this Section
10 applies on or after January 1, 2011, in this Code, "final
11 average salary" shall be substituted for the following:

12 (1) (Blank).

13 (2) In Articles 8, 9, 10, 11, and 12, "highest average
14 annual salary for any 4 consecutive years within the last
15 10 years of service immediately preceding the date of
16 withdrawal".

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

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

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

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

22 A member of the Teachers' Retirement System of the State
23 of Illinois who retires on or after June 1, 2021 and for whom
24 the 2020-2021 school year is used in the calculation of the
25 member's final average salary shall use the higher of the
26 following for the purpose of determining the member's final

1 average salary:

2 (A) the amount otherwise calculated under the first
3 paragraph of this subsection; or

4 (B) an amount calculated by the Teachers' Retirement
5 System of the State of Illinois using the average of the
6 monthly (or annual) salary obtained by dividing the total
7 salary or earnings calculated under Article 16 applicable
8 to the member or participant during the 96 months (or 8
9 years) of service within the last 120 months (or 10 years)
10 of service in which the total salary or earnings
11 calculated under the Article was the highest by the number
12 of months (or years) of service in that period.

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

24 For the purposes of this Section, "consumer price index-u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the

1 average change in prices of goods and services purchased by
2 all urban consumers, United States city average, all items,
3 1982-84 = 100. The new amount resulting from each annual
4 adjustment shall be determined by the Public Pension Division
5 of the Department of Insurance and made available to the
6 boards of the retirement systems and pension funds by November
7 1 of each year.

8 (b-10) Beginning on January 1, 2024, for all purposes
9 under this Code (including, without limitation, the
10 calculation of benefits and employee contributions), the
11 annual earnings, salary, or wages (based on the plan year) of a
12 member or participant under Article 9 to whom this Section
13 applies shall include an annual earnings, salary, or wage cap
14 that tracks the Social Security wage base. Maximum annual
15 earnings, wages, or salary shall be the annual contribution
16 and benefit base established for the applicable year by the
17 Commissioner of the Social Security Administration under the
18 federal Social Security Act.

19 However, in no event shall the annual earnings, salary, or
20 wages for the purposes of this Article and Article 9 exceed any
21 limitation imposed on annual earnings, salary, or wages under
22 Section 1-117. Under no circumstances shall the maximum amount
23 of annual earnings, salary, or wages be greater than the
24 amount set forth in this subsection (b-10) as a result of
25 reciprocal service or any provisions regarding reciprocal
26 services, nor shall the Fund under Article 9 be required to pay

1 any refund as a result of the application of this maximum
2 annual earnings, salary, and wage cap.

3 Nothing in this subsection (b-10) shall cause or otherwise
4 result in any retroactive adjustment of any employee
5 contributions. Nothing in this subsection (b-10) shall cause
6 or otherwise result in any retroactive adjustment of
7 disability or other payments made between January 1, 2011 and
8 January 1, 2024.

9 (c) A member or participant is entitled to a retirement
10 annuity upon written application if he or she has attained age
11 67 (age 65, with respect to service under Article 12 that is
12 subject to this Section, for a member or participant under
13 Article 12 who first becomes a member or participant under
14 Article 12 on or after January 1, 2022 or who makes the
15 election under item (i) of subsection (d-15) of this Section)
16 and has at least 10 years of service credit and is otherwise
17 eligible under the requirements of the applicable Article.

18 A member or participant who has attained age 62 (age 60,
19 with respect to service under Article 12 that is subject to
20 this Section, for a member or participant under Article 12 who
21 first becomes a member or participant under Article 12 on or
22 after January 1, 2022 or who makes the election under item (i)
23 of subsection (d-15) of this Section) and has at least 10 years
24 of service credit and is otherwise eligible under the
25 requirements of the applicable Article may elect to receive
26 the lower retirement annuity provided in subsection (d) of

1 this Section.

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

11 (d) The retirement annuity of a member or participant who
12 is retiring after attaining age 62 (age 60, with respect to
13 service under Article 12 that is subject to this Section, for a
14 member or participant under Article 12 who first becomes a
15 member or participant under Article 12 on or after January 1,
16 2022 or who makes the election under item (i) of subsection
17 (d-15) of this Section) with at least 10 years of service
18 credit shall be reduced by one-half of 1% for each full month
19 that the member's age is under age 67 (age 65, with respect to
20 service under Article 12 that is subject to this Section, for a
21 member or participant under Article 12 who first becomes a
22 member or participant under Article 12 on or after January 1,
23 2022 or who makes the election under item (i) of subsection
24 (d-15) of this Section).

25 (d-5) The retirement annuity payable under Article 8 or
26 Article 11 to an eligible person subject to subsection (c-5)

1 of this Section who is retiring at age 60 with at least 10
2 years of service credit shall be reduced by one-half of 1% for
3 each full month that the member's age is under age 65.

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

9 (i) to be eligible for the reduced retirement age
10 provided in subsections (c-5) and (d-5) of this Section,
11 the eligibility for which is conditioned upon the member
12 or participant agreeing to the increases in employee
13 contributions for age and service annuities provided in
14 subsection (a-5) of Section 8-174 of this Code (for
15 service under Article 8) or subsection (a-5) of Section
16 11-170 of this Code (for service under Article 11); or

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

25 The election provided for in this subsection shall be made
26 between October 1, 2017 and November 15, 2017. A person

1 subject to this subsection who makes the required election
2 shall remain bound by that election. A person subject to this
3 subsection who fails for any reason to make the required
4 election within the time specified in this subsection shall be
5 deemed to have made the election under item (ii).

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

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

16 (ii) to not agree to item (i) of this subsection
17 (d-15), in which case the member or participant shall not
18 be eligible for the reduced retirement age specified in
19 subsections (c) and (d) of this Section and shall not be
20 subject to the increase in employee contributions for
21 service annuities specified in subsection (b) of Section
22 12-150.

23 The election provided for in this subsection shall be made
24 between January 1, 2022 and April 1, 2022. A person subject to
25 this subsection who makes the required election shall remain
26 bound by that election. A person subject to this subsection

1 who fails for any reason to make the required election within
2 the time specified in this subsection shall be deemed to have
3 made the election under item (ii).

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

1 annuity shall not be increased.

2 Beginning January 1, 2026, any retirement annuity or
3 supplemental annuity of a member or participant under Article
4 14, 16, or 17 who is subject to this Section shall be subject
5 to annual increases on the January 1 occurring after the first
6 anniversary of the annuity start date. Each annual increase
7 for a member or participant of a retirement system or pension
8 fund established under Article 14, 16, or 17 who is subject to
9 this Section shall be calculated at 3% of the originally
10 granted retirement annuity.

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this Section by this amendatory Act of the
13 103rd General Assembly are applicable without regard to
14 whether the employee was in active service on or after the
15 effective date of this amendatory Act of the 103rd General
16 Assembly.

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

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

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

1 annuity shall not be increased.

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

20 (h) If a person who first becomes a member or a participant
21 of a retirement system or pension fund subject to this Section
22 on or after January 1, 2011 is receiving a retirement annuity
23 or retirement pension under that system or fund and becomes a
24 member or participant under any other system or fund created
25 by this Code and is employed on a full-time basis, except for
26 those members or participants exempted from the provisions of

1 this Section under subsection (a) of this Section, then the
2 person's retirement annuity or retirement pension under that
3 system or fund shall be suspended during that employment. Upon
4 termination of that employment, the person's retirement
5 annuity or retirement pension payments shall resume and be
6 recalculated if recalculation is provided for under the
7 applicable Article of this Code.

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

1 (i) (Blank).

2 (j) In the case of a conflict between the provisions of
3 this Section and any other provision of this Code, the
4 provisions of this Section shall control.

5 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
6 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
7 5-13-22.)

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

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,
24 a person who is a Tier 1 regular employee as defined in Section
25 7-109.4 of this Code or who participated in a retirement

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

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

16 This Section does not apply to a person who first becomes a
17 member or participant under Article 16 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 elects under
24 subsection (c-5) of Section 1-161 to receive the benefits
25 under Section 1-161.

26 This Section does not apply to a person who first becomes a

1 member or participant of an affected pension fund on or after 6
2 months after the resolution or ordinance date, as defined in
3 Section 1-162, unless that person elects under subsection (c)
4 of Section 1-162 to receive the benefits provided under this
5 Section and the applicable provisions of the Article under
6 which he or she is a member or participant.

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

20 (1) (Blank).

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

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

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

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

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

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

10 (A) the amount otherwise calculated under the first
11 paragraph of this subsection; or

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

21 (b-5) Beginning on January 1, 2011, for all purposes under
22 this Code (including without limitation the calculation of
23 benefits and employee contributions), the annual earnings,
24 salary, or wages (based on the plan year) of a member or
25 participant to whom this Section applies shall not exceed
26 \$106,800; however, that amount shall annually thereafter be

1 increased by the lesser of (i) 3% of that amount, including all
2 previous adjustments, or (ii) one-half the annual unadjusted
3 percentage increase (but not less than zero) in the consumer
4 price index-u for the 12 months ending with the September
5 preceding each November 1, including all previous adjustments.

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

16 (b-10) Beginning on January 1, 2024, for all purposes
17 under this Code (including, without limitation, the
18 calculation of benefits and employee contributions), the
19 annual earnings, salary, or wages (based on the plan year) of a
20 member or participant under Article 9 to whom this Section
21 applies shall include an annual earnings, salary, or wage cap
22 that tracks the Social Security wage base. Maximum annual
23 earnings, wages, or salary shall be the annual contribution
24 and benefit base established for the applicable year by the
25 Commissioner of the Social Security Administration under the
26 federal Social Security Act.

1 However, in no event shall the annual earnings, salary, or
2 wages for the purposes of this Article and Article 9 exceed any
3 limitation imposed on annual earnings, salary, or wages under
4 Section 1-117. Under no circumstances shall the maximum amount
5 of annual earnings, salary, or wages be greater than the
6 amount set forth in this subsection (b-10) as a result of
7 reciprocal service or any provisions regarding reciprocal
8 services, nor shall the Fund under Article 9 be required to pay
9 any refund as a result of the application of this maximum
10 annual earnings, salary, and wage cap.

11 Nothing in this subsection (b-10) shall cause or otherwise
12 result in any retroactive adjustment of any employee
13 contributions. Nothing in this subsection (b-10) shall cause
14 or otherwise result in any retroactive adjustment of
15 disability or other payments made between January 1, 2011 and
16 January 1, 2024.

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

26 A member or participant who has attained age 62 (age 60,

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

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

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

1 that the member's age is under age 67 (age 65, 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).

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

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

17 (i) to be eligible for the reduced retirement age
18 provided in subsections (c-5) and (d-5) of this Section,
19 the eligibility for which is conditioned upon the member
20 or participant agreeing to the increases in employee
21 contributions for age and service annuities provided in
22 subsection (a-5) of Section 8-174 of this Code (for
23 service under Article 8) or subsection (a-5) of Section
24 11-170 of this Code (for service under Article 11); or

25 (ii) to not agree to item (i) of this subsection
26 (d-10), in which case the member or participant shall

1 continue to be subject to the retirement age provisions in
2 subsections (c) and (d) of this Section and the employee
3 contributions for age and service annuity as provided in
4 subsection (a) of Section 8-174 of this Code (for service
5 under Article 8) or subsection (a) of Section 11-170 of
6 this Code (for service under Article 11).

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

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

18 (i) to be eligible for the reduced retirement age
19 specified in subsections (c) and (d) of this Section, the
20 eligibility for which is conditioned upon the member or
21 participant agreeing to the increase in employee
22 contributions for service annuities specified in
23 subsection (b) of Section 12-150; or

24 (ii) to not agree to item (i) of this subsection
25 (d-15), in which case the member or participant shall not
26 be eligible for the reduced retirement age specified in

1 subsections (c) and (d) of this Section and shall not be
2 subject to the increase in employee contributions for
3 service annuities specified in subsection (b) of Section
4 12-150.

5 The election provided for in this subsection shall be made
6 between January 1, 2022 and April 1, 2022. A person subject to
7 this subsection who makes the required election shall remain
8 bound by that election. A person subject to this subsection
9 who fails for any reason to make the required election within
10 the time specified in this subsection shall be deemed to have
11 made the election under item (ii).

12 (e) Except as otherwise provided in this subsection, any
13 ~~Any~~ retirement annuity or supplemental annuity shall be
14 subject to annual increases on the January 1 occurring either
15 on or after the attainment of age 67 (age 65, with respect to
16 service under Article 12 that is subject to this Section, for a
17 member or participant under Article 12 who first becomes a
18 member or participant under Article 12 on or after January 1,
19 2022 or who makes the election under item (i) of subsection
20 (d-15); and beginning on July 6, 2017 (the effective date of
21 Public Act 100-23), age 65 with respect to service under
22 Article 8 or Article 11 for eligible persons who: (i) are
23 subject to subsection (c-5) of this Section; or (ii) made the
24 election under item (i) of subsection (d-10) of this Section)
25 or the first anniversary of the annuity start date, whichever
26 is later. Except as otherwise provided in this subsection,

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

10 Beginning January 1, 2026, any retirement annuity or
11 supplemental annuity of a member or participant under Article
12 14, 16, or 17 who is subject to this Section shall be subject
13 to annual increases on the January 1 occurring after the first
14 anniversary of the annuity start date. Each annual increase
15 for a member or participant of a retirement system or pension
16 fund established under Article 14, 16, or 17 who is subject to
17 this Section shall be calculated at 3% of the originally
18 granted retirement annuity.

19 For the purposes of Section 1-103.1 of this Code, the
20 changes made to this Section by this amendatory Act of the
21 103rd General Assembly are applicable without regard to
22 whether the employee was in active service on or after the
23 effective date of this amendatory Act of the 103rd General
24 Assembly.

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 102-263 are

1 applicable without regard to whether the employee was in
2 active service on or after August 6, 2021 (the effective date
3 of Public Act 102-263).

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

9 (f) The initial survivor's or widow's annuity of an
10 otherwise eligible survivor or widow of a retired member or
11 participant who first became a member or participant on or
12 after January 1, 2011 shall be in the amount of 66 2/3% of the
13 retired member's or participant's retirement annuity at the
14 date of death. In the case of the death of a member or
15 participant who has not retired and who first became a member
16 or participant on or after January 1, 2011, eligibility for a
17 survivor's or widow's annuity shall be determined by the
18 applicable Article of this Code. The initial benefit shall be
19 66 2/3% of the earned annuity without a reduction due to age. A
20 child's annuity of an otherwise eligible child shall be in the
21 amount prescribed under each Article if applicable. Any
22 survivor's or widow's annuity shall be increased (1) on each
23 January 1 occurring on or after the commencement of the
24 annuity if the deceased member died while receiving a
25 retirement annuity or (2) in other cases, on each January 1
26 occurring after the first anniversary of the commencement of

1 the annuity. Each annual increase shall be calculated at 3% or
2 one-half the annual unadjusted percentage increase (but not
3 less than zero) in the consumer price index-u for the 12 months
4 ending with the September preceding each November 1, whichever
5 is less, of the originally granted survivor's annuity. If the
6 annual unadjusted percentage change in the consumer price
7 index-u for the 12 months ending with the September preceding
8 each November 1 is zero or there is a decrease, then the
9 annuity shall not be increased.

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

1 regardless of whether the attainment of age 60 occurs while
2 the person is still in service.

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

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

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

10 (i) (Blank).

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

14 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
15 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
16 8-11-23.)

17 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

18 (Text of Section WITHOUT the changes made by P.A. 98-599,
19 which has been held unconstitutional)

20 Sec. 2-119.1. Automatic increase in retirement annuity.

21 (a) A participant who retires after June 30, 1967, and who
22 has not received an initial increase under this Section before
23 the effective date of this amendatory Act of 1991, shall, in
24 January or July next following the first anniversary of
25 retirement, whichever occurs first, and in the same month of

1 each year thereafter, but in no event prior to age 60, have the
2 amount of the originally granted retirement annuity increased
3 as follows: for each year through 1971, 1 1/2%; for each year
4 from 1972 through 1979, 2%; and for 1980 and each year
5 thereafter, 3%. Annuitants who have received an initial
6 increase under this subsection prior to the effective date of
7 this amendatory Act of 1991 shall continue to receive their
8 annual increases in the same month as the initial increase.

9 (b) Beginning January 1, 1990, for eligible participants
10 who remain in service after attaining 20 years of creditable
11 service, the 3% increases provided under subsection (a) shall
12 begin to accrue on the January 1 next following the date upon
13 which the participant (1) attains age 55, or (2) attains 20
14 years of creditable service, whichever occurs later, and shall
15 continue to accrue while the participant remains in service;
16 such increases shall become payable on January 1 or July 1,
17 whichever occurs first, next following the first anniversary
18 of retirement. For any person who has service credit in the
19 System for the entire period from January 15, 1969 through
20 December 31, 1992, regardless of the date of termination of
21 service, the reference to age 55 in clause (1) of this
22 subsection (b) shall be deemed to mean age 50.

23 This subsection (b) does not apply to any person who first
24 becomes a member of the System after the effective date of this
25 amendatory Act of the 93rd General Assembly.

26 (b-5) Notwithstanding any other provision of this Article

1 and except as otherwise provided in this subsection, a
2 participant who first becomes a participant on or after
3 January 1, 2011 (the effective date of Public Act 96-889)
4 shall, in January or July next following the first anniversary
5 of retirement, whichever occurs first, and in the same month
6 of each year thereafter, but in no event prior to age 67, have
7 the amount of the retirement annuity then being paid increased
8 by 3% or the annual unadjusted percentage increase in the
9 Consumer Price Index for All Urban Consumers as determined by
10 the Public Pension Division of the Department of Insurance
11 ~~under subsection (a) of Section 2-108.1,~~ whichever is less.

12 Notwithstanding any other provision of this Article,
13 beginning January 1, 2026, a participant who first becomes a
14 participant on or after January 1, 2011 (the effective date of
15 Public Act 96-889) shall, in January or July next following
16 the first anniversary of retirement, whichever occurs first,
17 and in the same month of each year thereafter, have the amount
18 of the retirement annuity then being paid increased by 3%.

19 In this subsection, "consumer price index-u" means the
20 index published by the Bureau of Labor Statistics of the
21 United States Department of Labor that measures the average
22 change in prices of goods and services purchased by all urban
23 consumers, United States city average, all items, 1982-84 =
24 100. The new amount resulting from each annual adjustment
25 shall be determined by the Public Pension Division of the
26 Department of Insurance and made available to the Board by

1 November 1 of each year.

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this Section by this amendatory Act of the
4 103rd General Assembly are applicable without regard to
5 whether the employee was in active service on or after the
6 effective date of this amendatory Act of the 103rd General
7 Assembly.

8 (c) The foregoing provisions relating to automatic
9 increases are not applicable to a participant who retires
10 before having made contributions (at the rate prescribed in
11 Section 2-126) for automatic increases for less than the
12 equivalent of one full year. However, in order to be eligible
13 for the automatic increases, such a participant may make
14 arrangements to pay to the system the amount required to bring
15 the total contributions for the automatic increase to the
16 equivalent of one year's contributions based upon his or her
17 last salary.

18 (d) A participant who terminated service prior to July 1,
19 1967, with at least 14 years of service is entitled to an
20 increase in retirement annuity beginning January, 1976, and to
21 additional increases in January of each year thereafter.

22 The initial increase shall be 1 1/2% of the originally
23 granted retirement annuity multiplied by the number of full
24 years that the annuitant was in receipt of such annuity prior
25 to January 1, 1972, plus 2% of the originally granted
26 retirement annuity for each year after that date. The

1 subsequent annual increases shall be at the rate of 2% of the
2 originally granted retirement annuity for each year through
3 1979 and at the rate of 3% for 1980 and thereafter.

4 (e) Beginning January 1, 1990, all automatic annual
5 increases payable under this Section shall be calculated as a
6 percentage of the total annuity payable at the time of the
7 increase, including previous increases granted under this
8 Article.

9 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

10 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

11 Sec. 15-136. Retirement annuities; amount ~~annuities~~
12 ~~Amount~~. The provisions of this Section 15-136 apply only to
13 those participants who are participating in the traditional
14 benefit package or the portable benefit package and do not
15 apply to participants who are participating in the
16 self-managed plan.

17 (a) The amount of a participant's retirement annuity,
18 expressed in the form of a single-life annuity, shall be
19 determined by whichever of the following rules is applicable
20 and provides the largest annuity:

21 Rule 1: The retirement annuity shall be 1.67% of final
22 rate of earnings for each of the first 10 years of service,
23 1.90% for each of the next 10 years of service, 2.10% for each
24 year of service in excess of 20 but not exceeding 30, and 2.30%
25 for each year in excess of 30; or for persons who retire on or

1 after January 1, 1998, 2.2% of the final rate of earnings for
2 each year of service.

3 Rule 2: The retirement annuity shall be the sum of the
4 following, determined from amounts credited to the participant
5 in accordance with the actuarial tables and the effective rate
6 of interest in effect at the time the retirement annuity
7 begins:

8 (i) the normal annuity which can be provided on an
9 actuarially equivalent basis, by the accumulated normal
10 contributions as of the date the annuity begins;

11 (ii) an annuity from employer contributions of an
12 amount equal to that which can be provided on an
13 actuarially equivalent basis from the accumulated normal
14 contributions made by the participant under Section
15 15-113.6 and Section 15-113.7 plus 1.4 times all other
16 accumulated normal contributions made by the participant;
17 and

18 (iii) the annuity that can be provided on an
19 actuarially equivalent basis from the entire contribution
20 made by the participant under Section 15-113.3.

21 With respect to a police officer or firefighter who
22 retires on or after August 14, 1998, the accumulated normal
23 contributions taken into account under clauses (i) and (ii) of
24 this Rule 2 shall include the additional normal contributions
25 made by the police officer or firefighter under Section
26 15-157(a).

1 The amount of a retirement annuity calculated under this
2 Rule 2 shall be computed solely on the basis of the
3 participant's accumulated normal contributions, as specified
4 in this Rule and defined in Section 15-116. Neither an
5 employee or employer contribution for early retirement under
6 Section 15-136.2 nor any other employer contribution shall be
7 used in the calculation of the amount of a retirement annuity
8 under this Rule 2.

9 This amendatory Act of the 91st General Assembly is a
10 clarification of existing law and applies to every participant
11 and annuitant without regard to whether status as an employee
12 terminates before the effective date of this amendatory Act.

13 This Rule 2 does not apply to a person who first becomes an
14 employee under this Article on or after July 1, 2005.

15 Rule 3: The retirement annuity of a participant who is
16 employed at least one-half time during the period on which his
17 or her final rate of earnings is based, shall be equal to the
18 participant's years of service not to exceed 30, multiplied by
19 (1) \$96 if the participant's final rate of earnings is less
20 than \$3,500, (2) \$108 if the final rate of earnings is at least
21 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
22 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
23 the final rate of earnings is at least \$5,500 but less than
24 \$6,500, (5) \$144 if the final rate of earnings is at least
25 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
26 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if

1 the final rate of earnings is at least \$8,500 but less than
2 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
3 more, except that the annuity for those persons having made an
4 election under Section 15-154(a-1) shall be calculated and
5 payable under the portable retirement benefit program pursuant
6 to the provisions of Section 15-136.4.

7 Rule 4: A participant who is at least age 50 and has 25 or
8 more years of service as a police officer or firefighter, and a
9 participant who is age 55 or over and has at least 20 but less
10 than 25 years of service as a police officer or firefighter,
11 shall be entitled to a retirement annuity of 2 1/4% of the
12 final rate of earnings for each of the first 10 years of
13 service as a police officer or firefighter, 2 1/2% for each of
14 the next 10 years of service as a police officer or
15 firefighter, and 2 3/4% for each year of service as a police
16 officer or firefighter in excess of 20. The retirement annuity
17 for all other service shall be computed under Rule 1. A Tier 2
18 member is eligible for a retirement annuity calculated under
19 Rule 4 only if that Tier 2 member meets the service
20 requirements for that benefit calculation as prescribed under
21 this Rule 4 in addition to the applicable age requirement
22 under subsection (a-10) of Section 15-135.

23 For purposes of this Rule 4, a participant's service as a
24 firefighter shall also include the following:

- 25 (i) service that is performed while the person is an
26 employee under subsection (h) of Section 15-107; and

1 (ii) in the case of an individual who was a
2 participating employee employed in the fire department of
3 the University of Illinois's Champaign-Urbana campus
4 immediately prior to the elimination of that fire
5 department and who immediately after the elimination of
6 that fire department transferred to another job with the
7 University of Illinois, service performed as an employee
8 of the University of Illinois in a position other than
9 police officer or firefighter, from the date of that
10 transfer until the employee's next termination of service
11 with the University of Illinois.

12 (b) For a Tier 1 member, the retirement annuity provided
13 under Rules 1 and 3 above shall be reduced by 1/2 of 1% for
14 each month the participant is under age 60 at the time of
15 retirement. However, this reduction shall not apply in the
16 following cases:

17 (1) For a disabled participant whose disability
18 benefits have been discontinued because he or she has
19 exhausted eligibility for disability benefits under clause
20 (6) of Section 15-152;

21 (2) For a participant who has at least the number of
22 years of service required to retire at any age under
23 subsection (a) of Section 15-135; or

24 (3) For that portion of a retirement annuity which has
25 been provided on account of service of the participant
26 during periods when he or she performed the duties of a

1 police officer or firefighter, if these duties were
2 performed for at least 5 years immediately preceding the
3 date the retirement annuity is to begin.

4 (b-5) The retirement annuity of a Tier 2 member who is
5 retiring under Rule 1 or 3 after attaining age 62 with at least
6 10 years of service credit shall be reduced by 1/2 of 1% for
7 each full month that the member's age is under age 67.

8 (c) The maximum retirement annuity provided under Rules 1,
9 2, 4, and 5 shall be the lesser of (1) the annual limit of
10 benefits as specified in Section 415 of the Internal Revenue
11 Code of 1986, as such Section may be amended from time to time
12 and as such benefit limits shall be adjusted by the
13 Commissioner of Internal Revenue, and (2) 80% of final rate of
14 earnings.

15 (d) A Tier 1 member whose status as an employee terminates
16 after August 14, 1969 shall receive automatic increases in his
17 or her retirement annuity as follows:

18 Effective January 1 immediately following the date the
19 retirement annuity begins, the annuitant shall receive an
20 increase in his or her monthly retirement annuity of 0.125% of
21 the monthly retirement annuity provided under Rule 1, Rule 2,
22 Rule 3, or Rule 4 contained in this Section, multiplied by the
23 number of full months which elapsed from the date the
24 retirement annuity payments began to January 1, 1972, plus
25 0.1667% of such annuity, multiplied by the number of full
26 months which elapsed from January 1, 1972, or the date the

1 retirement annuity payments began, whichever is later, to
2 January 1, 1978, plus 0.25% of such annuity multiplied by the
3 number of full months which elapsed from January 1, 1978, or
4 the date the retirement annuity payments began, whichever is
5 later, to the effective date of the increase.

6 The annuitant shall receive an increase in his or her
7 monthly retirement annuity on each January 1 thereafter during
8 the annuitant's life of 3% of the monthly annuity provided
9 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this
10 Section. The change made under this subsection by P.A. 81-970
11 is effective January 1, 1980 and applies to each annuitant
12 whose status as an employee terminates before or after that
13 date.

14 Beginning January 1, 1990, all automatic annual increases
15 payable under this Section shall be calculated as a percentage
16 of the total annuity payable at the time of the increase,
17 including all increases previously granted under this Article.

18 The change made in this subsection by P.A. 85-1008 is
19 effective January 26, 1988, and is applicable without regard
20 to whether status as an employee terminated before that date.

21 (d-5) Except as otherwise provided in this subsection, a A
22 retirement annuity of a Tier 2 member shall receive annual
23 increases on the January 1 occurring either on or after the
24 attainment of age 67 or the first anniversary of the annuity
25 start date, whichever is later. Each annual increase shall be
26 calculated at 3% or one half the annual unadjusted percentage

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

8 Beginning January 1, 2026, a retirement annuity of a Tier
9 2 member shall receive annual increases on the January 1
10 occurring either on or after the first anniversary of the
11 annuity start date. Each annual increase shall be calculated
12 at 3% of the originally granted retirement annuity.

13 (e) If, on January 1, 1987, or the date the retirement
14 annuity payment period begins, whichever is later, the sum of
15 the retirement annuity provided under Rule 1 or Rule 2 of this
16 Section and the automatic annual increases provided under the
17 preceding subsection or Section 15-136.1, amounts to less than
18 the retirement annuity which would be provided by Rule 3, the
19 retirement annuity shall be increased as of January 1, 1987,
20 or the date the retirement annuity payment period begins,
21 whichever is later, to the amount which would be provided by
22 Rule 3 of this Section. Such increased amount shall be
23 considered as the retirement annuity in determining benefits
24 provided under other Sections of this Article. This paragraph
25 applies without regard to whether status as an employee
26 terminated before the effective date of this amendatory Act of

1 1987, provided that the annuitant was employed at least
2 one-half time during the period on which the final rate of
3 earnings was based.

4 (f) A participant is entitled to such additional annuity
5 as may be provided on an actuarially equivalent basis, by any
6 accumulated additional contributions to his or her credit.
7 However, the additional contributions made by the participant
8 toward the automatic increases in annuity provided under this
9 Section shall not be taken into account in determining the
10 amount of such additional annuity.

11 (g) If, (1) by law, a function of a governmental unit, as
12 defined by Section 20-107 of this Code, is transferred in
13 whole or in part to an employer, and (2) a participant
14 transfers employment from such governmental unit to such
15 employer within 6 months after the transfer of the function,
16 and (3) the sum of (A) the annuity payable to the participant
17 under Rule 1, 2, or 3 of this Section (B) all proportional
18 annuities payable to the participant by all other retirement
19 systems covered by Article 20, and (C) the initial primary
20 insurance amount to which the participant is entitled under
21 the Social Security Act, is less than the retirement annuity
22 which would have been payable if all of the participant's
23 pension credits validated under Section 20-109 had been
24 validated under this system, a supplemental annuity equal to
25 the difference in such amounts shall be payable to the
26 participant.

1 (h) On January 1, 1981, an annuitant who was receiving a
2 retirement annuity on or before January 1, 1971 shall have his
3 or her retirement annuity then being paid increased \$1 per
4 month for each year of creditable service. On January 1, 1982,
5 an annuitant whose retirement annuity began on or before
6 January 1, 1977, shall have his or her retirement annuity then
7 being paid increased \$1 per month for each year of creditable
8 service.

9 (i) On January 1, 1987, any annuitant whose retirement
10 annuity began on or before January 1, 1977, shall have the
11 monthly retirement annuity increased by an amount equal to 8¢
12 per year of creditable service times the number of years that
13 have elapsed since the annuity began.

14 (j) The changes made to this Section by this amendatory
15 Act of the 101st General Assembly apply retroactively to
16 January 1, 2011.

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

18 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

19 Sec. 18-125.1. Automatic increase in retirement annuity. A
20 participant who retires from service after June 30, 1969,
21 shall, in January of the year next following the year in which
22 the first anniversary of retirement occurs, and in January of
23 each year thereafter, have the amount of his or her originally
24 granted retirement annuity increased as follows: for each year
25 up to and including 1971, 1 1/2%; for each year from 1972

1 through 1979 inclusive, 2%; and for 1980 and each year
2 thereafter, 3%.

3 Notwithstanding any other provision of this Article and
4 except as otherwise provided in this Section, a retirement
5 annuity for a participant who first serves as a judge on or
6 after January 1, 2011 (the effective date of Public Act
7 96-889) shall be increased in January of the year next
8 following the year in which the first anniversary of
9 retirement occurs, but in no event prior to age 67, and in
10 January of each year thereafter, by an amount equal to 3% or
11 the annual percentage increase in the consumer price index-u
12 as determined by the Public Pension Division of the Department
13 of Insurance ~~under subsection (b-5) of Section 18-125,~~
14 whichever is less, of the retirement annuity then being paid.

15 Notwithstanding any other provision of this Article,
16 beginning January 1, 2026, a retirement annuity for a
17 participant who first serves as a judge on or after January 1,
18 2011 (the effective date of Public Act 96-889) shall be
19 increased in January of the year next following the year in
20 which the first anniversary of retirement occurs, and in
21 January of each year thereafter, by an amount equal to 3% of
22 the retirement annuity then being paid.

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

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

6 For the purposes of Section 1-103.1 of this Code, the
7 changes made to this Section by this amendatory Act of the
8 103rd General Assembly are applicable without regard to
9 whether the employee was in active service on or after the
10 effective date of this amendatory Act of the 103rd General
11 Assembly.

12 This Section is not applicable to a participant who
13 retires before he or she has made contributions at the rate
14 prescribed in Section 18-133 for automatic increases for not
15 less than the equivalent of one full year, unless such a
16 participant arranges to pay the system the amount required to
17 bring the total contributions for the automatic increase to
18 the equivalent of one year's contribution based upon his or
19 her last year's salary.

20 This Section is applicable to all participants in service
21 after June 30, 1969 unless a participant has elected, prior to
22 September 1, 1969, in a written direction filed with the board
23 not to be subject to the provisions of this Section. Any
24 participant in service on or after July 1, 1992 shall have the
25 option of electing prior to April 1, 1993, in a written
26 direction filed with the board, to be covered by the

1 provisions of the 1969 amendatory Act. Such participant shall
2 be required to make the aforesaid additional contributions
3 with compound interest at 4% per annum.

4 Any participant who has become eligible to receive the
5 maximum rate of annuity and who resumes service as a judge
6 after receiving a retirement annuity under this Article shall
7 have the amount of his or her retirement annuity increased by
8 3% of the originally granted annuity amount for each year of
9 such resumed service, beginning in January of the year next
10 following the date of such resumed service, upon subsequent
11 termination of such resumed service.

12 Beginning January 1, 1990, all automatic annual increases
13 payable under this Section shall be calculated as a percentage
14 of the total annuity payable at the time of the increase,
15 including previous increases granted under this Article.

16 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

17 Article 3.

18 Section 3-5. The Illinois Administrative Procedure Act is
19 amended by adding Section 5-45.55 as follows:

20 (5 ILCS 100/5-45.55 new)

21 Sec. 5-45.55. Emergency rulemaking; accelerated pension
22 benefit payments. To provide for the expeditious and timely
23 implementation of accelerated pension benefit payments under

1 Articles 2 and 18 of the Illinois Pension Code, emergency
2 rules implementing the accelerated pension benefit payments
3 under Article 2 may be adopted in accordance with Section 5-45
4 by the Board of Trustees established under Article 2 of the
5 Illinois Pension Code and emergency rules implementing the
6 accelerated pension benefit payments under Article 18 may be
7 adopted in accordance with Section 5-45 by the Board of
8 Trustees established under Article 18 of the Illinois Pension
9 Code. The adoption of emergency rules authorized by Section
10 5-45 and this Section is deemed to be necessary for the public
11 interest, safety, and welfare.

12 This Section is repealed one year after the effective date
13 of this amendatory Act of the 103rd General Assembly.

14 Section 3-10. The Illinois Pension Code is amended by
15 adding Sections 2-154.5, 2-154.6, 17-156.10, 17-156.11,
16 18-161.5, and 18-161.6 as follows:

17 (40 ILCS 5/2-154.5 new)

18 Sec. 2-154.5. Accelerated pension benefit payment in lieu
19 of any pension benefit.

20 (a) As used in this Section:

21 "Eligible person" means a person who:

22 (1) has terminated service;

23 (2) has accrued sufficient service credit to be
24 eligible to receive a retirement annuity under this

1 Article;

2 (3) has not received any retirement annuity under this

3 Article; and

4 (4) has not made the election under Section 2-154.6.

5 "Pension benefit" means the benefits under this Article,
6 including any anticipated annual increases, that an eligible
7 person is entitled to upon attainment of the applicable
8 retirement age. "Pension benefit" also includes applicable
9 survivor's or disability benefits.

10 (b) As soon as practical after the effective date of this
11 amendatory Act of the 103rd General Assembly, the System shall
12 calculate, using actuarial tables and other assumptions
13 adopted by the Board, the present value of pension benefits
14 for each eligible person who requests that information and
15 shall offer each eligible person the opportunity to
16 irrevocably elect to receive an amount determined by the
17 System to be equal to 60% of the present value of his or her
18 pension benefits in lieu of receiving any pension benefit. The
19 offer shall specify the dollar amount that the eligible person
20 will receive if he or she so elects and shall expire when a
21 subsequent offer is made to an eligible person. An eligible
22 person is limited to one calculation and offer per calendar
23 year. The System shall make a good faith effort to contact
24 every eligible person to notify him or her of the election.
25 Until June 30, 2027, an eligible person may irrevocably elect
26 to receive an accelerated pension benefit payment in the

1 amount that the System offers under this subsection in lieu of
2 receiving any pension benefit. A person who elects to receive
3 an accelerated pension benefit payment under this Section may
4 not elect to proceed under the Retirement Systems Reciprocal
5 Act with respect to service under this Article.

6 (c) A person's creditable service under this Article shall
7 be terminated upon the person's receipt of an accelerated
8 pension benefit payment under this Section, and no other
9 benefit shall be paid under this Article based on the
10 terminated creditable service, including any retirement,
11 survivor, or other benefit; except that to the extent that
12 participation, benefits, or premiums under the State Employees
13 Group Insurance Act of 1971 are based on the amount of service
14 credit, the terminated service credit shall be used for that
15 purpose.

16 (d) If a person who has received an accelerated pension
17 benefit payment under this Section returns to active service
18 under this Article, then:

19 (1) Any benefits under the System earned as a result
20 of that return to active service shall be based solely on
21 the person's creditable service arising from the return to
22 active service.

23 (2) The accelerated pension benefit payment may not be
24 repaid to the System, and the terminated creditable
25 service may not under any circumstances be reinstated.

26 (e) As a condition of receiving an accelerated pension

1 benefit payment, the accelerated pension benefit payment must
2 be transferred into a tax qualified retirement plan or
3 account. The accelerated pension benefit payment under this
4 Section may be subject to withholding or payment of applicable
5 taxes, but to the extent permitted by federal law, a person who
6 receives an accelerated pension benefit payment under this
7 Section must direct the System to pay all of that payment as a
8 rollover into another retirement plan or account qualified
9 under the Internal Revenue Code of 1986, as amended.

10 (f) Upon receipt of a member's irrevocable election to
11 receive an accelerated pension benefit payment under this
12 Section, the System shall submit a voucher to the Comptroller
13 for payment of the member's accelerated pension benefit
14 payment. The Comptroller shall transfer the amount of the
15 voucher from the General Revenue Fund to the System, and the
16 System shall transfer the amount into the member's eligible
17 retirement plan or qualified account.

18 (g) The Board shall adopt any rules, including emergency
19 rules, necessary to implement this Section.

20 (h) No provision of this Section shall be interpreted in a
21 way that would cause the applicable System to cease to be a
22 qualified plan under the Internal Revenue Code of 1986.

23 (40 ILCS 5/2-154.6 new)

24 Sec. 2-154.6. Accelerated pension benefit payment for a
25 reduction in annual retirement annuity and survivor's annuity

1 increases.

2 (a) As used in this Section:

3 "Accelerated pension benefit payment" means a lump sum
4 payment equal to 70% of the difference of the present value of
5 the automatic annual increases to a Tier 1 participant's
6 retirement annuity and survivor's annuity using the formula
7 applicable to the Tier 1 participant and the present value of
8 the automatic annual increases to the Tier 1 participant's
9 retirement annuity using the formula provided under subsection
10 (b-5) and survivor's annuity using the formula provided under
11 subsection (b-6).

12 "Eligible person" means a person who:

13 (1) is a Tier 1 participant;

14 (2) has submitted an application for a retirement
15 annuity under this Article;

16 (3) meets the age and service requirements for
17 receiving a retirement annuity under this Article;

18 (4) has not received any retirement annuity under this
19 Article; and

20 (5) has not made the election under Section 2-154.5.

21 (b) As soon as practical after the effective date of this
22 amendatory Act of the 103rd General Assembly and until June
23 30, 2027, the System shall implement an accelerated pension
24 benefit payment option for eligible persons. Upon the request
25 of an eligible person, the System shall calculate, using
26 actuarial tables and other assumptions adopted by the Board,

1 an accelerated pension benefit payment amount and shall offer
2 that eligible person the opportunity to irrevocably elect to
3 have his or her automatic annual increases in retirement
4 annuity calculated in accordance with the formula provided
5 under subsection (b-5) and any increases in survivor's annuity
6 payable to his or her survivor's annuity beneficiary
7 calculated in accordance with the formula provided under
8 subsection (b-6) in exchange for the accelerated pension
9 benefit payment. The election under this subsection must be
10 made before the eligible person receives the first payment of
11 a retirement annuity otherwise payable under this Article.

12 (b-5) Notwithstanding any other provision of law, the
13 retirement annuity of a person who made the election under
14 subsection (b) shall be subject to annual increases on the
15 January 1 occurring either on or after the attainment of age 67
16 or the first anniversary of the annuity start date, whichever
17 is later. Each annual increase shall be calculated at 1.5% of
18 the originally granted retirement annuity.

19 (b-6) Notwithstanding any other provision of law, a
20 survivor's annuity payable to a survivor's annuity beneficiary
21 of a person who made the election under subsection (b) shall be
22 subject to annual increases on the January 1 occurring on or
23 after the first anniversary of the commencement of the
24 annuity. Each annual increase shall be calculated at 1.5% of
25 the originally granted survivor's annuity.

26 (c) If a person who has received an accelerated pension

1 benefit payment returns to active service under this Article,
2 then:

3 (1) the calculation of any future automatic annual
4 increase in retirement annuity shall be calculated in
5 accordance with the formula provided under subsection
6 (b-5); and

7 (2) the accelerated pension benefit payment may not be
8 repaid to the System.

9 (d) As a condition of receiving an accelerated pension
10 benefit payment, the accelerated pension benefit payment must
11 be transferred into a tax qualified retirement plan or
12 account. The accelerated pension benefit payment under this
13 Section may be subject to withholding or payment of applicable
14 taxes, but to the extent permitted by federal law, a person who
15 receives an accelerated pension benefit payment under this
16 Section must direct the System to pay all of that payment as a
17 rollover into another retirement plan or account qualified
18 under the Internal Revenue Code of 1986, as amended.

19 (d-5) Upon receipt of a participant's irrevocable election
20 to receive an accelerated pension benefit payment under this
21 Section, the System shall submit a voucher to the Comptroller
22 for payment of the participant's accelerated pension benefit
23 payment. The Comptroller shall transfer the amount of the
24 voucher from the General Revenue Fund to the System, and the
25 System shall transfer the amount into the member's eligible
26 retirement plan or qualified account.

1 (e) The Board shall adopt any rules, including emergency
2 rules, necessary to implement this Section.

3 (f) No provision of this Section shall be interpreted in a
4 way that would cause the applicable System to cease to be a
5 qualified plan under the Internal Revenue Code of 1986.

6 (40 ILCS 5/17-156.10 new)

7 Sec. 17-156.10. Accelerated pension benefit payment in
8 lieu of any pension benefit.

9 (a) As used in this Section:

10 "Eligible person" means a person who:

11 (1) has terminated service;

12 (2) has accrued sufficient service credit to be
13 eligible to receive a service retirement pension under
14 this Article;

15 (3) has not received any service retirement pension
16 under this Article; and

17 (4) has not made the election under Section 17-156.11.

18 "Pension benefit" means the benefits under this Article,
19 including any anticipated annual increases, that an eligible
20 person is entitled to upon attainment of the applicable
21 retirement age. "Pension benefit" also includes applicable
22 survivor's pensions, duty disability pensions, and disability
23 retirement pensions.

24 (b) As soon as practical after the effective date of this
25 amendatory Act of the 103rd General Assembly, the Fund shall

1 calculate, using actuarial tables and other assumptions
2 adopted by the Board, the present value of pension benefits
3 for each eligible person who requests that information and
4 shall offer each eligible person the opportunity to
5 irrevocably elect to receive an amount determined by the Fund
6 to be equal to 60% of the present value of his or her pension
7 benefits in lieu of receiving any pension benefit. The offer
8 shall specify the dollar amount that the eligible person will
9 receive if he or she so elects and shall expire when a
10 subsequent offer is made to an eligible person. An eligible
11 person is limited to one calculation and offer per calendar
12 year. The Fund shall make a good faith effort to contact every
13 eligible person to notify him or her of the election. Until
14 June 30, 2027, an eligible person may irrevocably elect to
15 receive an accelerated pension benefit payment in the amount
16 that the Fund offers under this subsection in lieu of
17 receiving any pension benefit. A person who elects to receive
18 an accelerated pension benefit payment under this Section may
19 not elect to proceed under the Retirement Systems Reciprocal
20 Act with respect to service under this Article.

21 (c) A person's creditable service under this Article shall
22 be terminated upon the person's receipt of an accelerated
23 pension benefit payment under this Section, and no other
24 benefit shall be paid under this Article based on the
25 terminated creditable service, including any retirement,
26 survivor, or other pension benefit; except that to the extent

1 that participation, benefits, or premiums under the State
2 Employees Group Insurance Act of 1971 are based on the amount
3 of service credit, the terminated service credit shall be used
4 for that purpose.

5 (d) If a person who has received an accelerated pension
6 benefit payment under this Section returns to active service
7 under this Article, then:

8 (1) Any benefits under the Fund earned as a result of
9 that return to active service shall be based solely on the
10 person's creditable service arising from the return to
11 active service.

12 (2) The accelerated pension benefit payment may not be
13 repaid to the Fund, and the terminated creditable service
14 may not under any circumstances be reinstated.

15 (e) As a condition of receiving an accelerated pension
16 benefit payment, the accelerated pension benefit payment must
17 be transferred into a tax qualified retirement plan or
18 account. The accelerated pension benefit payment under this
19 Section may be subject to withholding or payment of applicable
20 taxes, but to the extent permitted by federal law, a person who
21 receives an accelerated pension benefit payment under this
22 Section must direct the Fund to pay all of that payment as a
23 rollover into another retirement plan or account qualified
24 under the Internal Revenue Code of 1986, as amended.

25 (f) Upon receipt of a member's irrevocable election to
26 receive an accelerated pension benefit payment under this

1 Section, the Fund shall submit a voucher to the Comptroller
2 for payment of the member's accelerated pension benefit
3 payment. The Comptroller shall transfer the amount of the
4 voucher from the General Revenue Fund to the Fund, and the Fund
5 shall transfer the amount into the member's eligible
6 retirement plan or qualified account.

7 (g) The Board shall adopt any rules necessary to implement
8 this Section.

9 (h) No provision of this Section shall be interpreted in a
10 way that would cause the Fund to cease to be a qualified plan
11 under the Internal Revenue Code of 1986.

12 (40 ILCS 5/17-156.11 new)

13 Sec. 17-156.11. Accelerated pension benefit payment for a
14 reduction in annual service retirement pension and survivor's
15 pension increases.

16 (a) As used in this Section:

17 "Accelerated pension benefit payment" means a lump sum
18 payment equal to 70% of the difference of the present value of
19 the automatic annual increases to a Tier 1 member's service
20 retirement pension and survivor's pension using the formula
21 applicable to the Tier 1 member and the present value of the
22 automatic annual increases to the Tier 1 member's service
23 retirement pension using the formula provided under subsection
24 (b-5) and survivor's pension using the formula provided under
25 subsection (b-6).

1 "Eligible person" means a person who:

2 (1) is a Tier 1 member;

3 (2) has submitted an application for a service
4 retirement pension under this Article;

5 (3) meets the age and service requirements for
6 receiving a service retirement pension under this Article;

7 (4) has not received any service retirement pension
8 under this Article; and

9 (5) has not made the election under Section 17-156.10.

10 "Tier 1 member" means a person who first became a member
11 before January 1, 2011.

12 (b) As soon as practical after the effective date of this
13 amendatory Act of the 103rd General Assembly and until June
14 30, 2027, the Fund shall implement an accelerated pension
15 benefit payment option for eligible persons. Upon the request
16 of an eligible person, the Fund shall calculate, using
17 actuarial tables and other assumptions adopted by the Board,
18 an accelerated pension benefit payment amount and shall offer
19 that eligible person the opportunity to irrevocably elect to
20 have his or her automatic annual increases in service
21 retirement pension calculated in accordance with the formula
22 provided under subsection (b-5) and any increases in
23 survivor's pension payable to his or her survivor's pension
24 beneficiary calculated in accordance with the formula provided
25 under subsection (b-6) in exchange for the accelerated pension
26 benefit payment. The election under this subsection must be

1 made before the eligible person receives the first payment of
2 a service retirement pension otherwise payable under this
3 Article.

4 (b-5) Notwithstanding any other provision of law, the
5 service retirement pension of a person who made the election
6 under subsection (b) shall be subject to annual increases on
7 the January 1 occurring either on or after the attainment of
8 age 67 or the first anniversary of the pension start date,
9 whichever is later. Each annual increase shall be calculated
10 at 1.5% of the originally granted service retirement pension.

11 (b-6) Notwithstanding any other provision of law, a
12 survivor's pension payable to a survivor's pension beneficiary
13 of a person who made the election under subsection (b) shall be
14 subject to annual increases on the January 1 occurring on or
15 after the first anniversary of the commencement of the
16 pension. Each annual increase shall be calculated at 1.5% of
17 the originally granted survivor's pension.

18 (c) If a person who has received an accelerated pension
19 benefit payment returns to active service under this Article,
20 then:

21 (1) the calculation of any future automatic annual
22 increase in service retirement pension shall be calculated
23 in accordance with the formula provided under subsection
24 (b-5); and

25 (2) the accelerated pension benefit payment may not be
26 repaid to the Fund.

1 (d) As a condition of receiving an accelerated pension
2 benefit payment, the accelerated pension benefit payment must
3 be transferred into a tax qualified retirement plan or
4 account. The accelerated pension benefit payment under this
5 Section may be subject to withholding or payment of applicable
6 taxes, but to the extent permitted by federal law, a person who
7 receives an accelerated pension benefit payment under this
8 Section must direct the Fund to pay all of that payment as a
9 rollover into another retirement plan or account qualified
10 under the Internal Revenue Code of 1986, as amended.

11 (d-5) Upon receipt of a member's irrevocable election to
12 receive an accelerated pension benefit payment under this
13 Section, the Fund shall submit a voucher to the Comptroller
14 for payment of the member's accelerated pension benefit
15 payment. The Comptroller shall transfer the amount of the
16 voucher from the General Revenue Fund to the Fund, and the Fund
17 shall transfer the amount into the member's eligible
18 retirement plan or qualified account.

19 (e) The Board shall adopt any rules, including emergency
20 rules, necessary to implement this Section.

21 (f) No provision of this Section shall be interpreted in a
22 way that would cause the Fund to cease to be a qualified plan
23 under the Internal Revenue Code of 1986.

24 (40 ILCS 5/18-161.5 new)

25 Sec. 18-161.5. Accelerated pension benefit payment in lieu

1 of any pension benefit.

2 (a) As used in this Section:

3 "Eligible person" means a person who:

4 (1) has terminated service;

5 (2) has accrued sufficient service credit to be
6 eligible to receive a retirement annuity under this
7 Article;

8 (3) has not received any retirement annuity under this
9 Article; and

10 (4) has not made the election under Section 18-161.6.

11 "Pension benefit" means the benefits under this Article,
12 including any anticipated annual increases, that an eligible
13 person is entitled to upon attainment of the applicable
14 retirement age. "Pension benefit" also includes applicable
15 survivor's or disability benefits.

16 (b) As soon as practical after the effective date of this
17 amendatory Act of the 103rd General Assembly, the System shall
18 calculate, using actuarial tables and other assumptions
19 adopted by the Board, the present value of pension benefits
20 for each eligible person who requests that information and
21 shall offer each eligible person the opportunity to
22 irrevocably elect to receive an amount determined by the
23 System to be equal to 60% of the present value of his or her
24 pension benefits in lieu of receiving any pension benefit. The
25 offer shall specify the dollar amount that the eligible person
26 will receive if he or she so elects and shall expire when a

1 subsequent offer is made to an eligible person. An eligible
2 person is limited to one calculation and offer per calendar
3 year. The System shall make a good faith effort to contact
4 every eligible person to notify him or her of the election.
5 Until June 30, 2027, an eligible person may irrevocably elect
6 to receive an accelerated pension benefit payment in the
7 amount that the System offers under this subsection in lieu of
8 receiving any pension benefit. A person who elects to receive
9 an accelerated pension benefit payment under this Section may
10 not elect to proceed under the Retirement Systems Reciprocal
11 Act with respect to service under this Article.

12 (c) A person's creditable service under this Article shall
13 be terminated upon the person's receipt of an accelerated
14 pension benefit payment under this Section, and no other
15 benefit shall be paid under this Article based on the
16 terminated creditable service, including any retirement,
17 survivor, or other benefit; except that to the extent that
18 participation, benefits, or premiums under the State Employees
19 Group Insurance Act of 1971 are based on the amount of service
20 credit, the terminated service credit shall be used for that
21 purpose.

22 (d) If a person who has received an accelerated pension
23 benefit payment under this Section returns to active service
24 under this Article, then:

25 (1) Any benefits under the System earned as a result
26 of that return to active service shall be based solely on

1 the person's creditable service arising from the return to
2 active service.

3 (2) The accelerated pension benefit payment may not be
4 repaid to the System, and the terminated creditable
5 service may not under any circumstances be reinstated.

6 (e) As a condition of receiving an accelerated pension
7 benefit payment, the accelerated pension benefit payment must
8 be transferred into a tax qualified retirement plan or
9 account. The accelerated pension benefit payment under this
10 Section may be subject to withholding or payment of applicable
11 taxes, but to the extent permitted by federal law, a person who
12 receives an accelerated pension benefit payment under this
13 Section must direct the System to pay all of that payment as a
14 rollover into another retirement plan or account qualified
15 under the Internal Revenue Code of 1986, as amended.

16 (f) Upon receipt of a member's irrevocable election to
17 receive an accelerated pension benefit payment under this
18 Section, the System shall submit a voucher to the Comptroller
19 for payment of the member's accelerated pension benefit
20 payment. The Comptroller shall transfer the amount of the
21 voucher from the General Revenue Fund to the System, and the
22 System shall transfer the amount into the member's eligible
23 retirement plan or qualified account.

24 (g) The Board shall adopt any rules, including emergency
25 rules, necessary to implement this Section.

26 (h) No provision of this Section shall be interpreted in a

1 way that would cause the applicable System to cease to be a
2 qualified plan under the Internal Revenue Code of 1986.

3 (40 ILCS 5/18-161.6 new)

4 Sec. 18-161.6. Accelerated pension benefit payment for a
5 reduction in annual retirement annuity and survivor's annuity
6 increases.

7 (a) As used in this Section:

8 "Accelerated pension benefit payment" means a lump sum
9 payment equal to 70% of the difference of the present value of
10 the automatic annual increases to a Tier 1 participant's
11 retirement annuity and survivor's annuity using the formula
12 applicable to the Tier 1 participant and the present value of
13 the automatic annual increases to the Tier 1 participant's
14 retirement annuity using the formula provided under subsection
15 (b-5) and survivor's annuity using the formula provided under
16 subsection (b-6).

17 "Eligible person" means a person who:

18 (1) is a Tier 1 participant;

19 (2) has submitted an application for a retirement
20 annuity under this Article;

21 (3) meets the age and service requirements for
22 receiving a retirement annuity under this Article;

23 (4) has not received any retirement annuity under this
24 Article; and

25 (5) has not made the election under Section 18-161.5.

1 "Tier 1 participant" means a person who first became a
2 participant before January 1, 2011.

3 (b) As soon as practical after the effective date of this
4 amendatory Act of the 103rd General Assembly and until June
5 30, 2027, the System shall implement an accelerated pension
6 benefit payment option for eligible persons. Upon the request
7 of an eligible person, the System shall calculate, using
8 actuarial tables and other assumptions adopted by the Board,
9 an accelerated pension benefit payment amount and shall offer
10 that eligible person the opportunity to irrevocably elect to
11 have his or her automatic annual increases in retirement
12 annuity calculated in accordance with the formula provided
13 under subsection (b-5) and any increases in survivor's annuity
14 payable to his or her survivor's annuity beneficiary
15 calculated in accordance with the formula provided under
16 subsection (b-6) in exchange for the accelerated pension
17 benefit payment. The election under this subsection must be
18 made before the eligible person receives the first payment of
19 a retirement annuity otherwise payable under this Article.

20 (b-5) Notwithstanding any other provision of law, the
21 retirement annuity of a person who made the election under
22 subsection (b) shall be subject to annual increases on the
23 January 1 occurring either on or after the attainment of age 67
24 or the first anniversary of the annuity start date, whichever
25 is later. Each annual increase shall be calculated at 1.5% of
26 the originally granted retirement annuity.

1 (b-6) Notwithstanding any other provision of law, a
2 survivor's annuity payable to a survivor's annuity beneficiary
3 of a person who made the election under subsection (b) shall be
4 subject to annual increases on the January 1 occurring on or
5 after the first anniversary of the commencement of the
6 annuity. Each annual increase shall be calculated at 1.5% of
7 the originally granted survivor's annuity.

8 (c) If a person who has received an accelerated pension
9 benefit payment returns to active service under this Article,
10 then:

11 (1) the calculation of any future automatic annual
12 increase in retirement annuity shall be calculated in
13 accordance with the formula provided under subsection
14 (b-5); and

15 (2) the accelerated pension benefit payment may not be
16 repaid to the System.

17 (d) As a condition of receiving an accelerated pension
18 benefit payment, the accelerated pension benefit payment must
19 be transferred into a tax qualified retirement plan or
20 account. The accelerated pension benefit payment under this
21 Section may be subject to withholding or payment of applicable
22 taxes, but to the extent permitted by federal law, a person who
23 receives an accelerated pension benefit payment under this
24 Section must direct the System to pay all of that payment as a
25 rollover into another retirement plan or account qualified
26 under the Internal Revenue Code of 1986, as amended.

1 election to participate in the DROP no later than January 1,
2 2029.

3 "Eligible member" means a participating member under a
4 pension fund or retirement system established under Article
5 14, 15, 16, or 17 who, at the time of the member's election to
6 participate in the DROP:

7 (1) is otherwise eligible to retire under the
8 applicable Article with a full and unreduced pension as
9 determined by the retirement system or pension fund of
10 which the member is an active member at the time of the
11 election to participate in the DROP;

12 (2) is not in receipt of a disability or retirement
13 annuity from the applicable retirement system or pension
14 fund at the time of his or her election to participate in
15 the DROP; and

16 (3) is actively employed in a position that is covered
17 under a collective bargaining agreement.

18 (b) The DROP shall be made available to eligible members
19 no later than January 1, 2026.

20 (c) Eligible members must make their election to
21 participate in the DROP in writing with the State Treasurer in
22 a form acceptable to the State Treasurer. The State Treasurer
23 must process the election and begin crediting an account on
24 behalf of the DROP member as soon as is practicable after the
25 election has been received.

26 At the time of or prior to electing to participate in the

1 DROP, a member must, unless otherwise provided by law, make
2 all other elections required to be made at or before the date
3 of retirement, including, but not limited to, purchase of
4 optional service, election of an accelerated pension benefit
5 payment, or any other election identified by the retirement
6 system or pension fund.

7 (d) An eligible member may participate in the DROP for a
8 period not to exceed 5 years from the date of the eligible
9 member's election.

10 (e) During the period of the DROP member's participation
11 in the DROP, the applicable pension fund or retirement system
12 shall transfer, and the State Treasurer shall credit into a
13 notional account on behalf of the DROP member, an amount equal
14 to the monthly amount of retirement annuity the DROP member
15 would otherwise be eligible to receive if the DROP member had
16 retired on the date of the election under this Section. A DROP
17 member who is entitled to a benefit from a participating
18 system under the Retirement Systems Reciprocal Act shall be
19 eligible to have the benefit the DROP member would have
20 otherwise been eligible to receive if the DROP member retired
21 on the date of the election under this Section deposited with
22 the State Treasurer in the DROP member's DROP account and
23 administered in a manner consistent with the requirements of
24 this Section. The applicable pension fund or retirement
25 system, prior to forwarding any funds to the State Treasurer,
26 shall deduct any amounts required to be deducted under State

1 or federal law, including, but not limited to, payments
2 required under a Qualified Illinois Domestic Relations Order
3 under Section 1-119. Any automatic annual increases that would
4 have otherwise been applied to the DROP member's benefit if
5 the DROP member had elected to retire instead of participate
6 in the DROP shall accrue to the DROP member's monthly payment
7 placed into the account prior to the expiration of the DROP and
8 shall otherwise apply to the DROP member's annuity upon
9 expiration of the DROP. The account shall be held on behalf of
10 the DROP member.

11 (f) DROP members shall make contributions to the pension
12 fund or retirement system during their participation in the
13 DROP in an amount equal to the employee contributions under
14 the applicable Article that would otherwise be required if the
15 DROP member were an active participant of the pension fund or
16 retirement system. Those amounts shall be forwarded to the
17 State Treasurer and credited to the member's DROP account,
18 minus any administrative costs determined by the pension fund
19 or retirement system to be attributable to the administration
20 of the DROP benefits experienced by the pension fund or
21 retirement system.

22 (g) The amounts credited to the DROP account shall be held
23 in notional accounts by the State Treasurer. The amounts in
24 the DROP account shall not accrue interest. The State
25 Treasurer shall reduce the amounts in the DROP account on a
26 schedule set by the State Treasurer to cover all of the

1 administrative costs of the State Treasurer that are deemed to
2 be attributable to the administration of the DROP account and
3 any duties required under this Section.

4 (h) Upon expiration or termination of the DROP member's
5 participation in the DROP, the account balance shall be paid
6 to the DROP member as a lump sum. The State Treasurer shall
7 provide options for the transfer of the account consistent
8 with its fiduciary duty and any applicable State or federal
9 law. The expiration or termination of a DROP member's
10 participation in the DROP may not occur after January 1, 2034.

11 (i) The DROP election is irrevocable, and the DROP member
12 may not, except as otherwise provided in this Section, access
13 the account prior to the date established as the last day of
14 the DROP when the DROP member made the initial election to
15 participate in the DROP. The DROP member must terminate
16 employment with the employer upon expiration of his or her
17 participation in the DROP. The DROP member's participation in
18 the DROP shall terminate prior to the expiration date:

19 (1) if the DROP member terminates employment with the
20 employer prior to the expiration of the designated DROP
21 period;

22 (2) if the DROP member becomes eligible for and begins
23 collecting a disability benefit from the pension fund or
24 retirement system; or

25 (3) upon the death of the DROP member.

26 Upon termination from the DROP, the member shall commence

1 his or her retirement annuity from the pension fund or
2 retirement system. After termination or expiration of a
3 member's participation in the DROP, the member may not
4 participate in employment in any way that would require the
5 member to become an active contributing member of the
6 retirement system or pension fund.

7 The State Treasurer may allow for the payment of the
8 balance of the DROP account prior to the last date of
9 participation in the DROP established by the DROP member when
10 the DROP member made the initial election to participate in
11 the DROP if (i) the member's participation in the DROP
12 terminated and (ii) the State Treasurer determines the DROP
13 member should have access to the DROP account balance due to
14 hardship or necessity as determined by the State Treasurer.

15 (j) A DROP member shall be considered in active service
16 for purposes of eligibility for death and disability benefits
17 and access to any health care benefits provided for by the
18 employer and shall retain all rights of employment as
19 established under the DROP member's collective bargaining
20 agreement.

21 The DROP member shall not accrue additional service credit
22 in the pension fund or retirement system while participating
23 in the DROP, regardless of any service accruals, future pay
24 increases, active cost of living adjustments, or promotions.
25 Additionally, the DROP member shall not be eligible to
26 purchase any optional service credit or to repay any refunds.

1 Eligibility for a surviving spouse benefit shall be
2 determined at the time of the DROP election.

3 Any amounts due to an alternate payee under a Qualified
4 Illinois Domestic Relations Order under Section 1-119 shall be
5 calculated at the time of the DROP election and such amounts
6 shall be payable at the time of election.

7 If the DROP member's designated beneficiary predeceases
8 the DROP member and the DROP member dies before designating a
9 new beneficiary, the DROP member's DROP account shall be paid
10 to the DROP member's estate.

11 When determining if a member is owed a refund of
12 contributions due to the member's death prior to collecting an
13 amount equal to or greater than the member's contributions,
14 the proceeds of the DROP account shall be considered part of
15 the total payment made to the member or the member's estate.

16 (k) It is intended that the DROP shall not jeopardize the
17 tax qualified status of the pension fund or retirement system.
18 The State Treasurer shall have the authority to adopt rules
19 necessary or appropriate for the DROP to maintain compliance
20 with applicable federal laws and regulations. Notwithstanding
21 any other provision of this Code, all benefits provided under
22 the DROP shall be subject to the requirements and limits of the
23 Internal Revenue Code of 1986, as amended.

24 (l) The State Treasurer shall be the administrator of the
25 DROP plan created in this Section. The administration shall be
26 subject to any applicable laws, and the State Treasurer shall

1 administer the program in the best interest of the DROP
2 members in a way that a prudent person in a similar
3 circumstance would. The executive director of each pension
4 fund and retirement system created under Articles 14, 15, 16,
5 and 17, or the executive directors' designees, shall
6 participate in the DROP Advisory Board, which shall meet
7 quarterly. The State Treasurer, or the State Treasurer's
8 designee, shall chair the DROP Advisory Board. The State
9 Treasurer may solicit advice and information from the members
10 of the DROP Advisory Board or from the DROP Advisory Board as a
11 whole while administering the DROP. Except as otherwise
12 provided by law, the State Treasurer shall be the sole
13 decision maker governing the DROP.

14 (40 ILCS 5/3-118 new)

15 Sec. 3-118. Deferred retirement option plan.

16 (a) As used in this Section:

17 "Deferred retirement option plan" or "DROP" means a plan
18 created under this Section that provides an alternative method
19 of benefit accrual in the fund.

20 "DROP member" means an eligible member who makes an
21 election to participate in the DROP no later than January 1,
22 2029.

23 "DROP period" means the period during which a DROP member
24 participates in the DROP.

25 "Eligible member" means a police officer who, at the time

1 of electing to participate in the DROP:

2 (1) is otherwise eligible to retire under this Article
3 with a benefit under Section 3-111;

4 (2) has never received a retirement annuity from the
5 fund;

6 (3) is in active service under this Article; and

7 (4) is not subject to mandatory retirement under the
8 law and will not become subject to mandatory retirement
9 under the law during participation in the DROP.

10 (b) The DROP shall be made available to eligible members
11 no later than January 1, 2026.

12 (c) Eligible members must make their election to
13 participate in the DROP in writing with the fund in a form
14 acceptable to the fund. The fund must process the election and
15 begin crediting an account on behalf of the member as soon as
16 is practicable after the election has been received by the
17 fund.

18 At the time of or prior to electing to participate in the
19 DROP, a member must, unless otherwise provided by law, make
20 all other elections required to be made at or before the date
21 of retirement, including, but not limited to, purchase of
22 optional service, conversion of any annuity benefit into an
23 up-front or lump sum payment, or any other election identified
24 by the retirement system or pension fund.

25 (d) An eligible member may participate in the DROP for a
26 period not to exceed 5 years from the date of the eligible

1 member's election to participate.

2 (e) During the DROP period, the fund shall credit, to a
3 notional account on behalf of the DROP member, an amount equal
4 to the monthly amount of retirement annuity the DROP member
5 would otherwise be eligible to receive if the DROP member had
6 retired on the date of the election under this Section, minus
7 any amounts required to be deducted under State or federal
8 law, including, but not limited to, payments required under a
9 Qualified Illinois Domestic Relations Order under Section
10 1-119. A DROP member who is entitled to a benefit from a
11 participating system under the Retirement Systems Reciprocal
12 Act shall be eligible to have the benefit the DROP member would
13 have otherwise been eligible to receive if the DROP member
14 retired on the date of the election under this Section
15 deposited with the fund in the DROP member's DROP account and
16 administered in a manner consistent with the requirements of
17 this Section. Any automatic annual increases that would have
18 otherwise been applied to the DROP member's retirement annuity
19 if the DROP member had elected to retire instead of
20 participate in the DROP shall accrue to the DROP member's
21 monthly payment credited to the account prior to the
22 expiration of the DROP and shall otherwise apply to the DROP
23 member's annuity upon expiration of the DROP. The account
24 shall be held on behalf of the DROP member.

25 (f) DROP members shall make contributions to the fund
26 during their participation in the DROP in an amount equal to

1 the employee contributions that would otherwise be required if
2 the DROP member were an active participant of the fund. Those
3 amounts shall be credited to the DROP account.

4 (g) The amounts credited to the DROP account shall be held
5 in notional accounts by the fund. The amounts credited to the
6 DROP account shall not accrue interest.

7 (h) Upon the expiration or termination of the DROP
8 member's participation in the DROP, the account balance shall
9 be paid to the DROP member as a lump sum. The fund shall
10 provide options for the transfer of the account consistent
11 with its fiduciary duty and any applicable State or federal
12 law. The expiration or termination of a DROP member's
13 participation in the DROP may not occur after January 1, 2034.

14 (i) The DROP election is irrevocable, and the DROP member
15 may not access the account prior to termination or expiration
16 of the DROP member's participation in the DROP. The DROP
17 member must terminate employment with the employer upon
18 expiration of his or her participation in the DROP. The DROP
19 member's participation in the DROP shall terminate prior to
20 the expiration date:

21 (1) if the DROP member terminates employment with the
22 employer prior to the expiration of the designated DROP
23 period;

24 (2) if the DROP member becomes eligible for and begins
25 collecting a disability benefit from the fund; or

26 (3) upon the death of the DROP member.

1 Upon termination or expiration of the DROP period, the
2 DROP member's retirement annuity from the fund shall commence.
3 After termination or expiration of a member's participation in
4 the DROP, the member may not participate in employment in any
5 way that would require the member to become an active
6 contributing member of the fund.

7 (j) The DROP member shall be considered in active service
8 for purposes of eligibility for death and disability benefits
9 and shall retain all rights of employment as established under
10 the DROP member's collective bargaining agreement, if
11 applicable.

12 While participating in the DROP, the DROP member shall not
13 accrue additional service credit, including any service
14 accruals, in the fund, and earnings paid to the DROP member
15 while participating in the DROP shall not be included in the
16 calculation of final average salary, regardless of future pay
17 increases, active cost of living adjustments, or promotions.
18 Additionally, the DROP member shall not be eligible to
19 purchase service credit under this Article.

20 Any amounts due to an alternate payee under a Qualified
21 Illinois Domestic Relations Order under Section 1-119 shall be
22 calculated at the time of the DROP election, and such amounts
23 shall be payable at the time of election.

24 If the DROP member's designated beneficiary predeceases
25 the DROP member and the DROP member dies before designating a
26 new beneficiary, the DROP member's DROP account shall be paid

1 to the DROP member's estate.

2 When determining if a police officer is owed a refund of
3 contributions due to the police officer's death prior to
4 collecting an amount equal to or greater than the member's
5 contributions, the proceeds of the DROP account shall be
6 considered part of the total payment made to the police
7 officer or the police officer's estate.

8 (k) It is intended that the DROP shall not jeopardize the
9 tax qualified status of the fund. The board of trustees of the
10 fund shall have the authority to adopt rules necessary or
11 appropriate for the DROP to maintain compliance with
12 applicable federal laws and regulations. Notwithstanding any
13 other provision of this Article, all benefits provided under
14 the DROP shall be subject to the requirements and limits of the
15 Internal Revenue Code of 1986, as amended.

16 (l) The costs of administering the DROP account shall be
17 the exclusive responsibility of the DROP member. The fund
18 shall pay any reasonable administrative cost of the account
19 and shall reduce the balance of the DROP account in an amount
20 determined by the fund to meet all costs of the DROP account.

21 (m) The Board may transfer the administrative
22 responsibility of the DROP program to the State Treasurer
23 under Section 1-168 after an affirmative vote of the Board.

24 (40 ILCS 5/4-136 new)

25 Sec. 4-136. Deferred retirement option plan.

1 (a) As used in this Section:

2 "Deferred retirement option plan" or "DROP" means the plan
3 created under this Section that provides an alternative method
4 of benefit accrual in the fund.

5 "DROP member" means an eligible member who makes an
6 election to participate in the DROP no later than January 1,
7 2029.

8 "DROP period" means the period during which a DROP member
9 participates in the DROP.

10 "Eligible member" means a firefighter who, at the time of
11 electing to participate in the DROP:

12 (1) is otherwise eligible to retire under this Article
13 with a benefit under Section 4-109;

14 (2) has never received a retirement annuity from the
15 fund;

16 (3) is in active service under this Article; and

17 (4) is not subject to mandatory retirement under the
18 law and will not become subject to mandatory retirement
19 under the law during participation in the DROP.

20 (b) The DROP shall be made available to eligible members
21 no later than January 1, 2026.

22 (c) Eligible members must make their election to
23 participate in the DROP in writing with the fund in a form
24 acceptable to the fund. The fund must process the election and
25 begin crediting an account on behalf of the member as soon as
26 is practicable after the election has been received by the

1 fund.

2 At the time of or prior to electing to participate in the
3 DROP, a member must, unless otherwise provided by law, make
4 all other elections required to be made at or before the date
5 of retirement, including, but not limited to, purchase of
6 optional service, conversion of any annuity benefit into an
7 up-front or lump sum payment, or any other election identified
8 by the retirement system or pension fund.

9 (d) An eligible member may participate in the DROP for a
10 period not to exceed 5 years from the date of the eligible
11 member's election to participate in the DROP.

12 (e) During the DROP period, the fund shall credit, to a
13 notional account on behalf of the DROP member, an amount equal
14 to the monthly amount of retirement annuity the DROP member
15 would otherwise be eligible to receive if the DROP member had
16 retired on the date of the election under this Section, minus
17 any amounts required to be deducted under State or federal
18 law, including, but not limited to, payments required under a
19 Qualified Illinois Domestic Relations Order under Section
20 1-119. A DROP member who is entitled to a benefit from a
21 participating system under the Retirement Systems Reciprocal
22 Act shall be eligible to have the benefit the DROP member would
23 have otherwise been eligible to receive if the DROP member
24 retired on the date of the election under this Section
25 deposited with the fund in the DROP member's DROP account and
26 administered in a manner consistent with the requirements of

1 this Section. Any automatic annual increases that would have
2 otherwise been applied to the DROP member's retirement annuity
3 if the DROP member had elected to retire instead of
4 participate in the DROP shall accrue to the DROP member's
5 monthly payment credited to the account prior to the
6 expiration of the DROP and shall otherwise apply to the DROP
7 member's annuity upon expiration of the DROP. The account
8 shall be held on behalf of the DROP member.

9 (f) DROP members shall make contributions to the fund
10 during their participation in the DROP in an amount equal to
11 the employee contributions that would otherwise be required if
12 the DROP member were an active participant of the fund. Those
13 amounts shall be credited to the DROP account.

14 (g) The amounts credited to the DROP account shall be held
15 in notional accounts by the fund. The amounts credited to the
16 DROP account shall not accrue interest.

17 (h) Upon the expiration or termination of the DROP
18 member's participation in the DROP, the account balance shall
19 be paid to the DROP member as a lump sum. The fund shall
20 provide options for the transfer of the account consistent
21 with its fiduciary duty and any applicable State or federal
22 law. The expiration or termination of a DROP member's
23 participation in the DROP may not occur after January 1, 2034.

24 (i) The DROP election is irrevocable, and the DROP member
25 may not access the account prior to termination or expiration
26 of the DROP member's participation in the DROP. The DROP

1 member must terminate employment with the employer upon
2 expiration of his or her participation in the DROP. The DROP
3 member's participation in the DROP shall terminate prior to
4 the expiration date:

5 (1) if the DROP member terminates employment with the
6 employer prior to the expiration of the designated DROP
7 period;

8 (2) if the DROP member becomes eligible for and begins
9 collecting a disability benefit from the fund; or

10 (3) upon the death of the DROP member.

11 Upon termination or expiration of the DROP period, the
12 DROP member's retirement annuity from the fund shall commence.
13 After termination or expiration of a member's participation in
14 the DROP, the member may not participate in employment in any
15 way that would require the member to become an active
16 contributing member of the fund.

17 (j) The DROP member shall be considered in active service
18 for purposes of eligibility for death and disability benefits
19 and shall retain all rights of employment as established under
20 the DROP member's collective bargaining agreement, if
21 applicable.

22 While participating in the DROP, the DROP member shall not
23 accrue additional service credit, including any service
24 accruals, in the fund, and earnings paid to the DROP member
25 while participating in the DROP shall not be included in the
26 calculation of final average salary, regardless of future pay

1 increases, active cost of living adjustments, or promotions.
2 Additionally, the DROP member shall not be eligible to
3 purchase service credit under this Article.

4 Any amounts due to an alternate payee under a Qualified
5 Illinois Domestic Relations Order under Section 1-119 shall be
6 calculated at the time of the DROP election, and such amounts
7 shall be payable at the time of election.

8 If the DROP member's designated beneficiary predeceases
9 the DROP member and the DROP member dies before designating a
10 new beneficiary, the DROP member's DROP account shall be paid
11 to the DROP member's estate.

12 When determining if a firefighter is owed a refund of
13 contributions due to the firefighter's death prior to
14 collecting an amount equal to or greater than the
15 firefighter's contributions, the proceeds of the DROP account
16 shall be considered part of the total payment made to the
17 firefighter or the firefighter's estate.

18 (k) It is intended that the DROP shall not jeopardize the
19 tax qualified status of the fund. The board of trustees of the
20 fund shall have the authority to adopt rules necessary or
21 appropriate for the DROP to maintain compliance with
22 applicable federal laws and regulations. Notwithstanding any
23 other provision of this Article, all benefits provided under
24 the DROP shall be subject to the requirements and limits of the
25 Internal Revenue Code of 1986, as amended.

26 (l) The costs of administering the DROP account shall be

1 the exclusive responsibility of the DROP member. The fund
2 shall pay any reasonable administrative cost of the account
3 and shall reduce the balance of the DROP account in an amount
4 determined by the fund to meet all costs of the DROP account.

5 (m) The Board may transfer the administrative
6 responsibility of the DROP program to the State Treasurer
7 under Section 1-168 after an affirmative vote of the Board.

8 (40 ILCS 5/7-142.2 new)

9 Sec. 7-142.2. Deferred retirement option plan.

10 (a) As used in this Section:

11 "Deferred retirement option plan" or "DROP" means the plan
12 created under this Section that provides an alternative method
13 of benefit accrual in the Fund.

14 "DROP member" means an eligible member who makes an
15 election to participate in the DROP no later than January 1,
16 2029.

17 "DROP period" means the period during which a DROP member
18 participates in the DROP.

19 "Eligible member" means a participating employee of the
20 Fund who, at the time of electing to participate in the DROP:

21 (1) is otherwise eligible to retire under this Article
22 with a benefit under Section 7-142.1;

23 (2) has never received a retirement annuity from the
24 Fund;

25 (3) is in active service as a sheriff's law

1 enforcement employee; and

2 (4) has terminated participation with respect to any
3 employer other than the employer for which the member is a
4 sheriff's law enforcement employee.

5 (b) The DROP shall be made available to eligible members
6 no later than January 1, 2026.

7 (c) Eligible members must make their election to
8 participate in the DROP in writing with the Fund in a form
9 acceptable to the Fund. The Fund must process the election and
10 begin crediting an account on behalf of the member as soon as
11 is practicable after the election has been received by the
12 Fund.

13 Unless otherwise provided for by law, any election that a
14 member may elect at or before the time of retirement must be
15 made at or before the time of electing to participate in the
16 DROP, including, but not limited to, purchase of optional
17 service, election of an accelerated pension benefit payment,
18 conversion of any annuity benefit into an up-front or lump sum
19 payment, or any other elections identified by the Fund.

20 (d) An eligible member may elect to participate in the
21 DROP for a period not to exceed 5 years from the date of
22 election.

23 (e) During the DROP period, the Fund shall credit a
24 notional account on behalf of the DROP member an amount equal
25 to the monthly amount of retirement annuity the DROP member
26 would otherwise be eligible to receive had the DROP member

1 retired on the date of the election under this Section, minus
2 any amounts required to be deducted under State or federal
3 law, including, but not limited to, payments required under a
4 Qualified Illinois Domestic Relations Order under Section
5 1-119. A DROP member who is entitled to a benefit from a
6 participating system under the Retirement Systems Reciprocal
7 Act shall be eligible to have the benefit the DROP member would
8 have otherwise been eligible to receive if the DROP member
9 retired on the date of the election under this Section
10 deposited with the Fund in the DROP member's DROP account and
11 administered in a manner consistent with the requirements of
12 this Section. Any automatic annual increases that would have
13 otherwise been applied to the DROP member's retirement annuity
14 had the DROP member elected to retire instead of participate
15 in the DROP shall accrue to the DROP member's monthly payment
16 credited to the account prior to the expiration of the DROP and
17 shall otherwise apply to the DROP member's annuity upon
18 expiration of the DROP. The account shall be held on behalf of
19 the DROP member.

20 (f) DROP members shall make contributions to the Fund
21 during their participation in the DROP in an amount equal to
22 the employee contributions under paragraph (1) of subsection
23 (a) of Section 7-173 and subsection (a) of Section 7-173.1
24 that would otherwise be required if the DROP member were an
25 active participant of the Fund. Those amounts shall be
26 credited to the general account of the Fund. Earnings paid to

1 DROP members during their participation in the DROP shall be
2 included in the calculation of employer contributions as
3 required in Section 7-172.

4 (g) The amounts credited to the DROP account shall be held
5 in notional accounts by the Fund. The amounts credited to the
6 DROP account shall not accrue interest.

7 (h) Upon the expiration or termination of the DROP
8 member's participation in the DROP, the account balance shall
9 be paid to the DROP member as a lump sum. The Fund shall
10 provide options for the transfer of the account consistent
11 with its fiduciary duty and any applicable State or federal
12 law. The expiration or termination of a DROP member's
13 participation in the DROP may not occur after January 1, 2034.

14 (i) The DROP election is irrevocable, and the DROP member
15 may not access the account prior to termination or expiration
16 of the DROP member's participation in the DROP. The DROP
17 member must terminate employment with the employer upon
18 expiration of his or her participation in the DROP. The DROP
19 member's participation in the DROP shall terminate prior to
20 the expiration date:

21 (1) if the DROP member terminates employment with the
22 employer prior to the expiration of the designated DROP
23 period;

24 (2) if the DROP member becomes eligible for and begins
25 collecting a disability benefit from the Fund; or

26 (3) upon the death of the DROP member.

1 Upon termination or expiration of the DROP period, the
2 DROP member must separate from the service of all employers
3 under this Article for a period of not less than 60 days. Upon
4 termination of the DROP, the DROP member's retirement annuity
5 from the Fund shall commence. After termination or expiration
6 of a member's participation in the DROP, the member may not
7 participate in employment in any way that would require the
8 member to become an active contributing member of the Fund.

9 (j) The DROP member shall be considered in active service
10 for purposes of eligibility for death and disability benefits
11 and shall retain all rights of employment as established under
12 the DROP member's collective bargaining agreement, if
13 applicable.

14 While participating in the DROP, the DROP member shall not
15 accrue additional service credit, including any service
16 accruals, in the Fund and earnings paid to the DROP member
17 while participating in the DROP shall not be included in the
18 calculation of final rate of earnings, regardless of future
19 pay increases, active cost of living adjustments, or
20 promotions. Additionally, the DROP member shall not be
21 eligible to make additional contributions under paragraph (2)
22 of subsection (a) of Section 7-173. During the DROP period,
23 the DROP member shall not be eligible for a distribution of any
24 amounts accrued from previous contributions made under
25 paragraph (2) of subsection (a) of Section 7-173.

26 Eligibility for a surviving spouse benefit under Section

1 7-154 shall be determined at the time of the DROP election.

2 The pickup of employee contribution requirements in
3 Section 7-173.2 shall be applicable to amounts paid by the
4 DROP member under subsection (f).

5 Any amounts due to an alternate payee under a Qualified
6 Illinois Domestic Relations Order under Section 1-119 shall be
7 calculated at the time of the DROP election, and such amounts
8 shall be payable at the time of election.

9 If the DROP member's designated beneficiary predeceases
10 the DROP member and the DROP member dies before designating a
11 new beneficiary, the DROP member's DROP account shall be paid
12 to the DROP member's estate.

13 When determining if a participating employee is owed a
14 refund of contributions due to the participating employee's
15 death prior to collecting an amount equal to or greater than
16 the participating employee's contributions, the proceeds of
17 the DROP account shall be considered part of the total payment
18 made to the participating employee or the participating
19 employee's estate.

20 (k) It is intended that the DROP shall not jeopardize the
21 tax-qualified status of the Fund. The Board shall have the
22 authority to adopt rules necessary or appropriate for the DROP
23 to maintain compliance with applicable federal laws and
24 regulations. Notwithstanding any other provision of this
25 Article, all benefits provided under the DROP shall be subject
26 to the requirements and limitations of the Internal Revenue

1 Code of 1986, as amended.

2 (1) The Board may transfer the administrative
3 responsibility of the DROP program to the State Treasurer
4 under Section 1-168 after an affirmative vote of the Board.

5 Article 5.

6 Section 5-5. The General Obligation Bond Act is amended by
7 changing Sections 7.2 and 7.6 as follows:

8 (30 ILCS 330/7.2)

9 Sec. 7.2. State pension funding.

10 (a) The amount of \$10,000,000,000 is authorized to be used
11 for the purpose of making contributions to the designated
12 retirement systems. For the purposes of this Section,
13 "designated retirement systems" means the State Employees'
14 Retirement System of Illinois; the Teachers' Retirement System
15 of the State of Illinois; the State Universities Retirement
16 System; the Judges Retirement System of Illinois; and the
17 General Assembly Retirement System.

18 The amount of \$3,466,000,000 of Bonds authorized by Public
19 Act 96-43 is authorized to be used for the purpose of making a
20 portion of the State's Fiscal Year 2010 required contributions
21 to the designated retirement systems.

22 The amount of \$4,096,348,300 of Bonds authorized by this
23 amendatory Act of the 96th General Assembly is authorized to

1 be used for the purpose of making a portion of the State's
2 Fiscal Year 2011 required contributions to the designated
3 retirement systems.

4 (b) The Pension Contribution Fund is created as a special
5 fund in the State treasury ~~Treasury~~.

6 The proceeds of the additional \$10,000,000,000 of Bonds
7 authorized by Public Act 93-2, less the amounts authorized in
8 the Bond Sale Order to be deposited directly into the
9 capitalized interest account of the General Obligation Bond
10 Retirement and Interest Fund or otherwise directly paid out
11 for bond sale expenses under Section 8, shall be deposited
12 into the Pension Contribution Fund and used as provided in
13 this Section.

14 The proceeds of the additional \$3,466,000,000 of Bonds
15 authorized by Public Act 96-43, less the amounts directly paid
16 out for bond sale expenses under Section 8, shall be deposited
17 into the Pension Contribution Fund, and the Comptroller and
18 the Treasurer shall, as soon as practical, (i) first, transfer
19 from the Pension Contribution Fund to the General Revenue Fund
20 or Common School Fund an amount equal to the amount of
21 payments, if any, made to the designated retirement systems
22 from the General Revenue Fund or Common School Fund in State
23 fiscal year 2010 and (ii) second, make transfers from the
24 Pension Contribution Fund to the designated retirement systems
25 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131
26 of the Illinois Pension Code.

1 The proceeds of the additional \$4,096,348,300 of Bonds
2 authorized by this amendatory Act of the 96th General
3 Assembly, less the amounts directly paid out for bond sale
4 expenses under Section 8, shall be deposited into the Pension
5 Contribution Fund, and the Comptroller and the Treasurer
6 shall, as soon as practical, (i) first, transfer from the
7 Pension Contribution Fund to the General Revenue Fund or
8 Common School Fund an amount equal to the amount of payments,
9 if any, made to the designated retirement systems from the
10 General Revenue Fund or Common School Fund in State fiscal
11 year 2011 and (ii) second, make transfers from the Pension
12 Contribution Fund to the designated retirement systems
13 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131
14 of the Illinois Pension Code.

15 (c) Of the amount of Bond proceeds from the bond sale
16 authorized by Public Act 93-2 first deposited into the Pension
17 Contribution Fund, there shall be reserved for transfers under
18 this subsection the sum of \$300,000,000, representing the
19 required State contributions to the designated retirement
20 systems for the last quarter of State fiscal year 2003, plus
21 the sum of \$1,860,000,000, representing the required State
22 contributions to the designated retirement systems for State
23 fiscal year 2004.

24 Upon the deposit of sufficient moneys from the bond sale
25 authorized by Public Act 93-2 into the Pension Contribution
26 Fund, the Comptroller and Treasurer shall immediately transfer

1 the sum of \$300,000,000 from the Pension Contribution Fund to
2 the General Revenue Fund.

3 Whenever any payment of required State contributions for
4 State fiscal year 2004 is made to one of the designated
5 retirement systems, the Comptroller and Treasurer shall, as
6 soon as practicable, transfer from the Pension Contribution
7 Fund to the General Revenue Fund an amount equal to the amount
8 of that payment to the designated retirement system. Beginning
9 on the effective date of this amendatory Act of the 93rd
10 General Assembly, the transfers from the Pension Contribution
11 Fund to the General Revenue Fund shall be suspended until June
12 30, 2004, and the remaining balance in the Pension
13 Contribution Fund shall be transferred directly to the
14 designated retirement systems as provided in Section 6z-61 of
15 the State Finance Act. On and after July 1, 2004, in the event
16 that any amount is on deposit in the Pension Contribution Fund
17 from time to time, the Comptroller and Treasurer shall
18 continue to make such transfers based on fiscal year 2005
19 payments until the entire amount on deposit has been
20 transferred.

21 (d) All amounts deposited into the Pension Contribution
22 Fund, other than the amounts reserved for the transfers under
23 subsection (c) from the bond sale authorized by Public Act
24 93-2, other than amounts deposited into the Pension
25 Contribution Fund from the bond sale authorized by Public Act
26 96-43 and other than amounts deposited into the Pension

1 Contribution Fund from the bond sale authorized by this
2 amendatory Act of the 96th General Assembly, shall be
3 appropriated to the designated retirement systems to reduce
4 their actuarial reserve deficiencies. The amount of the
5 appropriation to each designated retirement system shall
6 constitute a portion of the total appropriation under this
7 subsection that is the same as that retirement system's
8 portion of the total actuarial reserve deficiency of the
9 systems, as most recently determined by the Governor's Office
10 of Management and Budget under Section 8.12 of the State
11 Finance Act.

12 With respect to proceeds from the bond sale authorized by
13 Public Act 93-2 only, within 15 days after any Bond proceeds in
14 excess of the amounts initially reserved under subsection (c)
15 are deposited into the Pension Contribution Fund, the
16 Governor's Office of Management and Budget shall (i) allocate
17 those proceeds among the designated retirement systems in
18 proportion to their respective actuarial reserve deficiencies,
19 as most recently determined under Section 8.12 of the State
20 Finance Act, and (ii) certify those allocations to the
21 designated retirement systems and the Comptroller.

22 Upon receiving certification of an allocation under this
23 subsection, a designated retirement system shall submit to the
24 Comptroller a voucher for the amount of its allocation. The
25 voucher shall be paid out of the amount appropriated to that
26 designated retirement system from the Pension Contribution

1 Fund pursuant to this subsection.

2 (e) Each fiscal year after all the bonds authorized by
3 Public Act 93-2 are retired, the Comptroller shall order and
4 the State Treasurer shall transfer the sum of \$500,000,000
5 from the General Revenue Fund to the Pension Unfunded
6 Liability Reduction Fund, which shall be used to make
7 additional contributions to eligible pension funds in
8 accordance with Section 8s of the State Finance Act.

9 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11.)

10 (30 ILCS 330/7.6)

11 Sec. 7.6. Income Tax Proceed Bonds.

12 (a) As used in this Act, "Income Tax Proceed Bonds" means
13 Bonds (i) authorized by Public Act 100-23 or any other Public
14 Act of the 100th or 101st General Assembly authorizing the
15 issuance of Income Tax Proceed Bonds and (ii) used for the
16 payment of unpaid obligations of the State as incurred from
17 time to time and as authorized by the General Assembly.

18 (b) Income Tax Proceed Bonds in the amount of
19 \$6,000,000,000 are hereby authorized to be used for the
20 purpose of paying vouchers incurred by the State prior to July
21 1, 2017. Additional Income Tax Proceed Bonds in the amount of
22 \$1,200,000,000 are hereby authorized to be used for the
23 purpose of paying vouchers incurred by the State and accruing
24 interest payable by the State prior to the date on which the
25 Income Tax Proceed Bonds are issued.

1 (c) The Income Tax Bond Fund is hereby created as a special
2 fund in the State treasury. All moneys from the proceeds of the
3 sale of the Income Tax Proceed Bonds, less the amounts
4 authorized in the Bond Sale Order to be directly paid out for
5 bond sale expenses under Section 8, shall be deposited into
6 the Income Tax Bond Fund. All moneys in the Income Tax Bond
7 Fund shall be used for the purpose of paying vouchers incurred
8 by the State prior to July 1, 2017 or for paying vouchers
9 incurred by the State more than 90 days prior to the date on
10 which the Income Tax Proceed Bonds are issued. For the purpose
11 of paying such vouchers, the Comptroller has the authority to
12 transfer moneys from the Income Tax Bond Fund to general funds
13 and the Health Insurance Reserve Fund. "General funds" has the
14 meaning provided in Section 50-40 of the State Budget Law.

15 (d) Each fiscal year after all the bonds authorized under
16 this Section are retired, the Comptroller shall order and the
17 State Treasurer shall transfer the sum of \$500,000,000 from
18 the General Revenue Fund to the Pension Unfunded Liability
19 Reduction Fund, which shall be used to make additional
20 contributions to eligible pension funds in accordance with
21 Section 8s of the State Finance Act.

22 (Source: P.A. 103-7, eff. 7-1-23.)

23 Section 5-10. The State Finance Act is amended by adding
24 Section 8s as follows:

1 (30 ILCS 105/8s new)

2 Sec. 8s. Pension Unfunded Liability Reduction Fund.

3 (a) In this Section, "eligible pension fund" means a
4 pension fund or retirement system established under Article 2,
5 14, 15, 16, 17, or 18 of the Illinois Pension Code that has a
6 total actuarial liability in excess of its total actuarial
7 assets.

8 (b) The Pension Unfunded Liability Reduction Fund is
9 created as a special fund in the State treasury. Moneys in the
10 Fund may be used only to make annual additional contributions
11 to eligible pension funds.

12 (c) Moneys in the Fund shall be disbursed every fiscal
13 year to each eligible pension fund based on the pro rata share
14 of the State's required annual contribution to that eligible
15 pension fund for that fiscal year relative to the State's
16 total required annual contribution to all eligible pension
17 funds for that fiscal year.

18 Article 7.

19 Section 7-5. The Illinois Pension Code is amended by
20 changing Sections 2-101, 2-105, 2-107, 2-117, 8-120,
21 14-103.05, 14-104, 14-104.14, 14-105.4, 18-101, 18-108,
22 18-109, 18-110, and 18-120 as follows:

23 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

1 Sec. 2-101. Creation of system. A retirement system is
2 created to provide retirement annuities, survivor's annuities
3 and other benefits for certain members of the General
4 Assembly, certain elected state officials, and their
5 beneficiaries.

6 The system shall be known as the "General Assembly
7 Retirement System". All its funds and property shall be a
8 trust separate from all other entities, maintained for the
9 purpose of securing payment of annuities and benefits under
10 this Article.

11 Participation in the retirement system created under this
12 Article is restricted to persons who became participants
13 before January 13, 2027. Beginning on that date, the System
14 shall not accept any new participants.

15 (Source: P.A. 83-1440.)

16 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

17 Sec. 2-105. Member. "Member": Members of the General
18 Assembly of this State, including persons who enter military
19 service while a member of the General Assembly, and any person
20 serving as Governor, Lieutenant Governor, Secretary of State,
21 Treasurer, Comptroller, or Attorney General for the period of
22 service in such office.

23 Any person who has served for 10 or more years as Clerk or
24 Assistant Clerk of the House of Representatives, Secretary or
25 Assistant Secretary of the Senate, or any combination thereof,

1 may elect to become a member of this system while thenceforth
2 engaged in such service by filing a written election with the
3 board. Any person so electing shall be deemed an active member
4 of the General Assembly for the purpose of validating and
5 transferring any service credits earned under any of the funds
6 and systems established under Articles 3 through 18 of this
7 Code.

8 Notwithstanding any other provision of this Article, a
9 person shall not be deemed a member for the purposes of this
10 Article unless he or she became a participant of the System
11 before January 13, 2027.

12 (Source: P.A. 85-1008.)

13 (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

14 Sec. 2-107. Participant. "Participant": Any member who
15 elects to participate; and any former member who elects to
16 continue participation under Section 2-117.1, for the duration
17 of such continued participation. Notwithstanding any other
18 provision of this Article, a person shall not be deemed a
19 participant for the purposes of this Article unless he or she
20 became a participant of the System before January 13, 2027.

21 (Source: P.A. 86-1488.)

22 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

23 Sec. 2-117. Participants; election not to participate or
24 to terminate participation ~~Participants~~ ~~Election not to~~

1 ~~participate.~~

2 (a) Every person who was a member on November 1, 1947, or
3 in military service on such date, is subject to the provisions
4 of this system beginning upon such date, unless prior to such
5 date he or she filed with the board a written notice of
6 election not to participate.

7 Every person who becomes a member after November 1, 1947,
8 and who is then not a participant becomes a participant
9 beginning upon the date of becoming a member unless, within 24
10 months from that date, he or she has filed with the board a
11 written notice of election not to participate.

12 (b) A member who has filed notice of an election not to
13 participate (and a former member who has not yet begun to
14 receive a retirement annuity under this Article) may become a
15 participant with respect to the period for which the member
16 elected not to participate upon filing with the board, before
17 April 1, 1993, a written rescission of the election not to
18 participate. Upon contributing an amount equal to the
19 contributions he or she would have made as a participant from
20 November 1, 1947, or the date of becoming a member, whichever
21 is later, to the date of becoming a participant, with interest
22 at the rate of 4% per annum until the contributions are paid,
23 the participant shall receive credit for service as a member
24 prior to the date of the rescission, both before and after
25 November 1, 1947. The required contributions shall be made
26 before commencement of the retirement annuity; otherwise no

1 credit for service prior to the date of participation shall be
2 granted.

3 (c) Notwithstanding any other provision of this Article,
4 an active participant may irrevocably elect, in writing and in
5 a form and manner prescribed by the board, to terminate
6 participation in the System and instead participate in the
7 retirement system established under Article 14. Upon making
8 the election under this subsection (c), all credits and
9 creditable service shall be transferred to the retirement
10 system under Article 14 in accordance with Section 14-105.4
11 and all participation in this System is terminated.

12 (Source: P.A. 86-273; 87-1265.)

13 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
14 Sec. 14-103.05. Employee.

15 (a) Any person employed by a Department who receives
16 salary for personal services rendered to the Department on a
17 warrant issued pursuant to a payroll voucher certified by a
18 Department and drawn by the State Comptroller upon the State
19 Treasurer, including an elected official described in
20 subparagraph (d) of Section 14-104, shall become an employee
21 for purpose of membership in the Retirement System on the
22 first day of such employment.

23 A person entering service on or after January 1, 1972 and
24 prior to January 1, 1984 shall become a member as a condition
25 of employment and shall begin making contributions as of the

1 first day of employment.

2 A person entering service on or after January 1, 1984
3 shall, upon completion of 6 months of continuous service which
4 is not interrupted by a break of more than 2 months, become a
5 member as a condition of employment. Contributions shall begin
6 the first of the month after completion of the qualifying
7 period.

8 A person employed by the Chicago Metropolitan Agency for
9 Planning on the effective date of this amendatory Act of the
10 95th General Assembly who was a member of this System as an
11 employee of the Chicago Area Transportation Study and makes an
12 election under Section 14-104.13 to participate in this System
13 for his or her employment with the Chicago Metropolitan Agency
14 for Planning.

15 The qualifying period of 6 months of service is not
16 applicable to: (1) a person who has been granted credit for
17 service in a position covered by the State Universities
18 Retirement System, the Teachers' Retirement System of the
19 State of Illinois, the General Assembly Retirement System, or
20 the Judges Retirement System of Illinois unless that service
21 has been forfeited under the laws of those systems; (2) a
22 person entering service on or after July 1, 1991 in a
23 noncovered position; (3) a person to whom Section 14-108.2a or
24 14-108.2b applies; or (4) a person to whom subsection (a-5) of
25 this Section applies.

26 (a-5) A person entering service on or after December 1,

1 2010 shall become a member as a condition of employment and
2 shall begin making contributions as of the first day of
3 employment. A person serving in the qualifying period on
4 December 1, 2010 will become a member on December 1, 2010 and
5 shall begin making contributions as of December 1, 2010.

6 (b) The term "employee" does not include the following:

7 (1) ~~members of the State Legislature, and persons~~
8 ~~electing to become~~ members of the General Assembly
9 Retirement System pursuant to Section 2-105;

10 (2) incumbents of offices normally filled by vote of
11 the people;

12 (3) except as otherwise provided in this Section, any
13 person appointed by the Governor with the advice and
14 consent of the Senate unless that person elects to
15 participate in this system;

16 (3.1) any person serving as a commissioner of an
17 ethics commission created under the State Officials and
18 Employees Ethics Act unless that person elects to
19 participate in this system with respect to that service as
20 a commissioner;

21 (3.2) any person serving as a part-time employee in
22 any of the following positions: Legislative Inspector
23 General, Special Legislative Inspector General, employee
24 of the Office of the Legislative Inspector General,
25 Executive Director of the Legislative Ethics Commission,
26 or staff of the Legislative Ethics Commission, regardless

1 of whether he or she is in active service on or after July
2 8, 2004 (the effective date of Public Act 93-685), unless
3 that person elects to participate in this System with
4 respect to that service; in this item (3.2), a "part-time
5 employee" is a person who is not required to work at least
6 35 hours per week;

7 (3.3) any person who has made an election under
8 Section 1-123 and who is serving either as legal counsel
9 in the Office of the Governor or as Chief Deputy Attorney
10 General;

11 (4) except as provided in Section 14-108.2 or
12 14-108.2c, any person who is covered or eligible to be
13 covered by the Teachers' Retirement System of the State of
14 Illinois, the State Universities Retirement System, or the
15 Judges Retirement System of Illinois;

16 (5) an employee of a municipality or any other
17 political subdivision of the State;

18 (6) any person who becomes an employee after June 30,
19 1979 as a public service employment program participant
20 under the Federal Comprehensive Employment and Training
21 Act and whose wages or fringe benefits are paid in whole or
22 in part by funds provided under such Act;

23 (7) enrollees of the Illinois Young Adult Conservation
24 Corps program, administered by the Department of Natural
25 Resources, authorized grantee pursuant to Title VIII of
26 the "Comprehensive Employment and Training Act of 1973",

1 29 USC 993, as now or hereafter amended;

2 (8) enrollees and temporary staff of programs
3 administered by the Department of Natural Resources under
4 the Youth Conservation Corps Act of 1970;

5 (9) any person who is a member of any professional
6 licensing or disciplinary board created under an Act
7 administered by the Department of Professional Regulation
8 or a successor agency or created or re-created after the
9 effective date of this amendatory Act of 1997, and who
10 receives per diem compensation rather than a salary,
11 notwithstanding that such per diem compensation is paid by
12 warrant issued pursuant to a payroll voucher; such persons
13 have never been included in the membership of this System,
14 and this amendatory Act of 1987 (P.A. 84-1472) is not
15 intended to effect any change in the status of such
16 persons;

17 (10) any person who is a member of the Illinois Health
18 Care Cost Containment Council, and receives per diem
19 compensation rather than a salary, notwithstanding that
20 such per diem compensation is paid by warrant issued
21 pursuant to a payroll voucher; such persons have never
22 been included in the membership of this System, and this
23 amendatory Act of 1987 is not intended to effect any
24 change in the status of such persons;

25 (11) any person who is a member of the Oil and Gas
26 Board created by Section 1.2 of the Illinois Oil and Gas

1 Act, and receives per diem compensation rather than a
2 salary, notwithstanding that such per diem compensation is
3 paid by warrant issued pursuant to a payroll voucher;

4 (12) a person employed by the State Board of Higher
5 Education in a position with the Illinois Century Network
6 as of June 30, 2004, who remains continuously employed
7 after that date by the Department of Central Management
8 Services in a position with the Illinois Century Network
9 and participates in the Article 15 system with respect to
10 that employment;

11 (13) any person who first becomes a member of the
12 Civil Service Commission on or after January 1, 2012;

13 (14) any person, other than the Director of Employment
14 Security, who first becomes a member of the Board of
15 Review of the Department of Employment Security on or
16 after January 1, 2012;

17 (15) any person who first becomes a member of the
18 Civil Service Commission on or after January 1, 2012;

19 (16) any person who first becomes a member of the
20 Illinois Liquor Control Commission on or after January 1,
21 2012;

22 (17) any person who first becomes a member of the
23 Secretary of State Merit Commission on or after January 1,
24 2012;

25 (18) any person who first becomes a member of the
26 Human Rights Commission on or after January 1, 2012 unless

1 he or she is eligible to participate in accordance with
2 subsection (d) of this Section;

3 (19) any person who first becomes a member of the
4 State Mining Board on or after January 1, 2012;

5 (20) any person who first becomes a member of the
6 Property Tax Appeal Board on or after January 1, 2012;

7 (21) any person who first becomes a member of the
8 Illinois Racing Board on or after January 1, 2012;

9 (22) any person who first becomes a member of the
10 Illinois State Police Merit Board on or after January 1,
11 2012;

12 (23) any person who first becomes a member of the
13 Illinois State Toll Highway Authority on or after January
14 1, 2012; or

15 (24) any person who first becomes a member of the
16 Illinois State Board of Elections on or after January 1,
17 2012.

18 (c) An individual who represents or is employed as an
19 officer or employee of a statewide labor organization that
20 represents members of this System may participate in the
21 System and shall be deemed an employee, provided that (1) the
22 individual has previously earned creditable service under this
23 Article, (2) the individual files with the System an
24 irrevocable election to become a participant within 6 months
25 after the effective date of this amendatory Act of the 94th
26 General Assembly, and (3) the individual does not receive

1 credit for that employment under any other provisions of this
2 Code. An employee under this subsection (c) is responsible for
3 paying to the System both (i) employee contributions based on
4 the actual compensation received for service with the labor
5 organization and (ii) employer contributions based on the
6 percentage of payroll certified by the board; all or any part
7 of these contributions may be paid on the employee's behalf or
8 picked up for tax purposes (if authorized under federal law)
9 by the labor organization.

10 A person who is an employee as defined in this subsection
11 (c) may establish service credit for similar employment prior
12 to becoming an employee under this subsection by paying to the
13 System for that employment the contributions specified in this
14 subsection, plus interest at the effective rate from the date
15 of service to the date of payment. However, credit shall not be
16 granted under this subsection (c) for any such prior
17 employment for which the applicant received credit under any
18 other provision of this Code or during which the applicant was
19 on a leave of absence.

20 (d) A person appointed as a member of the Human Rights
21 Commission on or after June 1, 2019 may elect to participate in
22 the System and shall be deemed an employee. Service and
23 contributions shall begin on the first payroll period
24 immediately following the employee's election to participate
25 in the System.

26 A person who is an employee as described in this

1 subsection (d) may establish service credit for employment as
2 a Human Rights Commissioner that occurred on or after June 1,
3 2019 and before establishing service under this subsection by
4 paying to the System for that employment the contributions
5 specified in paragraph (1) of subsection (a) of Section
6 14-133, plus regular interest from the date of service to the
7 date of payment.

8 (Source: P.A. 101-10, eff. 6-5-19; 102-538, eff. 8-20-21.)

9 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

10 Sec. 14-104. Service for which contributions permitted.
11 Contributions provided for in this Section shall cover the
12 period of service granted. Except as otherwise provided in
13 this Section, the contributions shall be based upon the
14 employee's compensation and contribution rate in effect on the
15 date he last became a member of the System; provided that for
16 all employment prior to January 1, 1969 the contribution rate
17 shall be that in effect for a noncovered employee on the date
18 he last became a member of the System. Except as otherwise
19 provided in this Section, contributions permitted under this
20 Section shall include regular interest from the date an
21 employee last became a member of the System to the date of
22 payment.

23 These contributions must be paid in full before retirement
24 either in a lump sum or in installment payments in accordance
25 with such rules as may be adopted by the board.

1 (a) Any member may make contributions as required in this
2 Section for any period of service, subsequent to the date of
3 establishment, but prior to the date of membership.

4 (b) Any employee who had been previously excluded from
5 membership because of age at entry and subsequently became
6 eligible may elect to make contributions as required in this
7 Section for the period of service during which he was
8 ineligible.

9 (c) An employee of the Department of Insurance who, after
10 January 1, 1944 but prior to becoming eligible for membership,
11 received salary from funds of insurance companies in the
12 process of rehabilitation, liquidation, conservation or
13 dissolution, may elect to make contributions as required in
14 this Section for such service.

15 (d) Any employee who rendered service in a State office to
16 which he was elected, or rendered service in the elective
17 office of Clerk of the Appellate Court prior to the date he
18 became a member, may make contributions for such service as
19 required in this Section. Any member who served by appointment
20 of the Governor under the Civil Administrative Code of
21 Illinois and did not participate in this System may make
22 contributions as required in this Section for such service.

23 (e) Any person employed by the United States government or
24 any instrumentality or agency thereof from January 1, 1942
25 through November 15, 1946 as the result of a transfer from
26 State service by executive order of the President of the

1 United States shall be entitled to prior service credit
2 covering the period from January 1, 1942 through December 31,
3 1943 as provided for in this Article and to membership service
4 credit for the period from January 1, 1944 through November
5 15, 1946 by making the contributions required in this Section.
6 A person so employed on January 1, 1944 but whose employment
7 began after January 1, 1942 may qualify for prior service and
8 membership service credit under the same conditions.

9 (f) An employee of the Department of Labor of the State of
10 Illinois who performed services for and under the supervision
11 of that Department prior to January 1, 1944 but who was
12 compensated for those services directly by federal funds and
13 not by a warrant of the Auditor of Public Accounts paid by the
14 State Treasurer may establish credit for such employment by
15 making the contributions required in this Section. An employee
16 of the Department of Agriculture of the State of Illinois, who
17 performed services for and under the supervision of that
18 Department prior to June 1, 1963, but was compensated for
19 those services directly by federal funds and not paid by a
20 warrant of the Auditor of Public Accounts paid by the State
21 Treasurer, and who did not contribute to any other public
22 employee retirement system for such service, may establish
23 credit for such employment by making the contributions
24 required in this Section.

25 (g) Any employee who executed a waiver of membership
26 within 60 days prior to January 1, 1944 may, at any time while

1 in the service of a department, file with the board a
2 rescission of such waiver. Upon making the contributions
3 required by this Section, the member shall be granted the
4 creditable service that would have been received if the waiver
5 had not been executed.

6 (h) Until May 1, 1990, an employee who was employed on a
7 full-time basis by a regional planning commission for at least
8 5 continuous years may establish creditable service for such
9 employment by making the contributions required under this
10 Section, provided that any credits earned by the employee in
11 the commission's retirement plan have been terminated.

12 (i) Any person who rendered full time contractual services
13 to the General Assembly as a member of a legislative staff may
14 establish service credit for up to 8 years of such services by
15 making the contributions required under this Section, provided
16 that application therefor is made not later than July 1, 1991.

17 (j) By paying the contributions otherwise required under
18 this Section, plus an amount determined by the Board to be
19 equal to the employer's normal cost of the benefit plus
20 interest, but with all of the interest calculated from the
21 date the employee last became a member of the System or
22 November 19, 1991, whichever is later, to the date of payment,
23 an employee may establish service credit for a period of up to
24 4 years spent in active military service for which he does not
25 qualify for credit under Section 14-105, provided that (1) he
26 was not dishonorably discharged from such military service,

1 and (2) the amount of service credit established by a member
2 under this subsection (j), when added to the amount of
3 military service credit granted to the member under subsection
4 (b) of Section 14-105, shall not exceed 5 years. The change in
5 the manner of calculating interest under this subsection (j)
6 made by this amendatory Act of the 92nd General Assembly
7 applies to credit purchased by an employee on or after its
8 effective date and does not entitle any person to a refund of
9 contributions or interest already paid. In compliance with
10 Section 14-152.1 of this Act concerning new benefit increases,
11 any new benefit increase as a result of the changes to this
12 subsection (j) made by Public Act 95-483 is funded through the
13 employee contributions provided for in this subsection (j).
14 Any new benefit increase as a result of the changes made to
15 this subsection (j) by Public Act 95-483 is exempt from the
16 provisions of subsection (d) of Section 14-152.1.

17 (k) An employee who was employed on a full-time basis by
18 the Illinois State's Attorneys Association Statewide Appellate
19 Assistance Service LEAA-ILEC grant project prior to the time
20 that project became the State's Attorneys Appellate Service
21 Commission, now the Office of the State's Attorneys Appellate
22 Prosecutor, an agency of State government, may establish
23 creditable service for not more than 60 months service for
24 such employment by making contributions required under this
25 Section.

26 (l) By paying the contributions otherwise required under

1 this Section, plus an amount determined by the Board to be
2 equal to the employer's normal cost of the benefit plus
3 interest, a member may establish service credit for periods of
4 less than one year spent on authorized leave of absence from
5 service, provided that (1) the period of leave began on or
6 after January 1, 1982 and (2) any credit established by the
7 member for the period of leave in any other public employee
8 retirement system has been terminated. A member may establish
9 service credit under this subsection for more than one period
10 of authorized leave, and in that case the total period of
11 service credit established by the member under this subsection
12 may exceed one year. In determining the contributions required
13 for establishing service credit under this subsection, the
14 interest shall be calculated from the beginning of the leave
15 of absence to the date of payment.

16 (1-5) By paying the contributions otherwise required under
17 this Section, plus an amount determined by the Board to be
18 equal to the employer's normal cost of the benefit plus
19 interest, a member may establish service credit for periods of
20 up to 2 years spent on authorized leave of absence from
21 service, provided that during that leave the member
22 represented or was employed as an officer or employee of a
23 statewide labor organization that represents members of this
24 System. In determining the contributions required for
25 establishing service credit under this subsection, the
26 interest shall be calculated from the beginning of the leave

1 of absence to the date of payment.

2 (m) Any person who rendered contractual services to a
3 member of the General Assembly as a worker in the member's
4 district office may establish creditable service for up to 3
5 years of those contractual services by making the
6 contributions required under this Section. The System shall
7 determine a full-time salary equivalent for the purpose of
8 calculating the required contribution. To establish credit
9 under this subsection, the applicant must apply to the System
10 by March 1, 1998.

11 (n) Any person who rendered contractual services to a
12 member of the General Assembly as a worker providing
13 constituent services to persons in the member's district may
14 establish creditable service for up to 8 years of those
15 contractual services by making the contributions required
16 under this Section. The System shall determine a full-time
17 salary equivalent for the purpose of calculating the required
18 contribution. To establish credit under this subsection, the
19 applicant must apply to the System by March 1, 1998.

20 (o) A member who participated in the Illinois Legislative
21 Staff Internship Program may establish creditable service for
22 up to one year of that participation by making the
23 contribution required under this Section. The System shall
24 determine a full-time salary equivalent for the purpose of
25 calculating the required contribution. Credit may not be
26 established under this subsection for any period for which

1 service credit is established under any other provision of
2 this Code.

3 (p) By paying the contributions otherwise required under
4 this Section, plus an amount determined by the Board to be
5 equal to the employer's normal cost of the benefit plus
6 interest, a member may establish service credit for a period
7 of up to 8 years during which he or she was employed by the
8 Visually Handicapped Managers of Illinois in a vending program
9 operated under a contractual agreement with the Department of
10 Rehabilitation Services or its successor agency.

11 This subsection (p) applies without regard to whether the
12 person was in service on or after the effective date of this
13 amendatory Act of the 94th General Assembly. In the case of a
14 person who is receiving a retirement annuity on that effective
15 date, the increase, if any, shall begin to accrue on the first
16 annuity payment date following receipt by the System of the
17 contributions required under this subsection (p).

18 (q) By paying the required contributions under this
19 Section, plus an amount determined by the Board to be equal to
20 the employer's normal cost of the benefit plus interest, an
21 employee who was laid off but returned to any State employment
22 may establish creditable service for the period of the layoff,
23 provided that (1) the applicant applies for the creditable
24 service under this subsection (q) within 6 months after July
25 27, 2010 (the effective date of Public Act 96-1320), (2) the
26 applicant does not receive credit for that period under any

1 other provision of this Code, (3) at the time of the layoff,
2 the applicant is not in an initial probationary status
3 consistent with the rules of the Department of Central
4 Management Services, and (4) the total amount of creditable
5 service established by the applicant under this subsection (q)
6 does not exceed 3 years. For service established under this
7 subsection (q), the required employee contribution shall be
8 based on the rate of compensation earned by the employee on the
9 date of returning to employment after the layoff and the
10 contribution rate then in effect, and the required interest
11 shall be calculated at the actuarially assumed rate from the
12 date of returning to employment after the layoff to the date of
13 payment. Funding for any new benefit increase, as defined in
14 Section 14-152.1 of this Act, that is created under this
15 subsection (q) will be provided by the employee contributions
16 required under this subsection (q).

17 (r) A member who participated in the University of
18 Illinois Government Public Service Internship Program (GPSI)
19 may establish creditable service for up to 2 years of that
20 participation by making the contribution required under this
21 Section, plus an amount determined by the Board to be equal to
22 the employer's normal cost of the benefit plus interest. The
23 System shall determine a full-time salary equivalent for the
24 purpose of calculating the required contribution. Credit may
25 not be established under this subsection for any period for
26 which service credit is established under any other provision

1 of this Code.

2 (s) A member who worked as a nurse under a contractual
3 agreement for the Department of Public Aid, or its successor
4 agency, the Department of Human Services, in the Client
5 Assessment Unit and was subsequently determined to be a State
6 employee by the United States Internal Revenue Service and the
7 Illinois Labor Relations Board may establish creditable
8 service for those contractual services by making the
9 contributions required under this Section. To establish credit
10 under this subsection, the applicant must apply to the System
11 by July 1, 2008.

12 The Department of Human Services shall pay an employer
13 contribution based upon an amount determined by the Board to
14 be equal to the employer's normal cost of the benefit, plus
15 interest.

16 In compliance with Section 14-152.1 added by Public Act
17 94-4, the cost of the benefits provided by Public Act 95-583
18 are offset by the required employee and employer
19 contributions.

20 (t) Any person who rendered contractual services on a
21 full-time basis to the Illinois Institute of Natural Resources
22 and the Illinois Department of Energy and Natural Resources
23 may establish creditable service for up to 4 years of those
24 contractual services by making the contributions required
25 under this Section, plus an amount determined by the Board to
26 be equal to the employer's normal cost of the benefit plus

1 interest at the actuarially assumed rate from the first day of
2 the service for which credit is being established to the date
3 of payment. To establish credit under this subsection (t), the
4 applicant must apply to the System within 6 months after July
5 27, 2010 (the effective date of Public Act 96-1320).

6 (u) By paying the required contributions under this
7 Section, plus an amount determined by the Board to be equal to
8 the employer's normal cost of the benefit, plus interest, a
9 member may establish creditable service and earnings credit
10 for periods of furlough beginning on or after July 1, 2008. To
11 receive this credit, the participant must (i) apply in writing
12 to the System before December 31, 2011 and (ii) not receive
13 compensation for the furlough period. For service established
14 under this subsection, the required employee contribution
15 shall be based on the rate of compensation earned by the
16 employee immediately following the date of the first furlough
17 day in the time period specified in this subsection (u), and
18 the required interest shall be calculated at the actuarially
19 assumed rate from the date of the furlough to the date of
20 payment.

21 (v) Any member who rendered full-time contractual services
22 to an Illinois Veterans Home operated by the Department of
23 Veterans' Affairs may establish service credit for up to 8
24 years of such services by making the contributions required
25 under this Section, plus an amount determined by the Board to
26 be equal to the employer's normal cost of the benefit, plus

1 interest at the actuarially assumed rate. To establish credit
2 under this subsection, the applicant must apply to the System
3 no later than 6 months after July 27, 2010 (the effective date
4 of Public Act 96-1320).

5 (w) Any employee who served as a member of the General
6 Assembly and did not contribute to any other public employee
7 retirement system for such service may establish service
8 credit for up to 10 years of that service by making the
9 contributions required under this Section, plus an amount
10 determined by the Board to be equal to the employer's normal
11 cost of the benefit, plus interest at the actuarially assumed
12 rate. To establish credit under this subsection, the applicant
13 must make the contributions required under this subsection no
14 later than 10 years after making application to the System.

15 (x) Any employee who served as a judge, as defined in
16 Section 18-108, and did not contribute to any other public
17 employee retirement system for such service may establish
18 service credit for up to 10 years of that service by making the
19 contributions required under this Section, plus an amount
20 determined by the Board to be equal to the employer's normal
21 cost of the benefit, plus interest at the actuarially assumed
22 rate. To establish credit under this subsection, the applicant
23 must make the contributions required under this subsection no
24 later than 10 years after making application to the System.

25 (Source: P.A. 96-97, eff. 7-27-09; 96-718, eff. 8-25-09;
26 96-775, eff. 8-28-09; 96-961, eff. 7-2-10; 96-1000, eff.

1 7-2-10; 96-1320, eff. 7-27-10; 96-1535, eff. 3-4-11; 97-333,
2 8-12-11.)

3 (40 ILCS 5/14-104.14 new)

4 Sec. 14-104.14. Transfer of service from the Judges
5 Retirement System of Illinois. An active participant in the
6 Judges Retirement System of Illinois may elect to terminate
7 participation in the Judges Retirement System of Illinois in
8 accordance with subsection (b) of Section 18-120. All credits
9 and creditable service accumulated under Article 18 shall be
10 transferred to this System upon payment to this System of (1)
11 the amount by which the employer and employee contributions
12 that would have been required if he or she had participated in
13 this System during the period for which credit is being
14 transferred, plus regular interest, exceeds the amounts
15 actually transferred under that Section to this System, plus
16 (2) regular interest thereon from the date of such
17 participation to the date of payment.

18 (40 ILCS 5/14-105.4) (from Ch. 108 1/2, par. 14-105.4)

19 Sec. 14-105.4. Transfer of service from the General
20 Assembly Retirement System.

21 (a) Persons otherwise required or eligible to participate
22 in this System who elect to continue participation in the
23 General Assembly Retirement System under Section 2-117.1 may
24 not participate in this System for the duration of such

1 continued participation under Section 2-117.1.

2 (b) Upon terminating such continued participation, a
3 person may transfer credits and creditable service accumulated
4 under Section 2-117.1 to this System, upon payment to this
5 System of (1) the amount by which the employer and employee
6 contributions that would have been required if he had
7 participated in this System during the period for which credit
8 under Section 2-117.1 is being transferred, plus regular
9 interest, exceeds the amounts actually transferred under that
10 Section to this System, plus (2) regular interest thereon from
11 the date of such participation to the date of payment.

12 (c) An active participant in the General Assembly
13 Retirement System may elect to terminate participation in the
14 General Assembly Retirement System in accordance with
15 subsection (c) of Section 2-117. All credits and creditable
16 service accumulated under Article 2 shall be transferred to
17 this System upon payment to this System of (1) the amount by
18 which the employer and employee contributions that would have
19 been required if he or she had participated in this System
20 during the period for which credit is being transferred, plus
21 regular interest, exceeds the amounts actually transferred
22 under that Section to this System, plus (2) regular interest
23 thereon from the date of such participation to the date of
24 payment.

25 (Source: P.A. 83-430.)

1 (40 ILCS 5/18-101) (from Ch. 108 1/2, par. 18-101)

2 Sec. 18-101. Creation of fund. A retirement system is
3 created to be known as the "Judges Retirement System of
4 Illinois". It shall be a trust separate and distinct from all
5 other entities, maintained for the purpose of securing the
6 payment of annuities and benefits as prescribed herein.

7 Participation in the retirement system created under this
8 Article is restricted to persons who became participants of
9 the System before January 13, 2027. Beginning on that date,
10 the System shall not accept any new participants.

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

12 (40 ILCS 5/18-108) (from Ch. 108 1/2, par. 18-108)

13 Sec. 18-108. Judge. "Judge": Any person who receives
14 payment for personal services as a judge or associate judge of
15 a court; and any person, previously a participant, who
16 receives payment for personal services as the administrative
17 director appointed by the Supreme Court.

18 Notwithstanding any other provision of this Article, a
19 person shall not be deemed a judge for the purposes of this
20 Article unless he or she became a participant of the System
21 before January 13, 2027.

22 (Source: P.A. 83-1440.)

23 (40 ILCS 5/18-109) (from Ch. 108 1/2, par. 18-109)

24 Sec. 18-109. Eligible judge. "Eligible judge": Any judge

1 except one who has elected not to participate in this system.

2 Notwithstanding any other provision of this Article, a
3 person shall not be deemed an eligible judge for the purposes
4 of this Article unless he or she became a participant of the
5 System before January 13, 2027.

6 (Source: P.A. 83-1440.)

7 (40 ILCS 5/18-110) (from Ch. 108 1/2, par. 18-110)

8 Sec. 18-110. Participant. "Participant": Any judge
9 participating in this system as specified in Sections 18-120
10 and 18-121.

11 Notwithstanding any other provision of this Article, a
12 person shall not be deemed a participant for the purposes of
13 this Article unless he or she became a participant of the
14 System before January 13, 2027.

15 (Source: P.A. 83-1440.)

16 (40 ILCS 5/18-120) (from Ch. 108 1/2, par. 18-120)

17 Sec. 18-120. Employee participation; election not to
18 participate or terminate participation.

19 (a) An eligible judge who is not a participant shall
20 become a participant beginning on the date he or she becomes an
21 eligible judge, unless the judge files with the board a
22 written notice of election not to participate within 30 days
23 of the date of being notified of the option.

24 A person electing not to participate shall thereafter be

1 ineligible to become a participant unless the election is
2 revoked as provided in Section 18-121.

3 (b) Notwithstanding any other provision of this Article,
4 an active participant may irrevocably elect, in writing and in
5 a form and manner prescribed by the board, to terminate
6 participation in the System and instead participate in the
7 retirement system established under Article 14. Upon making
8 the election under this subsection (b), all credits and
9 creditable service shall be transferred to the retirement
10 system under Article 14 in accordance with Section 14-104.14
11 and all participation in this System is terminated.

12 (Source: P.A. 83-1440.)

13 Article 9.

14 Section 9-5. The Illinois Pension Code is amended by
15 changing Sections 1-160 and 15-135 as follows:

16 (40 ILCS 5/1-160)

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

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

19 (a) The provisions of this Section apply to a person who,
20 on or after January 1, 2011, first becomes a member or a
21 participant under any reciprocal retirement system or pension
22 fund established under this Code, other than a retirement
23 system or pension fund established under Article 2, 3, 4, 5, 6,

1 7, 15, or 18 of this Code, notwithstanding any other provision
2 of this Code to the contrary, but do not apply to any
3 self-managed plan established under this Code or to any
4 participant of the retirement plan established under Section
5 22-101; except that this Section applies to a person who
6 elected to establish alternative credits by electing in
7 writing after January 1, 2011, but before August 8, 2011,
8 under Section 7-145.1 of this Code. Notwithstanding anything
9 to the contrary in this Section, for purposes of this Section,
10 a person who is a Tier 1 regular employee as defined in Section
11 7-109.4 of this Code or who participated in a retirement
12 system under Article 15 prior to January 1, 2011 shall be
13 deemed a person who first became a member or participant prior
14 to January 1, 2011 under any retirement system or pension fund
15 subject to this Section. The changes made to this Section by
16 Public Act 98-596 are a clarification of existing law and are
17 intended to be retroactive to January 1, 2011 (the effective
18 date of Public Act 96-889), notwithstanding the provisions of
19 Section 1-103.1 of this Code.

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

1 This Section does not apply to a person who first becomes a
2 member or participant under Article 16 on or after the
3 implementation date of the plan created under Section 1-161
4 for that Article, unless that person elects under subsection
5 (b) of Section 1-161 to instead receive the benefits provided
6 under this Section and the applicable provisions of that
7 Article.

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

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

18 (b) "Final average salary" means, except as otherwise
19 provided in this subsection, the average monthly (or annual)
20 salary obtained by dividing the total salary or earnings
21 calculated under the Article applicable to the member or
22 participant during the 96 consecutive months (or 8 consecutive
23 years) of service within the last 120 months (or 10 years) of
24 service in which the total salary or earnings calculated under
25 the applicable Article was the highest by the number of months
26 (or years) of service in that period. For the purposes of a

1 person who first becomes a member or participant of any
2 retirement system or pension fund to which this Section
3 applies on or after January 1, 2011, in this Code, "final
4 average salary" shall be substituted for the following:

5 (1) (Blank).

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

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

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

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

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

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

21 (A) the amount otherwise calculated under the first
22 paragraph of this subsection; or

23 (B) an amount calculated by the Teachers' Retirement
24 System of the State of Illinois using the average of the
25 monthly (or annual) salary obtained by dividing the total
26 salary or earnings calculated under Article 16 applicable

1 to the member or participant during the 96 months (or 8
2 years) of service within the last 120 months (or 10 years)
3 of service in which the total salary or earnings
4 calculated under the Article was the highest by the number
5 of months (or years) of service in that period.

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

17 For the purposes of this Section, "consumer price index-u"
18 means the index published by the Bureau of Labor Statistics of
19 the United States Department of Labor that measures the
20 average change in prices of goods and services purchased by
21 all urban consumers, United States city average, all items,
22 1982-84 = 100. The new amount resulting from each annual
23 adjustment shall be determined by the Public Pension Division
24 of the Department of Insurance and made available to the
25 boards of the retirement systems and pension funds by November
26 1 of each year.

1 (b-10) Beginning on January 1, 2024, for all purposes
2 under this Code (including, without limitation, the
3 calculation of benefits and employee contributions), the
4 annual earnings, salary, or wages (based on the plan year) of a
5 member or participant under Article 9 to whom this Section
6 applies shall include an annual earnings, salary, or wage cap
7 that tracks the Social Security wage base. Maximum annual
8 earnings, wages, or salary shall be the annual contribution
9 and benefit base established for the applicable year by the
10 Commissioner of the Social Security Administration under the
11 federal Social Security Act.

12 However, in no event shall the annual earnings, salary, or
13 wages for the purposes of this Article and Article 9 exceed any
14 limitation imposed on annual earnings, salary, or wages under
15 Section 1-117. Under no circumstances shall the maximum amount
16 of annual earnings, salary, or wages be greater than the
17 amount set forth in this subsection (b-10) as a result of
18 reciprocal service or any provisions regarding reciprocal
19 services, nor shall the Fund under Article 9 be required to pay
20 any refund as a result of the application of this maximum
21 annual earnings, salary, and wage cap.

22 Nothing in this subsection (b-10) shall cause or otherwise
23 result in any retroactive adjustment of any employee
24 contributions. Nothing in this subsection (b-10) shall cause
25 or otherwise result in any retroactive adjustment of
26 disability or other payments made between January 1, 2011 and

1 January 1, 2024.

2 (c) A member or participant is entitled to a retirement
3 annuity upon written application if he or she has attained age
4 67 (age 65, with respect to service under Article 12 that is
5 subject to this Section, for a member or participant under
6 Article 12 who first becomes a member or participant under
7 Article 12 on or after January 1, 2022 or who makes the
8 election under item (i) of subsection (d-15) of this Section)
9 and has at least 10 years of service credit and is otherwise
10 eligible under the requirements of the applicable Article.

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

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

1 10 years of service credit and is otherwise eligible under the
2 requirements of Article 8 or Article 11 of this Code,
3 whichever is applicable.

4 (c-10) Notwithstanding subsection (c), beginning July 1,
5 2025, a member or participant under Article 14, 16, or 17
6 subject to this Section is entitled to a retirement annuity
7 upon written application if he or she:

8 (1) has attained age 62, has at least 35 years of
9 service credit, and is otherwise eligible under the
10 requirements of the applicable Article;

11 (2) has attained age 64, has at least 20 years of
12 service credit, and is otherwise eligible under the
13 requirements of the applicable Article; or

14 (3) has attained age 67, has at least 10 years of
15 service credit, and is otherwise eligible under the
16 requirements of the applicable Article.

17 For the purposes of Section 1-103.1 of this Code, the
18 changes made to this Section by this amendatory Act of the
19 103rd General Assembly are applicable without regard to
20 whether the employee was in active service on or after the
21 effective date of this amendatory Act of the 103rd General
22 Assembly.

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).

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 July 6, 2017 (the effective
19 date of Public Act 100-23) shall make an irrevocable election
20 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 (d-15) Each person who first becomes a member or
19 participant under Article 12 on or after January 1, 2011 and
20 prior to January 1, 2022 shall make an irrevocable election
21 either:

22 (i) to be eligible for the reduced retirement age
23 specified in subsections (c) and (d) of this Section, the
24 eligibility for which is conditioned upon the member or
25 participant agreeing to the increase in employee
26 contributions for service annuities specified in

1 subsection (b) of Section 12-150; or

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

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

16 (e) Any retirement annuity or supplemental annuity shall
17 be subject to annual increases on the January 1 occurring
18 either on or after the attainment of age 67 (age 65, with
19 respect to service under Article 12 that is subject to this
20 Section, for a member or participant under Article 12 who
21 first becomes a member or participant under Article 12 on or
22 after January 1, 2022 or who makes the election under item (i)
23 of subsection (d-15); and beginning on July 6, 2017 (the
24 effective date of Public Act 100-23), age 65 with respect to
25 service under Article 8 or Article 11 for eligible persons
26 who: (i) are subject to subsection (c-5) of this Section; or

1 (ii) made the election under item (i) of subsection (d-10) of
2 this Section) or the first anniversary of the annuity start
3 date, whichever is later. Each annual increase shall be
4 calculated at 3% or one-half the annual unadjusted percentage
5 increase (but not less than zero) in the consumer price
6 index-u for the 12 months ending with the September preceding
7 each November 1, whichever is less, of the originally granted
8 retirement annuity. If the annual unadjusted percentage change
9 in the consumer price index-u for the 12 months ending with the
10 September preceding each November 1 is zero or there is a
11 decrease, then the 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 Public Act 102-263 are
14 applicable without regard to whether the employee was in
15 active service on or after August 6, 2021 (the effective date
16 of Public Act 102-263).

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

22 (f) The initial survivor's or widow's annuity of an
23 otherwise eligible survivor or widow of a retired member or
24 participant who first became a member or participant on or
25 after January 1, 2011 shall be in the amount of 66 2/3% of the
26 retired member's or participant's retirement annuity at the

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

23 (g) The benefits in Section 14-110 apply if the person is a
24 fire fighter in the fire protection service of a department, a
25 security employee of the Department of Corrections or the
26 Department of Juvenile Justice, or a security employee of the

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

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

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

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

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

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

5 (i) (Blank).

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

9 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
10 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
11 5-6-22.)

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

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

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

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

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

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

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

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

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

24 (1) (Blank).

25 (2) In Articles 8, 9, 10, 11, and 12, "highest average
26 annual salary for any 4 consecutive years within the last

1 10 years of service immediately preceding the date of
2 withdrawal".

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

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

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

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

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

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

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

25 (b-5) Beginning on January 1, 2011, for all purposes under
26 this Code (including without limitation the calculation of

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

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

20 (b-10) Beginning on January 1, 2024, for all purposes
21 under this Code (including, without limitation, the
22 calculation of benefits and employee contributions), the
23 annual earnings, salary, or wages (based on the plan year) of a
24 member or participant under Article 9 to whom this Section
25 applies shall include an annual earnings, salary, or wage cap
26 that tracks the Social Security wage base. Maximum annual

1 earnings, wages, or salary shall be the annual contribution
2 and benefit base established for the applicable year by the
3 Commissioner of the Social Security Administration under the
4 federal Social Security Act.

5 However, in no event shall the annual earnings, salary, or
6 wages for the purposes of this Article and Article 9 exceed any
7 limitation imposed on annual earnings, salary, or wages under
8 Section 1-117. Under no circumstances shall the maximum amount
9 of annual earnings, salary, or wages be greater than the
10 amount set forth in this subsection (b-10) as a result of
11 reciprocal service or any provisions regarding reciprocal
12 services, nor shall the Fund under Article 9 be required to pay
13 any refund as a result of the application of this maximum
14 annual earnings, salary, and wage cap.

15 Nothing in this subsection (b-10) shall cause or otherwise
16 result in any retroactive adjustment of any employee
17 contributions. Nothing in this subsection (b-10) shall cause
18 or otherwise result in any retroactive adjustment of
19 disability or other payments made between January 1, 2011 and
20 January 1, 2024.

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 (c-10) Notwithstanding subsection (c), beginning July 1,
24 2025, a member or participant under Article 14, 16, or 17
25 subject to this Section is entitled to a retirement annuity
26 upon written application if he or she:

1 (1) has attained age 62, has at least 35 years of
2 service credit, and is otherwise eligible under the
3 requirements of the applicable Article;

4 (2) has attained age 64, has at least 20 years of
5 service credit, and is otherwise eligible under the
6 requirements of the applicable Article; or

7 (3) has attained age 67, has at least 10 years of
8 service credit, and is otherwise eligible under the
9 requirements of the applicable Article.

10 For the purposes of Section 1-103.1 of this Code, the
11 changes made to this Section by this amendatory Act of the
12 103rd General Assembly are applicable without regard to
13 whether the employee was in active service on or after the
14 effective date of this amendatory Act of the 103rd General
15 Assembly.

16 (d) The retirement annuity of a member or participant who
17 is retiring after attaining age 62 (age 60, with respect to
18 service under Article 12 that is subject to this Section, for a
19 member or participant under Article 12 who first becomes a
20 member or participant under Article 12 on or after January 1,
21 2022 or who makes the election under item (i) of subsection
22 (d-15) of this Section) with at least 10 years of service
23 credit shall be reduced by one-half of 1% for each full month
24 that the member's age is under age 67 (age 65, 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).

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

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

14 (i) to be eligible for the reduced retirement age
15 provided in subsections (c-5) and (d-5) of this Section,
16 the eligibility for which is conditioned upon the member
17 or participant agreeing to the increases in employee
18 contributions for age and service annuities provided in
19 subsection (a-5) of Section 8-174 of this Code (for
20 service under Article 8) or subsection (a-5) of Section
21 11-170 of this Code (for service under Article 11); or

22 (ii) to not agree to item (i) of this subsection
23 (d-10), in which case the member or participant shall
24 continue to be subject to the retirement age provisions in
25 subsections (c) and (d) of this Section and the employee
26 contributions for age and service annuity as provided in

1 subsection (a) of Section 8-174 of this Code (for service
2 under Article 8) or subsection (a) of Section 11-170 of
3 this Code (for service under Article 11).

4 The election provided for in this subsection shall be made
5 between October 1, 2017 and November 15, 2017. A person
6 subject to this subsection who makes the required election
7 shall remain bound by that election. A person subject to this
8 subsection who fails for any reason to make the required
9 election within the time specified in this subsection shall be
10 deemed to have made the election under item (ii).

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

15 (i) to be eligible for the reduced retirement age
16 specified in subsections (c) and (d) of this Section, the
17 eligibility for which is conditioned upon the member or
18 participant agreeing to the increase in employee
19 contributions for service annuities specified in
20 subsection (b) of Section 12-150; or

21 (ii) to not agree to item (i) of this subsection
22 (d-15), in which case the member or participant shall not
23 be eligible for the reduced retirement age specified in
24 subsections (c) and (d) of this Section and shall not be
25 subject to the increase in employee contributions for
26 service annuities specified in subsection (b) of Section

1 12-150.

2 The election provided for in this subsection shall be made
3 between January 1, 2022 and April 1, 2022. A person subject to
4 this subsection who makes the required election shall remain
5 bound by that election. A person subject to this subsection
6 who fails for any reason to make the required election within
7 the time specified in this subsection shall be deemed to have
8 made the election under item (ii).

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

1 retirement annuity. If the annual unadjusted percentage change
2 in the consumer price index-u for the 12 months ending with the
3 September preceding each November 1 is zero or there is a
4 decrease, then the annuity shall not be increased.

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

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

15 (f) The initial survivor's or widow's annuity of an
16 otherwise eligible survivor or widow of a retired member or
17 participant who first became a member or participant on or
18 after January 1, 2011 shall be in the amount of 66 2/3% of the
19 retired member's or participant's retirement annuity at the
20 date of death. In the case of the death of a member or
21 participant who has not retired and who first became a member
22 or participant on or after January 1, 2011, eligibility for a
23 survivor's or widow's annuity shall be determined by the
24 applicable Article of this Code. The initial benefit shall be
25 66 2/3% of the earned annuity without a reduction due to age. A
26 child's annuity of an otherwise eligible child shall be in the

1 amount prescribed under each Article if applicable. Any
2 survivor's or widow's annuity shall be increased (1) on each
3 January 1 occurring on or after the commencement of the
4 annuity if the deceased member died while receiving a
5 retirement annuity or (2) in other cases, on each January 1
6 occurring after the first anniversary of the commencement of
7 the annuity. Each annual increase shall be calculated at 3% or
8 one-half the annual unadjusted percentage increase (but not
9 less than zero) in the consumer price index-u for the 12 months
10 ending with the September preceding each November 1, whichever
11 is less, of the originally granted survivor's annuity. If the
12 annual unadjusted percentage change in the consumer price
13 index-u for the 12 months ending with the September preceding
14 each November 1 is zero or there is a decrease, then the
15 annuity shall not be increased.

16 (g) The benefits in Section 14-110 apply only if the
17 person is a State policeman, a fire fighter in the fire
18 protection service of a department, a conservation police
19 officer, an investigator for the Secretary of State, an arson
20 investigator, a Commerce Commission police officer,
21 investigator for the Department of Revenue or the Illinois
22 Gaming Board, a security employee of the Department of
23 Corrections or the Department of Juvenile Justice, or a
24 security employee of the Department of Innovation and
25 Technology, as those terms are defined in subsection (b) and
26 subsection (c) of Section 14-110. A person who meets the

1 requirements of this Section is entitled to an annuity
2 calculated under the provisions of Section 14-110, in lieu of
3 the regular or minimum retirement annuity, only if the person
4 has withdrawn from service with not less than 20 years of
5 eligible creditable service and has attained age 60,
6 regardless of whether the attainment of age 60 occurs while
7 the person is still in service.

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

22 If a person who first becomes a member of a retirement
23 system or pension fund subject to this Section on or after
24 January 1, 2012 and is receiving a retirement annuity or
25 retirement pension under that system or fund and accepts on a
26 contractual basis a position to provide services to a

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

15 (i) (Blank).

16 (j) In the case of a conflict between the provisions of
17 this Section and any other provision of this Code, the
18 provisions of this Section shall control.

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

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

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

24 (a) The provisions of this Section apply to a person who,
25 on or after January 1, 2011, first becomes a member or a

1 participant under any reciprocal retirement system or pension
2 fund established under this Code, other than a retirement
3 system or pension fund established under Article 2, 3, 4, 5, 6,
4 7, 15, or 18 of this Code, notwithstanding any other provision
5 of this Code to the contrary, but do not apply to any
6 self-managed plan established under this Code or to any
7 participant of the retirement plan established under Section
8 22-101; except that this Section applies to a person who
9 elected to establish alternative credits by electing in
10 writing after January 1, 2011, but before August 8, 2011,
11 under Section 7-145.1 of this Code. Notwithstanding anything
12 to the contrary in this Section, for purposes of this Section,
13 a person who is a Tier 1 regular employee as defined in Section
14 7-109.4 of this Code or who participated in a retirement
15 system under Article 15 prior to January 1, 2011 shall be
16 deemed a person who first became a member or participant prior
17 to January 1, 2011 under any retirement system or pension fund
18 subject to this Section. The changes made to this Section by
19 Public Act 98-596 are a clarification of existing law and are
20 intended to be retroactive to January 1, 2011 (the effective
21 date of Public Act 96-889), notwithstanding the provisions of
22 Section 1-103.1 of this Code.

23 This Section does not apply to a person who first becomes a
24 noncovered employee under Article 14 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 first becomes a
5 member or participant under Article 16 on or after the
6 implementation date of the plan created under Section 1-161
7 for that Article, unless that person elects under subsection
8 (b) of Section 1-161 to instead receive the benefits provided
9 under this Section and the applicable provisions of that
10 Article.

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

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

21 (b) "Final average salary" means, except as otherwise
22 provided in this subsection, the average monthly (or annual)
23 salary obtained by dividing the total salary or earnings
24 calculated under the Article applicable to the member or
25 participant during the 96 consecutive months (or 8 consecutive
26 years) of service within the last 120 months (or 10 years) of

1 service in which the total salary or earnings calculated under
2 the applicable Article was the highest by the number of months
3 (or years) of service in that period. For the purposes of a
4 person who first becomes a member or participant of any
5 retirement system or pension fund to which this Section
6 applies on or after January 1, 2011, in this Code, "final
7 average salary" shall be substituted for the following:

8 (1) (Blank).

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

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

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

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

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

18 A member of the Teachers' Retirement System of the State
19 of Illinois who retires on or after June 1, 2021 and for whom
20 the 2020-2021 school year is used in the calculation of the
21 member's final average salary shall use the higher of the
22 following for the purpose of determining the member's final
23 average salary:

24 (A) the amount otherwise calculated under the first
25 paragraph of this subsection; or

26 (B) an amount calculated by the Teachers' Retirement

1 System of the State of Illinois using the average of the
2 monthly (or annual) salary obtained by dividing the total
3 salary or earnings calculated under Article 16 applicable
4 to the member or participant during the 96 months (or 8
5 years) of service within the last 120 months (or 10 years)
6 of service in which the total salary or earnings
7 calculated under the Article was the highest by the number
8 of months (or years) of service in that period.

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

20 For the purposes of this Section, "consumer price index-u"
21 means the index published by the Bureau of Labor Statistics of
22 the United States Department of Labor that measures the
23 average change in prices of goods and services purchased by
24 all urban consumers, United States city average, all items,
25 1982-84 = 100. The new amount resulting from each annual
26 adjustment shall be determined by the Public Pension Division

1 of the Department of Insurance and made available to the
2 boards of the retirement systems and pension funds by November
3 1 of each year.

4 (b-10) Beginning on January 1, 2024, for all purposes
5 under this Code (including, without limitation, the
6 calculation of benefits and employee contributions), the
7 annual earnings, salary, or wages (based on the plan year) of a
8 member or participant under Article 9 to whom this Section
9 applies shall include an annual earnings, salary, or wage cap
10 that tracks the Social Security wage base. Maximum annual
11 earnings, wages, or salary shall be the annual contribution
12 and benefit base established for the applicable year by the
13 Commissioner of the Social Security Administration under the
14 federal Social Security Act.

15 However, in no event shall the annual earnings, salary, or
16 wages for the purposes of this Article and Article 9 exceed any
17 limitation imposed on annual earnings, salary, or wages under
18 Section 1-117. Under no circumstances shall the maximum amount
19 of annual earnings, salary, or wages be greater than the
20 amount set forth in this subsection (b-10) as a result of
21 reciprocal service or any provisions regarding reciprocal
22 services, nor shall the Fund under Article 9 be required to pay
23 any refund as a result of the application of this maximum
24 annual earnings, salary, and wage cap.

25 Nothing in this subsection (b-10) shall cause or otherwise
26 result in any retroactive adjustment of any employee

1 contributions. Nothing in this subsection (b-10) shall cause
2 or otherwise result in any retroactive adjustment of
3 disability or other payments made between January 1, 2011 and
4 January 1, 2024.

5 (c) A member or participant is entitled to a retirement
6 annuity upon written application if he or she has attained age
7 67 (age 65, with respect to service under Article 12 that is
8 subject to this Section, for a member or participant under
9 Article 12 who first becomes a member or participant under
10 Article 12 on or after January 1, 2022 or who makes the
11 election under item (i) of subsection (d-15) of this Section)
12 and has at least 10 years of service credit and is otherwise
13 eligible under the requirements of the applicable Article.

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

24 (c-5) A person who first becomes a member or a participant
25 subject to this Section on or after July 6, 2017 (the effective
26 date of Public Act 100-23), notwithstanding any other

1 provision of this Code to the contrary, is entitled to a
2 retirement annuity under Article 8 or Article 11 upon written
3 application if he or she has attained age 65 and has at least
4 10 years of service credit and is otherwise eligible under the
5 requirements of Article 8 or Article 11 of this Code,
6 whichever is applicable.

7 (c-10) Notwithstanding subsection (c), beginning July 1,
8 2025, a member or participant under Article 14, 16, or 17
9 subject to this Section is entitled to a retirement annuity
10 upon written application if he or she:

11 (1) has attained age 62, has at least 35 years of
12 service credit, and is otherwise eligible under the
13 requirements of the applicable Article;

14 (2) has attained age 64, has at least 20 years of
15 service credit, and is otherwise eligible under the
16 requirements of the applicable Article; or

17 (3) has attained age 67, has at least 10 years of
18 service credit, and is otherwise eligible under the
19 requirements of the applicable Article.

20 For the purposes of Section 1-103.1 of this Code, the
21 changes made to this Section by this amendatory Act of the
22 103rd General Assembly are applicable without regard to
23 whether the employee was in active service on or after the
24 effective date of this amendatory Act of the 103rd General
25 Assembly.

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).

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

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

24 (i) to be eligible for the reduced retirement age
25 provided in subsections (c-5) and (d-5) of this Section,
26 the eligibility for which is conditioned upon the member

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

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

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

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

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

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

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

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

19 (e) Any retirement annuity or supplemental annuity shall
20 be subject to annual increases on the January 1 occurring
21 either on or after the attainment of age 67 (age 65, with
22 respect to service under Article 12 that is subject to this
23 Section, for a member or participant under Article 12 who
24 first becomes a member or participant under Article 12 on or
25 after January 1, 2022 or who makes the election under item (i)
26 of subsection (d-15); and beginning on July 6, 2017 (the

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

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

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

25 (f) The initial survivor's or widow's annuity of an
26 otherwise eligible survivor or widow of a retired member or

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

26 (g) The benefits in Section 14-110 apply only if the

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

19 (h) If a person who first becomes a member or a participant
20 of a retirement system or pension fund subject to this Section
21 on or after January 1, 2011 is receiving a retirement annuity
22 or retirement pension under that system or fund and becomes a
23 member or participant under any other system or fund created
24 by this Code and is employed on a full-time basis, except for
25 those members or participants exempted from the provisions of
26 this Section under subsection (a) of this Section, then the

1 person's retirement annuity or retirement pension under that
2 system or fund shall be suspended during that employment. Upon
3 termination of that employment, the person's retirement
4 annuity or retirement pension payments shall resume and be
5 recalculated if recalculation is provided for under the
6 applicable Article of this Code.

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

26 (i) (Blank).

1 (j) In the case of a conflict between the provisions of
2 this Section and any other provision of this Code, the
3 provisions of this Section shall control.

4 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
5 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
6 8-11-23.)

7 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)
8 Sec. 15-135. Retirement annuities; conditions.

9 (a) This subsection (a) applies only to a Tier 1 member. A
10 participant who retires in one of the following specified
11 years with the specified amount of service is entitled to a
12 retirement annuity at any age under the retirement program
13 applicable to the participant:

14 35 years if retirement is in 1997 or before;

15 34 years if retirement is in 1998;

16 33 years if retirement is in 1999;

17 32 years if retirement is in 2000;

18 31 years if retirement is in 2001;

19 30 years if retirement is in 2002 or later.

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

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

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

5 (a-5) Beginning July 1, 2025, a Tier 2 member is entitled
6 to a retirement annuity upon written application if he or she:

7 (1) has attained age 62, has at least 35 years of
8 service credit, and is otherwise eligible under the
9 requirements of this Article;

10 (2) has attained age 64, has at least 20 years of
11 service credit, and is otherwise eligible under the
12 requirements of this Article; or

13 (3) has attained age 67, has at least 10 years of
14 service credit, and is otherwise eligible under the
15 requirements of this Article.

16 For the purposes of Section 1-103.1 of this Code, the
17 changes made to this Section by this amendatory Act of the
18 103rd General Assembly are applicable without regard to
19 whether the employee was in active service on or after the
20 effective date of this amendatory Act of the 103rd General
21 Assembly.

22 Before July 1, 2025, a ~~A~~ Tier 2 member is entitled to a
23 retirement annuity upon written application if he or she has
24 attained age 67 and has at least 10 years of service credit and
25 is otherwise eligible under the requirements of this Article.

26 A Tier 2 member who has attained age 62 and has at least 10

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

5 (a-10) Before July 1, 2025, a ~~A~~ Tier 2 member who has at
6 least 20 years of service in this system as a police officer or
7 firefighter is entitled to a retirement annuity upon written
8 application on or after the attainment of age 60 if Rule 4 of
9 Section 15-136 is applicable to the participant. Beginning
10 July 1, 2025, a Tier 2 member who has at least 20 years of
11 service in this system as a police officer or firefighter is
12 entitled to a retirement annuity upon written application on
13 or after the attainment of age 55 if Rule 4 of Section 15-136
14 is applicable to the participant. The changes made to this
15 subsection by this amendatory Act of the 101st General
16 Assembly apply retroactively to January 1, 2011.

17 (b) The annuity payment period shall begin on the date
18 specified by the participant or the recipient of a disability
19 retirement annuity submitting a written application. For a
20 participant, the date on which the annuity payment period
21 begins shall not be prior to termination of employment or more
22 than one year before the application is received by the board;
23 however, if the participant is not an employee of an employer
24 participating in this System or in a participating system as
25 defined in Article 20 of this Code on April 1 of the calendar
26 year next following the calendar year in which the participant

1 attains the age specified under Section 401(a)(9) of the
2 Internal Revenue Code of 1986, as amended, the annuity payment
3 period shall begin on that date regardless of whether an
4 application has been filed. For a recipient of a disability
5 retirement annuity, the date on which the annuity payment
6 period begins shall not be prior to the discontinuation of the
7 disability retirement annuity under Section 15-153.2.

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

10 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

11 Article 10.

12 Section 10-5. The Illinois Pension Code is amended by
13 changing Sections 1-160, 15-108.2, 15-155, and 16-158.3 as
14 follows:

15 (40 ILCS 5/1-160)

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

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

1 of this Code to the contrary, but do not apply to any
2 self-managed plan established under this Code or to any
3 participant of the retirement plan established under Section
4 22-101; except that this Section applies to a person who
5 elected to establish alternative credits by electing in
6 writing after January 1, 2011, but before August 8, 2011,
7 under Section 7-145.1 of this Code. Notwithstanding anything
8 to the contrary in this Section, for purposes of this Section,
9 a person who is a Tier 1 regular employee as defined in Section
10 7-109.4 of this Code or who participated in a retirement
11 system under Article 15 prior to January 1, 2011 shall be
12 deemed a person who first became a member or participant prior
13 to January 1, 2011 under any retirement system or pension fund
14 subject to this Section. The changes made to this Section by
15 Public Act 98-596 are a clarification of existing law and are
16 intended to be retroactive to January 1, 2011 (the effective
17 date of Public Act 96-889), notwithstanding the provisions of
18 Section 1-103.1 of this Code.

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

26 ~~This Section does not apply to a person who first becomes a~~

1 ~~member or participant under Article 16 on or after the~~
2 ~~implementation date of the plan created under Section 1-161~~
3 ~~for that Article, unless that person elects under subsection~~
4 ~~(b) of Section 1-161 to instead receive the benefits provided~~
5 ~~under this Section and the applicable provisions of that~~
6 ~~Article.~~

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

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

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

1 retirement system or pension fund to which this Section
2 applies on or after January 1, 2011, in this Code, "final
3 average salary" shall be substituted for the following:

4 (1) (Blank).

5 (2) In Articles 8, 9, 10, 11, and 12, "highest average
6 annual salary for any 4 consecutive years within the last
7 10 years of service immediately preceding the date of
8 withdrawal".

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

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

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

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

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

20 (A) the amount otherwise calculated under the first
21 paragraph of this subsection; or

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

1 years) of service within the last 120 months (or 10 years)
2 of service in which the total salary or earnings
3 calculated under the Article was the highest by the number
4 of months (or years) of service in that period.

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

16 For the purposes of this Section, "consumer price index-u"
17 means the index published by the Bureau of Labor Statistics of
18 the United States Department of Labor that measures the
19 average change in prices of goods and services purchased by
20 all urban consumers, United States city average, all items,
21 1982-84 = 100. The new amount resulting from each annual
22 adjustment shall be determined by the Public Pension Division
23 of the Department of Insurance and made available to the
24 boards of the retirement systems and pension funds by November
25 1 of each year.

26 (b-10) Beginning on January 1, 2024, for all purposes

1 under this Code (including, without limitation, the
2 calculation of benefits and employee contributions), the
3 annual earnings, salary, or wages (based on the plan year) of a
4 member or participant under Article 9 to whom this Section
5 applies shall include an annual earnings, salary, or wage cap
6 that tracks the Social Security wage base. Maximum annual
7 earnings, wages, or salary shall be the annual contribution
8 and benefit base established for the applicable year by the
9 Commissioner of the Social Security Administration under the
10 federal Social Security Act.

11 However, in no event shall the annual earnings, salary, or
12 wages for the purposes of this Article and Article 9 exceed any
13 limitation imposed on annual earnings, salary, or wages under
14 Section 1-117. Under no circumstances shall the maximum amount
15 of annual earnings, salary, or wages be greater than the
16 amount set forth in this subsection (b-10) as a result of
17 reciprocal service or any provisions regarding reciprocal
18 services, nor shall the Fund under Article 9 be required to pay
19 any refund as a result of the application of this maximum
20 annual earnings, salary, and wage cap.

21 Nothing in this subsection (b-10) shall cause or otherwise
22 result in any retroactive adjustment of any employee
23 contributions. Nothing in this subsection (b-10) shall cause
24 or otherwise result in any retroactive adjustment of
25 disability or other payments made between January 1, 2011 and
26 January 1, 2024.

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (age 65, with respect to service under Article 12 that is
4 subject to this Section, for a member or participant under
5 Article 12 who first becomes a member or participant under
6 Article 12 on or after January 1, 2022 or who makes the
7 election under item (i) of subsection (d-15) of this Section)
8 and has at least 10 years of service credit and is otherwise
9 eligible under the requirements of the applicable Article.

10 A member or participant who has attained age 62 (age 60,
11 with respect to service under Article 12 that is subject to
12 this Section, for a member or participant under Article 12 who
13 first becomes a member or participant under Article 12 on or
14 after January 1, 2022 or who makes the election under item (i)
15 of subsection (d-15) of this Section) and has at least 10 years
16 of service credit and is otherwise eligible under the
17 requirements of the applicable Article may elect to receive
18 the lower retirement annuity provided in subsection (d) of
19 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 (age 60, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section) with at least 10 years of service
10 credit shall be reduced by one-half of 1% for each full month
11 that the member's age is under age 67 (age 65, with respect to
12 service under Article 12 that is subject to this Section, for a
13 member or participant under Article 12 who first becomes a
14 member or participant under Article 12 on or after January 1,
15 2022 or who makes the election under item (i) of subsection
16 (d-15) of this Section).

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

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

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

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

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

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

1 either:

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

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

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

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

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

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

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

1 Public Act 100-23).

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

1 each November 1 is zero or there is a decrease, then the
2 annuity shall not be increased.

3 (g) The benefits in Section 14-110 apply if the person is a
4 fire fighter in the fire protection service of a department, a
5 security employee of the Department of Corrections or the
6 Department of Juvenile Justice, or a security employee of the
7 Department of Innovation and Technology, as those terms are
8 defined in subsection (b) and subsection (c) of Section
9 14-110. A person who meets the requirements of this Section is
10 entitled to an annuity calculated under the provisions of
11 Section 14-110, in lieu of the regular or minimum retirement
12 annuity, only if the person has withdrawn from service with
13 not less than 20 years of eligible creditable service and has
14 attained age 60, regardless of whether the attainment of age
15 60 occurs while the person is still in service.

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

1 of eligible creditable service and has attained age 55,
2 regardless of whether the attainment of age 55 occurs while
3 the person is still in service.

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

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

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

11 (i) (Blank).

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

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

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

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

20 (a) The provisions of this Section apply to a person who,
21 on or after January 1, 2011, first becomes a member or a
22 participant under any reciprocal retirement system or pension
23 fund established under this Code, other than a retirement
24 system or pension fund established under Article 2, 3, 4, 5, 6,
25 7, 15, or 18 of this Code, notwithstanding any other provision

1 of this Code to the contrary, but do not apply to any
2 self-managed plan established under this Code or to any
3 participant of the retirement plan established under Section
4 22-101; except that this Section applies to a person who
5 elected to establish alternative credits by electing in
6 writing after January 1, 2011, but before August 8, 2011,
7 under Section 7-145.1 of this Code. Notwithstanding anything
8 to the contrary in this Section, for purposes of this Section,
9 a person who is a Tier 1 regular employee as defined in Section
10 7-109.4 of this Code or who participated in a retirement
11 system under Article 15 prior to January 1, 2011 shall be
12 deemed a person who first became a member or participant prior
13 to January 1, 2011 under any retirement system or pension fund
14 subject to this Section. The changes made to this Section by
15 Public Act 98-596 are a clarification of existing law and are
16 intended to be retroactive to January 1, 2011 (the effective
17 date of Public Act 96-889), notwithstanding the provisions of
18 Section 1-103.1 of this Code.

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

26 ~~This Section does not apply to a person who first becomes a~~

1 ~~member or participant under Article 16 on or after the~~
2 ~~implementation date of the plan created under Section 1-161~~
3 ~~for that Article, unless that person elects under subsection~~
4 ~~(b) of Section 1-161 to instead receive the benefits provided~~
5 ~~under this Section and the applicable provisions of that~~
6 ~~Article.~~

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

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

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

1 retirement system or pension fund to which this Section
2 applies on or after January 1, 2011, in this Code, "final
3 average salary" shall be substituted for the following:

4 (1) (Blank).

5 (2) In Articles 8, 9, 10, 11, and 12, "highest average
6 annual salary for any 4 consecutive years within the last
7 10 years of service immediately preceding the date of
8 withdrawal".

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

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

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

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

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

20 (A) the amount otherwise calculated under the first
21 paragraph of this subsection; or

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

1 years) of service within the last 120 months (or 10 years)
2 of service in which the total salary or earnings
3 calculated under the Article was the highest by the number
4 of months (or years) of service in that period.

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

16 For the purposes of this Section, "consumer price index-u"
17 means the index published by the Bureau of Labor Statistics of
18 the United States Department of Labor that measures the
19 average change in prices of goods and services purchased by
20 all urban consumers, United States city average, all items,
21 1982-84 = 100. The new amount resulting from each annual
22 adjustment shall be determined by the Public Pension Division
23 of the Department of Insurance and made available to the
24 boards of the retirement systems and pension funds by November
25 1 of each year.

26 (b-10) Beginning on January 1, 2024, for all purposes

1 under this Code (including, without limitation, the
2 calculation of benefits and employee contributions), the
3 annual earnings, salary, or wages (based on the plan year) of a
4 member or participant under Article 9 to whom this Section
5 applies shall include an annual earnings, salary, or wage cap
6 that tracks the Social Security wage base. Maximum annual
7 earnings, wages, or salary shall be the annual contribution
8 and benefit base established for the applicable year by the
9 Commissioner of the Social Security Administration under the
10 federal Social Security Act.

11 However, in no event shall the annual earnings, salary, or
12 wages for the purposes of this Article and Article 9 exceed any
13 limitation imposed on annual earnings, salary, or wages under
14 Section 1-117. Under no circumstances shall the maximum amount
15 of annual earnings, salary, or wages be greater than the
16 amount set forth in this subsection (b-10) as a result of
17 reciprocal service or any provisions regarding reciprocal
18 services, nor shall the Fund under Article 9 be required to pay
19 any refund as a result of the application of this maximum
20 annual earnings, salary, and wage cap.

21 Nothing in this subsection (b-10) shall cause or otherwise
22 result in any retroactive adjustment of any employee
23 contributions. Nothing in this subsection (b-10) shall cause
24 or otherwise result in any retroactive adjustment of
25 disability or other payments made between January 1, 2011 and
26 January 1, 2024.

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (age 65, with respect to service under Article 12 that is
4 subject to this Section, for a member or participant under
5 Article 12 who first becomes a member or participant under
6 Article 12 on or after January 1, 2022 or who makes the
7 election under item (i) of subsection (d-15) of this Section)
8 and has at least 10 years of service credit and is otherwise
9 eligible under the requirements of the applicable Article.

10 A member or participant who has attained age 62 (age 60,
11 with respect to service under Article 12 that is subject to
12 this Section, for a member or participant under Article 12 who
13 first becomes a member or participant under Article 12 on or
14 after January 1, 2022 or who makes the election under item (i)
15 of subsection (d-15) of this Section) and has at least 10 years
16 of service credit and is otherwise eligible under the
17 requirements of the applicable Article may elect to receive
18 the lower retirement annuity provided in subsection (d) of
19 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 (age 60, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section) with at least 10 years of service
10 credit shall be reduced by one-half of 1% for each full month
11 that the member's age is under age 67 (age 65, with respect to
12 service under Article 12 that is subject to this Section, for a
13 member or participant under Article 12 who first becomes a
14 member or participant under Article 12 on or after January 1,
15 2022 or who makes the election under item (i) of subsection
16 (d-15) of this Section).

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

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

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

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

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

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

1 either:

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

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

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

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

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

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

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

1 Public Act 100-23).

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

1 each November 1 is zero or there is a decrease, then the
2 annuity shall not be increased.

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

21 (h) If a person who first becomes a member or a participant
22 of a retirement system or pension fund subject to this Section
23 on or after January 1, 2011 is receiving a retirement annuity
24 or retirement pension under that system or fund and becomes a
25 member or participant under any other system or fund created
26 by this Code and is employed on a full-time basis, except for

1 those members or participants exempted from the provisions of
2 this Section under subsection (a) of this Section, then the
3 person's retirement annuity or retirement pension under that
4 system or fund shall be suspended during that employment. Upon
5 termination of that employment, the person's retirement
6 annuity or retirement pension payments shall resume and be
7 recalculated if recalculation is provided for under the
8 applicable Article of this Code.

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

1 be recalculated under the applicable provisions of this Code.

2 (i) (Blank).

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

6 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
7 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
8 5-13-22.)

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

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

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

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

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

17 ~~This Section does not apply to a person who first becomes a~~
18 ~~member or participant under Article 16 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 elects under~~
25 ~~subsection (c-5) of Section 1-161 to receive the benefits~~
26 ~~under Section 1-161.~~

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

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

21 (1) (Blank).

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

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

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

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

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

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

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

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

22 (b-5) Beginning on January 1, 2011, for all purposes under
23 this Code (including without limitation the calculation of
24 benefits and employee contributions), the annual earnings,
25 salary, or wages (based on the plan year) of a member or
26 participant to whom this Section applies shall not exceed

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

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

17 (b-10) Beginning on January 1, 2024, for all purposes
18 under this Code (including, without limitation, the
19 calculation of benefits and employee contributions), the
20 annual earnings, salary, or wages (based on the plan year) of a
21 member or participant under Article 9 to whom this Section
22 applies shall include an annual earnings, salary, or wage cap
23 that tracks the Social Security wage base. Maximum annual
24 earnings, wages, or salary shall be the annual contribution
25 and benefit base established for the applicable year by the
26 Commissioner of the Social Security Administration under the

1 federal Social Security Act.

2 However, in no event shall the annual earnings, salary, or
3 wages for the purposes of this Article and Article 9 exceed any
4 limitation imposed on annual earnings, salary, or wages under
5 Section 1-117. Under no circumstances shall the maximum amount
6 of annual earnings, salary, or wages be greater than the
7 amount set forth in this subsection (b-10) as a result of
8 reciprocal service or any provisions regarding reciprocal
9 services, nor shall the Fund under Article 9 be required to pay
10 any refund as a result of the application of this maximum
11 annual earnings, salary, and wage cap.

12 Nothing in this subsection (b-10) shall cause or otherwise
13 result in any retroactive adjustment of any employee
14 contributions. Nothing in this subsection (b-10) shall cause
15 or otherwise result in any retroactive adjustment of
16 disability or other payments made between January 1, 2011 and
17 January 1, 2024.

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).

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

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

18 (i) to be eligible for the reduced retirement age
19 provided in subsections (c-5) and (d-5) of this Section,
20 the eligibility for which is conditioned upon the member
21 or participant agreeing to the increases in employee
22 contributions for age and service annuities provided in
23 subsection (a-5) of Section 8-174 of this Code (for
24 service under Article 8) or subsection (a-5) of Section
25 11-170 of this Code (for service under Article 11); or

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall
2 continue to be subject to the retirement age provisions in
3 subsections (c) and (d) of this Section and the employee
4 contributions for age and service annuity as provided in
5 subsection (a) of Section 8-174 of this Code (for service
6 under Article 8) or subsection (a) of Section 11-170 of
7 this Code (for service under Article 11).

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

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

19 (i) to be eligible for the reduced retirement age
20 specified in subsections (c) and (d) of this Section, the
21 eligibility for which is conditioned upon the member or
22 participant agreeing to the increase in employee
23 contributions for service annuities specified in
24 subsection (b) of Section 12-150; or

25 (ii) to not agree to item (i) of this subsection
26 (d-15), in which case the member or participant shall not

1 be eligible for the reduced retirement age specified in
2 subsections (c) and (d) of this Section and shall not be
3 subject to the increase in employee contributions for
4 service annuities specified in subsection (b) of Section
5 12-150.

6 The election provided for in this subsection shall be made
7 between January 1, 2022 and April 1, 2022. A person subject to
8 this subsection who makes the required election shall remain
9 bound by that election. A person subject to this subsection
10 who fails for any reason to make the required election within
11 the time specified in this subsection shall be deemed to have
12 made the election under item (ii).

13 (e) Any retirement annuity or supplemental annuity shall
14 be subject to annual increases on the January 1 occurring
15 either on or after the attainment of age 67 (age 65, with
16 respect to service under Article 12 that is subject to this
17 Section, for a member or participant under Article 12 who
18 first becomes a member or participant under Article 12 on or
19 after January 1, 2022 or who makes the election under item (i)
20 of subsection (d-15); and beginning on July 6, 2017 (the
21 effective date of Public Act 100-23), age 65 with respect to
22 service under Article 8 or Article 11 for eligible persons
23 who: (i) are subject to subsection (c-5) of this Section; or
24 (ii) made the election under item (i) of subsection (d-10) of
25 this Section) or the first anniversary of the annuity start
26 date, whichever is later. Each annual increase shall be

1 calculated at 3% or one-half the annual unadjusted percentage
2 increase (but not less than zero) in the consumer price
3 index-u for the 12 months ending with the September preceding
4 each November 1, whichever is less, of the originally granted
5 retirement annuity. If the annual unadjusted percentage change
6 in the consumer price index-u for the 12 months ending with the
7 September preceding each November 1 is zero or there is a
8 decrease, then the annuity shall not be increased.

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

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

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

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

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

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

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

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

20 (i) (Blank).

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

24 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
25 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
26 8-11-23.)

1 (40 ILCS 5/15-108.2)

2 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person
3 who first becomes a participant under this Article on or after
4 January 1, 2011 ~~and before the implementation date, as defined~~
5 ~~under subsection (a) of Section 1-161, determined by the~~
6 ~~Board,~~ other than a person in the self-managed plan
7 established under Section 15-158.2 ~~or a person who makes the~~
8 ~~election under subsection (c) of Section 1-161,~~ unless the
9 person is otherwise a Tier 1 member. The changes made to this
10 Section by this amendatory Act of the 98th General Assembly
11 are a correction of existing law and are intended to be
12 retroactive to the effective date of Public Act 96-889,
13 notwithstanding the provisions of Section 1-103.1 of this
14 Code.

15 (Source: P.A. 100-23, eff. 7-6-17; 100-563, eff. 12-8-17.)

16 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

17 Sec. 15-155. Employer contributions.

18 (a) The State of Illinois shall make contributions by
19 appropriations of amounts which, together with the other
20 employer contributions from trust, federal, and other funds,
21 employee contributions, income from investments, and other
22 income of this System, will be sufficient to meet the cost of
23 maintaining and administering the System on a 90% funded basis
24 in accordance with actuarial recommendations.

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

6 (a-1) For State fiscal years 2012 through 2045, the
7 minimum contribution to the System to be made by the State for
8 each fiscal year shall be an amount determined by the System to
9 be sufficient to bring the total assets of the System up to 90%
10 of the total actuarial liabilities of the System by the end of
11 State fiscal year 2045. In making these determinations, the
12 required State contribution shall be calculated each year as a
13 level percentage of payroll over the years remaining to and
14 including fiscal year 2045 and shall be determined under the
15 projected unit credit actuarial cost method.

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

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

1 A change in an actuarial or investment assumption that
2 increases or decreases the required State contribution and
3 first applied to the State contribution in fiscal year 2014,
4 2015, 2016, or 2017 shall be implemented:

5 (i) as already applied in State fiscal years before
6 2018; and

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

14 For State fiscal years 1996 through 2005, the State
15 contribution to the System, as a percentage of the applicable
16 employee payroll, shall be increased in equal annual
17 increments so that by State fiscal year 2011, the State is
18 contributing at the rate required under this Section.

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

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

25 For each of State fiscal years 2008 through 2009, the
26 State contribution to the System, as a percentage of the

1 applicable employee payroll, shall be increased in equal
2 annual increments from the required State contribution for
3 State fiscal year 2007, so that by State fiscal year 2011, the
4 State is contributing at the rate otherwise required under
5 this Section.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2010
8 is \$702,514,000 and shall be made from the State Pensions Fund
9 and proceeds of bonds sold in fiscal year 2010 pursuant to
10 Section 7.2 of the General Obligation Bond Act, less (i) the
11 pro rata share of bond sale expenses determined by the
12 System's share of total bond proceeds, (ii) any amounts
13 received from the General Revenue Fund in fiscal year 2010,
14 (iii) any reduction in bond proceeds due to the issuance of
15 discounted bonds, if applicable.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2011
18 is the amount recertified by the System on or before April 1,
19 2011 pursuant to Section 15-165 and shall be made from the
20 State Pensions Fund and proceeds of bonds sold in fiscal year
21 2011 pursuant to Section 7.2 of the General Obligation Bond
22 Act, less (i) the pro rata share of bond sale expenses
23 determined by the System's share of total bond proceeds, (ii)
24 any amounts received from the General Revenue Fund in fiscal
25 year 2011, and (iii) any reduction in bond proceeds due to the
26 issuance of discounted bonds, if applicable.

1 Beginning in State fiscal year 2046, the minimum State
2 contribution for each fiscal year shall be the amount needed
3 to maintain the total assets of the System at 90% of the total
4 actuarial liabilities of the System.

5 Amounts received by the System pursuant to Section 25 of
6 the Budget Stabilization Act or Section 8.12 of the State
7 Finance Act in any fiscal year do not reduce and do not
8 constitute payment of any portion of the minimum State
9 contribution required under this Article in that fiscal year.
10 Such amounts shall not reduce, and shall not be included in the
11 calculation of, the required State contributions under this
12 Article in any future year until the System has reached a
13 funding ratio of at least 90%. A reference in this Article to
14 the "required State contribution" or any substantially similar
15 term does not include or apply to any amounts payable to the
16 System under Section 25 of the Budget Stabilization Act.

17 Notwithstanding any other provision of this Section, the
18 required State contribution for State fiscal year 2005 and for
19 fiscal year 2008 and each fiscal year thereafter, as
20 calculated under this Section and certified under Section
21 15-165, shall not exceed an amount equal to (i) the amount of
22 the required State contribution that would have been
23 calculated under this Section for that fiscal year if the
24 System had not received any payments under subsection (d) of
25 Section 7.2 of the General Obligation Bond Act, minus (ii) the
26 portion of the State's total debt service payments for that

1 fiscal year on the bonds issued in fiscal year 2003 for the
2 purposes of that Section 7.2, as determined and certified by
3 the Comptroller, that is the same as the System's portion of
4 the total moneys distributed under subsection (d) of Section
5 7.2 of the General Obligation Bond Act. In determining this
6 maximum for State fiscal years 2008 through 2010, however, the
7 amount referred to in item (i) shall be increased, as a
8 percentage of the applicable employee payroll, in equal
9 increments calculated from the sum of the required State
10 contribution for State fiscal year 2007 plus the applicable
11 portion of the State's total debt service payments for fiscal
12 year 2007 on the bonds issued in fiscal year 2003 for the
13 purposes of Section 7.2 of the General Obligation Bond Act, so
14 that, by State fiscal year 2011, the State is contributing at
15 the rate otherwise required under this Section.

16 (a-2) (Blank). ~~Beginning in fiscal year 2018, each~~
17 ~~employer under this Article shall pay to the System a required~~
18 ~~contribution determined as a percentage of projected payroll~~
19 ~~and sufficient to produce an annual amount equal to:~~

20 ~~(i) for each of fiscal years 2018, 2019, and 2020, the~~
21 ~~defined benefit normal cost of the defined benefit plan,~~
22 ~~less the employee contribution, for each employee of that~~
23 ~~employer who has elected or who is deemed to have elected~~
24 ~~the benefits under Section 1-161 or who has made the~~
25 ~~election under subsection (c) of Section 1-161; for fiscal~~
26 ~~year 2021 and each fiscal year thereafter, the defined~~

~~benefit normal cost of the defined benefit plan, less the employee contribution, plus 2%, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161; plus~~

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

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

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

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

~~As used in this subsection, "academic year" means the~~

1 ~~12-month period beginning September 1.~~

2 (b) If an employee is paid from trust or federal funds, the
3 employer shall pay to the Board contributions from those funds
4 which are sufficient to cover the accruing normal costs on
5 behalf of the employee. However, universities having employees
6 who are compensated out of local auxiliary funds, income
7 funds, or service enterprise funds are not required to pay
8 such contributions on behalf of those employees. The local
9 auxiliary funds, income funds, and service enterprise funds of
10 universities shall not be considered trust funds for the
11 purpose of this Article, but funds of alumni associations,
12 foundations, and athletic associations which are affiliated
13 with the universities included as employers under this Article
14 and other employers which do not receive State appropriations
15 are considered to be trust funds for the purpose of this
16 Article.

17 (b-1) The City of Urbana and the City of Champaign shall
18 each make employer contributions to this System for their
19 respective firefighter employees who participate in this
20 System pursuant to subsection (h) of Section 15-107. The rate
21 of contributions to be made by those municipalities shall be
22 determined annually by the Board on the basis of the actuarial
23 assumptions adopted by the Board and the recommendations of
24 the actuary, and shall be expressed as a percentage of salary
25 for each such employee. The Board shall certify the rate to the
26 affected municipalities as soon as may be practical. The

1 employer contributions required under this subsection shall be
2 remitted by the municipality to the System at the same time and
3 in the same manner as employee contributions.

4 (c) Through State fiscal year 1995: The total employer
5 contribution shall be apportioned among the various funds of
6 the State and other employers, whether trust, federal, or
7 other funds, in accordance with actuarial procedures approved
8 by the Board. State of Illinois contributions for employers
9 receiving State appropriations for personal services shall be
10 payable from appropriations made to the employers or to the
11 System. The contributions for Class I community colleges
12 covering earnings other than those paid from trust and federal
13 funds, shall be payable solely from appropriations to the
14 Illinois Community College Board or the System for employer
15 contributions.

16 (d) Beginning in State fiscal year 1996, the required
17 State contributions to the System shall be appropriated
18 directly to the System and shall be payable through vouchers
19 issued in accordance with subsection (c) of Section 15-165,
20 except as provided in subsection (g).

21 (e) The State Comptroller shall draw warrants payable to
22 the System upon proper certification by the System or by the
23 employer in accordance with the appropriation laws and this
24 Code.

25 (f) Normal costs under this Section means liability for
26 pensions and other benefits which accrues to the System

1 because of the credits earned for service rendered by the
2 participants during the fiscal year and expenses of
3 administering the System, but shall not include the principal
4 of or any redemption premium or interest on any bonds issued by
5 the Board or any expenses incurred or deposits required in
6 connection therewith.

7 (g) If the amount of a participant's earnings for any
8 academic year used to determine the final rate of earnings,
9 determined on a full-time equivalent basis, exceeds the amount
10 of his or her earnings with the same employer for the previous
11 academic year, determined on a full-time equivalent basis, by
12 more than 6%, the participant's employer shall pay to the
13 System, in addition to all other payments required under this
14 Section and in accordance with guidelines established by the
15 System, the present value of the increase in benefits
16 resulting from the portion of the increase in earnings that is
17 in excess of 6%. This present value shall be computed by the
18 System on the basis of the actuarial assumptions and tables
19 used in the most recent actuarial valuation of the System that
20 is available at the time of the computation. The System may
21 require the employer to provide any pertinent information or
22 documentation.

23 Whenever it determines that a payment is or may be
24 required under this subsection (g), the System shall calculate
25 the amount of the payment and bill the employer for that
26 amount. The bill shall specify the calculations used to

1 determine the amount due. If the employer disputes the amount
2 of the bill, it may, within 30 days after receipt of the bill,
3 apply to the System in writing for a recalculation. The
4 application must specify in detail the grounds of the dispute
5 and, if the employer asserts that the calculation is subject
6 to subsection (h), (h-5), or (i) of this Section, must include
7 an affidavit setting forth and attesting to all facts within
8 the employer's knowledge that are pertinent to the
9 applicability of that subsection. Upon receiving a timely
10 application for recalculation, the System shall review the
11 application and, if appropriate, recalculate the amount due.

12 The employer contributions required under this subsection
13 (g) may be paid in the form of a lump sum within 90 days after
14 receipt of the bill. If the employer contributions are not
15 paid within 90 days after receipt of the bill, then interest
16 will be charged at a rate equal to the System's annual
17 actuarially assumed rate of return on investment compounded
18 annually from the 91st day after receipt of the bill. Payments
19 must be concluded within 3 years after the employer's receipt
20 of the bill.

21 When assessing payment for any amount due under this
22 subsection (g), the System shall include earnings, to the
23 extent not established by a participant under Section
24 15-113.11 or 15-113.12, that would have been paid to the
25 participant had the participant not taken (i) periods of
26 voluntary or involuntary furlough occurring on or after July

1 1, 2015 and on or before June 30, 2017 or (ii) periods of
2 voluntary pay reduction in lieu of furlough occurring on or
3 after July 1, 2015 and on or before June 30, 2017. Determining
4 earnings that would have been paid to a participant had the
5 participant not taken periods of voluntary or involuntary
6 furlough or periods of voluntary pay reduction shall be the
7 responsibility of the employer, and shall be reported in a
8 manner prescribed by the System.

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

13 (g-1) (Blank).

14 (h) This subsection (h) applies only to payments made or
15 salary increases given on or after June 1, 2005 but before July
16 1, 2011. The changes made by Public Act 94-1057 shall not
17 require the System to refund any payments received before July
18 31, 2006 (the effective date of Public Act 94-1057).

19 When assessing payment for any amount due under subsection
20 (g), the System shall exclude earnings increases paid to
21 participants under contracts or collective bargaining
22 agreements entered into, amended, or renewed before June 1,
23 2005.

24 When assessing payment for any amount due under subsection
25 (g), the System shall exclude earnings increases paid to a
26 participant at a time when the participant is 10 or more years

1 from retirement eligibility under Section 15-135.

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

16 When assessing payment for any amount due under subsection
17 (g), the System shall exclude any earnings increase resulting
18 from (i) a promotion for which the employee moves from one
19 classification to a higher classification under the State
20 Universities Civil Service System, (ii) a promotion in
21 academic rank for a tenured or tenure-track faculty position,
22 or (iii) a promotion that the Illinois Community College Board
23 has recommended in accordance with subsection (k) of this
24 Section. These earnings increases shall be excluded only if
25 the promotion is to a position that has existed and been filled
26 by a member for no less than one complete academic year and the

1 earnings increase as a result of the promotion is an increase
2 that results in an amount no greater than the average salary
3 paid for other similar positions.

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

11 (i) When assessing payment for any amount due under
12 subsection (g), the System shall exclude any salary increase
13 described in subsection (h) of this Section given on or after
14 July 1, 2011 but before July 1, 2014 under a contract or
15 collective bargaining agreement entered into, amended, or
16 renewed on or after June 1, 2005 but before July 1, 2011.
17 Except as provided in subsection (h-5), any payments made or
18 salary increases given after June 30, 2014 shall be used in
19 assessing payment for any amount due under subsection (g) of
20 this Section.

21 (j) The System shall prepare a report and file copies of
22 the report with the Governor and the General Assembly by
23 January 1, 2007 that contains all of the following
24 information:

25 (1) The number of recalculations required by the
26 changes made to this Section by Public Act 94-1057 for

1 each employer.

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

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

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

11 (j-5) For State fiscal years beginning on or after July 1,
12 2017, if the amount of a participant's earnings for any State
13 fiscal year exceeds the amount of the salary set by law for the
14 Governor that is in effect on July 1 of that fiscal year, the
15 participant's employer shall pay to the System, in addition to
16 all other payments required under this Section and in
17 accordance with guidelines established by the System, an
18 amount determined by the System to be equal to the employer
19 normal cost, as established by the System and expressed as a
20 total percentage of payroll, multiplied by the amount of
21 earnings in excess of the amount of the salary set by law for
22 the Governor. This amount shall be computed by the System on
23 the basis of the actuarial assumptions and tables used in the
24 most recent actuarial valuation of the System that is
25 available at the time of the computation. The System may
26 require the employer to provide any pertinent information or

1 documentation.

2 Whenever it determines that a payment is or may be
3 required under this subsection, the System shall calculate the
4 amount of the payment and bill the employer for that amount.
5 The bill shall specify the calculation used to determine the
6 amount due. If the employer disputes the amount of the bill, it
7 may, within 30 days after receipt of the bill, apply to the
8 System in writing for a recalculation. The application must
9 specify in detail the grounds of the dispute. Upon receiving a
10 timely application for recalculation, the System shall review
11 the application and, if appropriate, recalculate the amount
12 due.

13 The employer contributions required under this subsection
14 may be paid in the form of a lump sum within 90 days after
15 issuance of the bill. If the employer contributions are not
16 paid within 90 days after issuance of the bill, then interest
17 will be charged at a rate equal to the System's annual
18 actuarially assumed rate of return on investment compounded
19 annually from the 91st day after issuance of the bill. All
20 payments must be received within 3 years after issuance of the
21 bill. If the employer fails to make complete payment,
22 including applicable interest, within 3 years, then the System
23 may, after giving notice to the employer, certify the
24 delinquent amount to the State Comptroller, and the
25 Comptroller shall thereupon deduct the certified delinquent
26 amount from State funds payable to the employer and pay them

1 instead to the System.

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

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

8 (k) The Illinois Community College Board shall adopt rules
9 for recommending lists of promotional positions submitted to
10 the Board by community colleges and for reviewing the
11 promotional lists on an annual basis. When recommending
12 promotional lists, the Board shall consider the similarity of
13 the positions submitted to those positions recognized for
14 State universities by the State Universities Civil Service
15 System. The Illinois Community College Board shall file a copy
16 of its findings with the System. The System shall consider the
17 findings of the Illinois Community College Board when making
18 determinations under this Section. The System shall not
19 exclude any earnings increases resulting from a promotion when
20 the promotion was not submitted by a community college.
21 Nothing in this subsection (k) shall require any community
22 college to submit any information to the Community College
23 Board.

24 (l) For purposes of determining the required State
25 contribution to the System, the value of the System's assets
26 shall be equal to the actuarial value of the System's assets,

1 which shall be calculated as follows:

2 As of June 30, 2008, the actuarial value of the System's
3 assets shall be equal to the market value of the assets as of
4 that date. In determining the actuarial value of the System's
5 assets for fiscal years after June 30, 2008, any actuarial
6 gains or losses from investment return incurred in a fiscal
7 year shall be recognized in equal annual amounts over the
8 5-year period following that fiscal year.

9 (m) For purposes of determining the required State
10 contribution to the system for a particular year, the
11 actuarial value of assets shall be assumed to earn a rate of
12 return equal to the system's actuarially assumed rate of
13 return.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
15 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.
16 5-13-22.)

17 (40 ILCS 5/16-158.3)

18 Sec. 16-158.3. Individual employer accounts.

19 (a) The System shall create and maintain an individual
20 account for each employer for the purposes of determining
21 employer contributions under subsection (b-4) of Section
22 16-158. Each employer's account shall be notionally charged
23 with the liabilities attributable to that employer and
24 credited with the assets attributable to that employer.

25 (b) Beginning with fiscal year 2018, the System shall

1 assign notional liabilities to each employer's account, equal
2 to the amount of the employer contributions required to be
3 made by the employer pursuant to items (i) and (ii) of
4 subsection (b-4) of Section 16-158, ~~plus any unfunded~~
5 ~~actuarial accrued liability associated with the defined~~
6 ~~benefits attributable to the employer's employees who first~~
7 ~~became members on or after the implementation date and the~~
8 ~~employer's employees who made the election under subsection~~
9 ~~(c-5) of Section 1-161.~~

10 (c) Beginning with fiscal year 2018, the System shall
11 assign notional assets to each employer's account equal to the
12 amounts of employer contributions made pursuant to items (i)
13 and (ii) of subsection (b-4) of Section 16-158.

14 (Source: P.A. 100-23, eff. 7-6-17.)

15 (40 ILCS 5/1-161 rep.)

16 (40 ILCS 5/1-162 rep.)

17 (40 ILCS 5/15-155.2 rep.)

18 Section 10-10. The Illinois Pension Code is amended by
19 repealing Sections 1-161, 1-162, and 15-155.2.

20 Article 11.

21 Section 11-5. The Illinois Pension Code is amended by
22 changing Sections 1-160 and 14-110 as follows:

1 (40 ILCS 5/1-160)

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

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

4 (a) The provisions of this Section apply to a person who,
5 on or after January 1, 2011, first becomes a member or a
6 participant under any reciprocal retirement system or pension
7 fund established under this Code, other than a retirement
8 system or pension fund established under Article 2, 3, 4, 5, 6,
9 7, 15, or 18 of this Code, notwithstanding any other provision
10 of this Code to the contrary, but do not apply to any
11 self-managed plan established under this Code or to any
12 participant of the retirement plan established under Section
13 22-101; except that this Section applies to a person who
14 elected to establish alternative credits by electing in
15 writing after January 1, 2011, but before August 8, 2011,
16 under Section 7-145.1 of this Code. Notwithstanding anything
17 to the contrary in this Section, for purposes of this Section,
18 a person who is a Tier 1 regular employee as defined in Section
19 7-109.4 of this Code or who participated in a retirement
20 system under Article 15 prior to January 1, 2011 shall be
21 deemed a person who first became a member or participant prior
22 to January 1, 2011 under any retirement system or pension fund
23 subject to this Section. The changes made to this Section by
24 Public Act 98-596 are a clarification of existing law and are
25 intended to be retroactive to January 1, 2011 (the effective
26 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

2 This Section does not apply to a person who first becomes a
3 noncovered employee under Article 14 on or after the
4 implementation date of the plan created under Section 1-161
5 for that Article, unless that person elects under subsection
6 (b) of Section 1-161 to instead receive the benefits provided
7 under this Section and the applicable provisions of that
8 Article.

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

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

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

26 (b) "Final average salary" means, except as otherwise

1 provided in this subsection, the average monthly (or annual)
2 salary obtained by dividing the total salary or earnings
3 calculated under the Article applicable to the member or
4 participant during the 96 consecutive months (or 8 consecutive
5 years) of service within the last 120 months (or 10 years) of
6 service in which the total salary or earnings calculated under
7 the applicable Article was the highest by the number of months
8 (or years) of service in that period. For the purposes of a
9 person who first becomes a member or participant of any
10 retirement system or pension fund to which this Section
11 applies on or after January 1, 2011, in this Code, "final
12 average salary" shall be substituted for the following:

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average
15 annual salary for any 4 consecutive years within the last
16 10 years of service immediately preceding the date of
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State
24 of Illinois who retires on or after June 1, 2021 and for whom
25 the 2020-2021 school year is used in the calculation of the
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final
2 average salary:

3 (A) the amount otherwise calculated under the first
4 paragraph of this subsection; or

5 (B) an amount calculated by the Teachers' Retirement
6 System of the State of Illinois using the average of the
7 monthly (or annual) salary obtained by dividing the total
8 salary or earnings calculated under Article 16 applicable
9 to the member or participant during the 96 months (or 8
10 years) of service within the last 120 months (or 10 years)
11 of service in which the total salary or earnings
12 calculated under the Article was the highest by the number
13 of months (or years) of service in that period.

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

25 For the purposes of this Section, "consumer price index-u"
26 means the index published by the Bureau of Labor Statistics of

1 the United States Department of Labor that measures the
2 average change in prices of goods and services purchased by
3 all urban consumers, United States city average, all items,
4 1982-84 = 100. The new amount resulting from each annual
5 adjustment shall be determined by the Public Pension Division
6 of the Department of Insurance and made available to the
7 boards of the retirement systems and pension funds by November
8 1 of each year.

9 (b-10) Beginning on January 1, 2024, for all purposes
10 under this Code (including, without limitation, the
11 calculation of benefits and employee contributions), the
12 annual earnings, salary, or wages (based on the plan year) of a
13 member or participant under Article 9 to whom this Section
14 applies shall include an annual earnings, salary, or wage cap
15 that tracks the Social Security wage base. Maximum annual
16 earnings, wages, or salary shall be the annual contribution
17 and benefit base established for the applicable year by the
18 Commissioner of the Social Security Administration under the
19 federal Social Security Act.

20 However, in no event shall the annual earnings, salary, or
21 wages for the purposes of this Article and Article 9 exceed any
22 limitation imposed on annual earnings, salary, or wages under
23 Section 1-117. Under no circumstances shall the maximum amount
24 of annual earnings, salary, or wages be greater than the
25 amount set forth in this subsection (b-10) as a result of
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay
2 any refund as a result of the application of this maximum
3 annual earnings, salary, and wage cap.

4 Nothing in this subsection (b-10) shall cause or otherwise
5 result in any retroactive adjustment of any employee
6 contributions. Nothing in this subsection (b-10) shall cause
7 or otherwise result in any retroactive adjustment of
8 disability or other payments made between January 1, 2011 and
9 January 1, 2024.

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

19 A member or participant who has attained age 62 (age 60,
20 with respect to service under Article 12 that is subject to
21 this Section, for a member or participant under Article 12 who
22 first becomes a member or participant under Article 12 on or
23 after January 1, 2022 or who makes the election under item (i)
24 of subsection (d-15) of this Section) and has at least 10 years
25 of service credit and is otherwise eligible under the
26 requirements of the applicable Article may elect to receive

1 the lower retirement annuity provided in subsection (d) of
2 this Section.

3 (c-5) A person who first becomes a member or a participant
4 subject to this Section on or after July 6, 2017 (the effective
5 date of Public Act 100-23), notwithstanding any other
6 provision of this Code to the contrary, is entitled to a
7 retirement annuity under Article 8 or Article 11 upon written
8 application if he or she has attained age 65 and has at least
9 10 years of service credit and is otherwise eligible under the
10 requirements of Article 8 or Article 11 of this Code,
11 whichever is applicable.

12 (d) The retirement annuity of a member or participant who
13 is retiring after attaining age 62 (age 60, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section) with at least 10 years of service
19 credit shall be reduced by one-half of 1% for each full month
20 that the member's age is under age 67 (age 65, with respect to
21 service under Article 12 that is subject to this Section, for a
22 member or participant under Article 12 who first becomes a
23 member or participant under Article 12 on or after January 1,
24 2022 or who makes the election under item (i) of subsection
25 (d-15) of this Section).

26 (d-5) The retirement annuity payable under Article 8 or

1 Article 11 to an eligible person subject to subsection (c-5)
2 of this Section who is retiring at age 60 with at least 10
3 years of service credit shall be reduced by one-half of 1% for
4 each full month that the member's age is under age 65.

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

10 (i) to be eligible for the reduced retirement age
11 provided in subsections (c-5) and (d-5) of this Section,
12 the eligibility for which is conditioned upon the member
13 or participant agreeing to the increases in employee
14 contributions for age and service annuities provided in
15 subsection (a-5) of Section 8-174 of this Code (for
16 service under Article 8) or subsection (a-5) of Section
17 11-170 of this Code (for service under Article 11); or

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

26 The election provided for in this subsection shall be made

1 between October 1, 2017 and November 15, 2017. A person
2 subject to this subsection who makes the required election
3 shall remain bound by that election. A person subject to this
4 subsection who fails for any reason to make the required
5 election within the time specified in this subsection shall be
6 deemed to have made the election under item (ii).

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

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

17 (ii) to not agree to item (i) of this subsection
18 (d-15), in which case the member or participant shall not
19 be eligible for the reduced retirement age specified in
20 subsections (c) and (d) of this Section and shall not be
21 subject to the increase in employee contributions for
22 service annuities specified in subsection (b) of Section
23 12-150.

24 The election provided for in this subsection shall be made
25 between January 1, 2022 and April 1, 2022. A person subject to
26 this subsection who makes the required election shall remain

1 bound by that election. A person subject to this subsection
2 who fails for any reason to make the required election within
3 the time specified in this subsection shall be deemed to have
4 made the election under item (ii).

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

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

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

11 (f) The initial survivor's or widow's annuity of an
12 otherwise eligible survivor or widow of a retired member or
13 participant who first became a member or participant on or
14 after January 1, 2011 shall be in the amount of 66 2/3% of the
15 retired member's or participant's retirement annuity at the
16 date of death. In the case of the death of a member or
17 participant who has not retired and who first became a member
18 or participant on or after January 1, 2011, eligibility for a
19 survivor's or widow's annuity shall be determined by the
20 applicable Article of this Code. The initial benefit shall be
21 66 2/3% of the earned annuity without a reduction due to age. A
22 child's annuity of an otherwise eligible child shall be in the
23 amount prescribed under each Article if applicable. Any
24 survivor's or widow's annuity shall be increased (1) on each
25 January 1 occurring on or after the commencement of the
26 annuity if the deceased member died while receiving a

1 retirement annuity or (2) in other cases, on each January 1
2 occurring after the first anniversary of the commencement of
3 the annuity. 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 survivor's 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 (g) The benefits in Section 14-110 apply if the person is a
13 fire fighter in the fire protection service of a department,~~a~~
14 ~~security employee of the Department of Corrections or the~~
15 ~~Department of Juvenile Justice,~~ or a security employee of the
16 Department of Innovation and Technology, as those terms are
17 defined in subsection (b) and subsection (c) of Section
18 14-110. A person who meets the requirements of this Section is
19 entitled to an annuity calculated under the provisions of
20 Section 14-110, in lieu of the regular or minimum retirement
21 annuity, only if the person has withdrawn from service with
22 not less than 20 years of eligible creditable service and has
23 attained age 60, regardless of whether the attainment of age
24 60 occurs while the person is still in service.

25 (g-1) The benefits in Section 14-110 apply if the person
26 is a security employee of the Department of Corrections or the

1 Department of Juvenile Justice, a security employee of the
2 Department of Human Services, or an investigator for the
3 Department of the Lottery, as those terms are defined in
4 subsection (b) and subsection (c) of Section 14-110. A person
5 who meets the requirements of this Section is entitled to an
6 annuity calculated under the provisions of Section 14-110, in
7 lieu of the regular or minimum retirement annuity, only if the
8 person has withdrawn from service with not less than 20 years
9 of eligible creditable service and has attained age 55,
10 regardless of whether the attainment of age 55 occurs while
11 the person is still in service.

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

26 (h) If a person who first becomes a member or a participant

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

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

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

7 (i) (Blank).

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

11 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
12 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
13 5-6-22.)

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

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

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

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

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

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

1 under this Section and the applicable provisions of that
2 Article.

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

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

13 (b) "Final average salary" means, except as otherwise
14 provided in this subsection, the average monthly (or annual)
15 salary obtained by dividing the total salary or earnings
16 calculated under the Article applicable to the member or
17 participant during the 96 consecutive months (or 8 consecutive
18 years) of service within the last 120 months (or 10 years) of
19 service in which the total salary or earnings calculated under
20 the applicable Article was the highest by the number of months
21 (or years) of service in that period. For the purposes of a
22 person who first becomes a member or participant of any
23 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).

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

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

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

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

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

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

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

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

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

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

22 (b-10) Beginning on January 1, 2024, for all purposes
23 under this Code (including, without limitation, the
24 calculation of benefits and employee contributions), the
25 annual earnings, salary, or wages (based on the plan year) of a
26 member or participant under Article 9 to whom this Section

1 applies shall include an annual earnings, salary, or wage cap
2 that tracks the Social Security wage base. Maximum annual
3 earnings, wages, or salary shall be the annual contribution
4 and benefit base established for the applicable year by the
5 Commissioner of the Social Security Administration under the
6 federal Social Security Act.

7 However, in no event shall the annual earnings, salary, or
8 wages for the purposes of this Article and Article 9 exceed any
9 limitation imposed on annual earnings, salary, or wages under
10 Section 1-117. Under no circumstances shall the maximum amount
11 of annual earnings, salary, or wages be greater than the
12 amount set forth in this subsection (b-10) as a result of
13 reciprocal service or any provisions regarding reciprocal
14 services, nor shall the Fund under Article 9 be required to pay
15 any refund as a result of the application of this maximum
16 annual earnings, salary, and wage cap.

17 Nothing in this subsection (b-10) shall cause or otherwise
18 result in any retroactive adjustment of any employee
19 contributions. Nothing in this subsection (b-10) shall cause
20 or otherwise result in any retroactive adjustment of
21 disability or other payments made between January 1, 2011 and
22 January 1, 2024.

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

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

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

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

25 (d) The retirement annuity of a member or participant who
26 is retiring after attaining age 62 (age 60, with respect to

1 service under Article 12 that is subject to this Section, for a
2 member or participant under Article 12 who first becomes a
3 member or participant under Article 12 on or after January 1,
4 2022 or who makes the election under item (i) of subsection
5 (d-15) of this Section) with at least 10 years of service
6 credit shall be reduced by one-half of 1% for each full month
7 that the member's age is under age 67 (age 65, with respect to
8 service under Article 12 that is subject to this Section, for a
9 member or participant under Article 12 who first becomes a
10 member or participant under Article 12 on or after January 1,
11 2022 or who makes the election under item (i) of subsection
12 (d-15) of this Section).

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

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

23 (i) to be eligible for the reduced retirement age
24 provided in subsections (c-5) and (d-5) of this Section,
25 the eligibility for which is conditioned upon the member
26 or participant agreeing to the increases in employee

1 contributions for age and service annuities provided in
2 subsection (a-5) of Section 8-174 of this Code (for
3 service under Article 8) or subsection (a-5) of Section
4 11-170 of this Code (for service under Article 11); or

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

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

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

24 (i) to be eligible for the reduced retirement age
25 specified in subsections (c) and (d) of this Section, the
26 eligibility for which is conditioned upon the member or

1 participant agreeing to the increase in employee
2 contributions for service annuities specified in
3 subsection (b) of Section 12-150; or

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

11 The election provided for in this subsection shall be made
12 between January 1, 2022 and April 1, 2022. A person subject to
13 this subsection who makes the required election shall remain
14 bound by that election. A person subject to this subsection
15 who fails for any reason to make the required election within
16 the time specified in this subsection shall be deemed to have
17 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 (age 65, with
21 respect to service under Article 12 that is subject to this
22 Section, for a member or participant under Article 12 who
23 first becomes a member or participant under Article 12 on or
24 after January 1, 2022 or who makes the election under item (i)
25 of subsection (d-15); and beginning on July 6, 2017 (the
26 effective date of Public Act 100-23), age 65 with respect to

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

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

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

24 (f) The initial survivor's or widow's annuity of an
25 otherwise eligible survivor or widow of a retired member or
26 participant who first became a member or participant on or

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

25 (g) The benefits in Section 14-110 apply ~~only~~ if the
26 person is a State policeman, a fire fighter in the fire

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

17 (g-1) The benefits in Section 14-110 apply if the person
18 is a security employee of the Department of Corrections or the
19 Department of Juvenile Justice, a security employee of the
20 Department of Human Services, or an investigator for the
21 Department of the Lottery, as those terms are defined in
22 subsection (b) and subsection (c) of Section 14-110. A person
23 who meets the requirements of this Section is entitled to an
24 annuity calculated under the provisions of Section 14-110, in
25 lieu of the regular or minimum retirement annuity, only if the
26 person has withdrawn from service with not less than 20 years

1 of eligible creditable service and has attained age 55,
2 regardless of whether the attainment of age 55 occurs while
3 the person is still in service.

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

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

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

11 (i) (Blank).

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

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

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

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

20 (a) The provisions of this Section apply to a person who,
21 on or after January 1, 2011, first becomes a member or a
22 participant under any reciprocal retirement system or pension
23 fund established under this Code, other than a retirement
24 system or pension fund established under Article 2, 3, 4, 5, 6,
25 7, 15, or 18 of this Code, notwithstanding any other provision

1 of this Code to the contrary, but do not apply to any
2 self-managed plan established under this Code or to any
3 participant of the retirement plan established under Section
4 22-101; except that this Section applies to a person who
5 elected to establish alternative credits by electing in
6 writing after January 1, 2011, but before August 8, 2011,
7 under Section 7-145.1 of this Code. Notwithstanding anything
8 to the contrary in this Section, for purposes of this Section,
9 a person who is a Tier 1 regular employee as defined in Section
10 7-109.4 of this Code or who participated in a retirement
11 system under Article 15 prior to January 1, 2011 shall be
12 deemed a person who first became a member or participant prior
13 to January 1, 2011 under any retirement system or pension fund
14 subject to this Section. The changes made to this Section by
15 Public Act 98-596 are a clarification of existing law and are
16 intended to be retroactive to January 1, 2011 (the effective
17 date of Public Act 96-889), notwithstanding the provisions of
18 Section 1-103.1 of this Code.

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

26 This Section does not apply to a person who first becomes a

1 member or participant under Article 16 on or after the
2 implementation date of the plan created under Section 1-161
3 for that Article, unless that person elects under subsection
4 (b) of Section 1-161 to instead receive the benefits provided
5 under this Section and the applicable provisions of that
6 Article.

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

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

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

1 retirement system or pension fund to which this Section
2 applies on or after January 1, 2011, in this Code, "final
3 average salary" shall be substituted for the following:

4 (1) (Blank).

5 (2) In Articles 8, 9, 10, 11, and 12, "highest average
6 annual salary for any 4 consecutive years within the last
7 10 years of service immediately preceding the date of
8 withdrawal".

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

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

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

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

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

20 (A) the amount otherwise calculated under the first
21 paragraph of this subsection; or

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

1 years) of service within the last 120 months (or 10 years)
2 of service in which the total salary or earnings
3 calculated under the Article was the highest by the number
4 of months (or years) of service in that period.

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

16 For the purposes of this Section, "consumer price index-u"
17 means the index published by the Bureau of Labor Statistics of
18 the United States Department of Labor that measures the
19 average change in prices of goods and services purchased by
20 all urban consumers, United States city average, all items,
21 1982-84 = 100. The new amount resulting from each annual
22 adjustment shall be determined by the Public Pension Division
23 of the Department of Insurance and made available to the
24 boards of the retirement systems and pension funds by November
25 1 of each year.

26 (b-10) Beginning on January 1, 2024, for all purposes

1 under this Code (including, without limitation, the
2 calculation of benefits and employee contributions), the
3 annual earnings, salary, or wages (based on the plan year) of a
4 member or participant under Article 9 to whom this Section
5 applies shall include an annual earnings, salary, or wage cap
6 that tracks the Social Security wage base. Maximum annual
7 earnings, wages, or salary shall be the annual contribution
8 and benefit base established for the applicable year by the
9 Commissioner of the Social Security Administration under the
10 federal Social Security Act.

11 However, in no event shall the annual earnings, salary, or
12 wages for the purposes of this Article and Article 9 exceed any
13 limitation imposed on annual earnings, salary, or wages under
14 Section 1-117. Under no circumstances shall the maximum amount
15 of annual earnings, salary, or wages be greater than the
16 amount set forth in this subsection (b-10) as a result of
17 reciprocal service or any provisions regarding reciprocal
18 services, nor shall the Fund under Article 9 be required to pay
19 any refund as a result of the application of this maximum
20 annual earnings, salary, and wage cap.

21 Nothing in this subsection (b-10) shall cause or otherwise
22 result in any retroactive adjustment of any employee
23 contributions. Nothing in this subsection (b-10) shall cause
24 or otherwise result in any retroactive adjustment of
25 disability or other payments made between January 1, 2011 and
26 January 1, 2024.

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (age 65, with respect to service under Article 12 that is
4 subject to this Section, for a member or participant under
5 Article 12 who first becomes a member or participant under
6 Article 12 on or after January 1, 2022 or who makes the
7 election under item (i) of subsection (d-15) of this Section)
8 and has at least 10 years of service credit and is otherwise
9 eligible under the requirements of the applicable Article.

10 A member or participant who has attained age 62 (age 60,
11 with respect to service under Article 12 that is subject to
12 this Section, for a member or participant under Article 12 who
13 first becomes a member or participant under Article 12 on or
14 after January 1, 2022 or who makes the election under item (i)
15 of subsection (d-15) of this Section) and has at least 10 years
16 of service credit and is otherwise eligible under the
17 requirements of the applicable Article may elect to receive
18 the lower retirement annuity provided in subsection (d) of
19 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 (age 60, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section) with at least 10 years of service
10 credit shall be reduced by one-half of 1% for each full month
11 that the member's age is under age 67 (age 65, with respect to
12 service under Article 12 that is subject to this Section, for a
13 member or participant under Article 12 who first becomes a
14 member or participant under Article 12 on or after January 1,
15 2022 or who makes the election under item (i) of subsection
16 (d-15) of this Section).

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

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

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

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

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

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

1 either:

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

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

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

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

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

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

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

1 Public Act 100-23).

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

1 each November 1 is zero or there is a decrease, then the
2 annuity shall not be increased.

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

22 (g-1) The benefits in Section 14-110 apply if the person
23 is a security employee of the Department of Corrections or the
24 Department of Juvenile Justice, a security employee of the
25 Department of Human Services, or an investigator for the
26 Department of the Lottery, as those terms are defined in

1 subsection (b) and subsection (c) of Section 14-110. A person
2 who meets the requirements of this Section is entitled to an
3 annuity calculated under the provisions of Section 14-110, in
4 lieu of the regular or minimum retirement annuity, only if the
5 person has withdrawn from service with not less than 20 years
6 of eligible creditable service and has attained age 55,
7 regardless of whether the attainment of age 55 occurs while
8 the person is still in service.

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

23 If a person who first becomes a member of a retirement
24 system or pension fund subject to this Section on or after
25 January 1, 2012 and is receiving a retirement annuity or
26 retirement pension under that system or fund and accepts on a

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

16 (i) (Blank).

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

20 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
21 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
22 8-11-23.)

23 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

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

25 Sec. 14-110. Alternative retirement annuity.

1 (a) Any member who has withdrawn from service with not
2 less than 20 years of eligible creditable service and has
3 attained age 55, and any member who has withdrawn from service
4 with not less than 25 years of eligible creditable service and
5 has attained age 50, regardless of whether the attainment of
6 either of the specified ages occurs while the member is still
7 in service, shall be entitled to receive at the option of the
8 member, in lieu of the regular or minimum retirement annuity,
9 a retirement annuity computed as follows:

10 (i) for periods of service as a noncovered employee:
11 if retirement occurs on or after January 1, 2001, 3% of
12 final average compensation for each year of creditable
13 service; if retirement occurs before January 1, 2001, 2
14 1/4% of final average compensation for each of the first
15 10 years of creditable service, 2 1/2% for each year above
16 10 years to and including 20 years of creditable service,
17 and 2 3/4% for each year of creditable service above 20
18 years; and

19 (ii) for periods of eligible creditable service as a
20 covered employee: if retirement occurs on or after January
21 1, 2001, 2.5% of final average compensation for each year
22 of creditable service; if retirement occurs before January
23 1, 2001, 1.67% of final average compensation for each of
24 the first 10 years of such service, 1.90% for each of the
25 next 10 years of such service, 2.10% for each year of such
26 service in excess of 20 but not exceeding 30, and 2.30% for

1 each year in excess of 30.

2 Such annuity shall be subject to a maximum of 75% of final
3 average compensation if retirement occurs before January 1,
4 2001 or to a maximum of 80% of final average compensation if
5 retirement occurs on or after January 1, 2001.

6 These rates shall not be applicable to any service
7 performed by a member as a covered employee which is not
8 eligible creditable service. Service as a covered employee
9 which is not eligible creditable service shall be subject to
10 the rates and provisions of Section 14-108.

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

14 (1) State policeman;

15 (2) fire fighter in the fire protection service of a
16 department;

17 (3) air pilot;

18 (4) special agent;

19 (5) investigator for the Secretary of State;

20 (6) conservation police officer;

21 (7) investigator for the Department of Revenue or the
22 Illinois Gaming Board;

23 (8) security employee of the Department of Human
24 Services;

25 (9) Central Management Services security police
26 officer;

1 (10) security employee of the Department of
2 Corrections or the Department of Juvenile Justice;

3 (11) dangerous drugs investigator;

4 (12) investigator for the Illinois State Police;

5 (13) investigator for the Office of the Attorney
6 General;

7 (14) controlled substance inspector;

8 (15) investigator for the Office of the State's
9 Attorneys Appellate Prosecutor;

10 (16) Commerce Commission police officer;

11 (17) arson investigator;

12 (18) State highway maintenance worker;

13 (19) security employee of the Department of Innovation
14 and Technology; ~~or~~

15 (20) transferred employee; or ~~or~~

16 (21) investigator for the Department of the Lottery.

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

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

6 (c) For the purposes of this Section:

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

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

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

24 (4) The term "special agent" means any person who by
25 reason of employment by the Division of Narcotic Control,
26 the Bureau of Investigation or, after July 1, 1977, the

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

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

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

26 (6) The term "Conservation Police Officer" means any

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

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

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

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

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

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

25 (9) "Central Management Services security police
26 officer" means any person employed by the Department of

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

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

26 (11) The term "dangerous drugs investigator" means any

1 person who is employed as such by the Department of Human
2 Services.

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

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

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

1 Executive of Enforcement and the Assistant Program
2 Executive of Enforcement.

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

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

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

1 if the applicant were contributing at the rate applicable
2 to persons with the same social security status earning
3 eligible creditable service on the date of application.

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

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

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

1 tollways in serviceable condition for vehicular
2 traffic.

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

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

17 (21) The term "investigator for the Department of the
18 Lottery" means any person employed by the Department of
19 the Lottery and who is vested with such investigative
20 duties which render him or her ineligible for coverage
21 under the Social Security Act by reason of Sections
22 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. An
23 investigator for the Department of the Lottery who
24 qualifies under this Section shall earn eligible
25 creditable service and be required to make contributions
26 at the rate specified in paragraph (3) of subsection (a)

1 of Section 14-133 for all periods of service as an
2 investigator for the Department of the Lottery.

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

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

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

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

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

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

25 (vi) beginning January 1, 1991, 25 years of eligible
26 creditable service and age 50, or 20 years of eligible

1 creditable service and age 55.

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

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

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

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

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

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

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

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

18 (h) Subject to the limitation in subsection (i), a State
19 policeman or investigator for the Secretary of State may elect
20 to establish eligible creditable service for up to 12 years of
21 his service as a policeman under Article 5, by filing a written
22 election with the Board on or before January 31, 1992, and
23 paying to the System by January 31, 1994 an amount to be
24 determined by the Board, equal to (i) the difference between
25 the amount of employee and employer contributions transferred
26 to the System under Section 5-236, and the amounts that would

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

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

19 Subject to the limitation in subsection (i), a State
20 policeman, conservation police officer, or investigator for
21 the Secretary of State may elect to establish eligible
22 creditable service for up to 5 years of service as a police
23 officer under Article 3, a policeman under Article 5, a
24 sheriff's law enforcement employee under Article 7, a member
25 of the county police department under Article 9, or a police
26 officer under Article 15 by filing a written election with the

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

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

1 of service to the date of payment.

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

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

1 Article 7, a county corrections officer, a court services
2 officer under Article 9, or a firefighter under Article 4 by
3 filing a written election with the Board within 6 months after
4 July 30, 2021 (the effective date of Public Act 102-210) and
5 paying to the System an amount to be determined by the Board
6 equal to (i) the difference between the amount of employee and
7 employer contributions transferred to the System under
8 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
9 would have been contributed had such contributions been made
10 at the rates applicable to State policemen, plus (ii) interest
11 thereon at the actuarially assumed rate for each year,
12 compounded annually, from the date of service to the date of
13 payment.

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

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

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

21 Subject to the limitation in subsection (i), a security
22 employee of the Department of Human Services who is subject to
23 subsection (g-1) of Section 1-160 may elect to convert up to 12
24 years of service credit established before the effective date
25 of this amendatory Act of the 103rd General Assembly as a
26 security employee of the Department of Human Services to

1 eligible creditable service by filing a written election with
2 the Board no later than 2 years after the effective date of
3 this amendatory Act of the 103rd General Assembly, accompanied
4 by payment of an amount, to be determined by the Board, equal
5 to (i) the difference between the amount of the employee
6 contributions actually paid for that service and the amount of
7 the employee contributions that would have been paid had the
8 employee contributions been made as a covered employee serving
9 in a position in which eligible creditable service, as defined
10 in this Section, may be earned, plus (ii) interest thereon at
11 the effective rate for each year, compounded annually, from
12 the date of service to the date of payment.

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

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

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

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

1 date of payment.

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

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

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

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

26 Beginning with the pay period that immediately follows the

1 effective date of this amendatory Act of the 103rd General
2 Assembly, the bachelor's or advanced degree requirement of
3 subsection (b) of Section 3-2.5-15 of the Unified Code of
4 Corrections shall no longer determine the eligibility to earn
5 eligible creditable service for a person employed by the
6 Department of Juvenile Justice.

7 An employee may elect to convert into eligible creditable
8 service his or her creditable service earned with the
9 Department of Juvenile Justice while employed in a position
10 that required the employee to do any one or more of the
11 following: (1) participate or assist in the rehabilitative and
12 vocational training of delinquent youths; (2) supervise the
13 daily activities and assume direct and continuing
14 responsibility for the youth's security, welfare, and
15 development; or (3) participate in the personal rehabilitation
16 of delinquent youth by training, supervising, and assisting
17 lower-level personnel. To convert that creditable service to
18 eligible creditable service, the employee must pay to the
19 System the difference between the employee contributions
20 actually paid for that service and the amounts that would have
21 been contributed if the applicant were contributing at the
22 rate applicable to persons with the same Social Security
23 status earning eligible creditable service on the date of
24 application.

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

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

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

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

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

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

10 Sec. 14-110. Alternative retirement annuity.

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

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

1 10 years to and including 20 years of creditable service,
2 and 2 3/4% for each year of creditable service above 20
3 years; and

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

13 Such annuity shall be subject to a maximum of 75% of final
14 average compensation if retirement occurs before January 1,
15 2001 or to a maximum of 80% of final average compensation if
16 retirement occurs on or after January 1, 2001.

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

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

25 (1) State policeman;

26 (2) fire fighter in the fire protection service of a

- 1 department;
- 2 (3) air pilot;
- 3 (4) special agent;
- 4 (5) investigator for the Secretary of State;
- 5 (6) conservation police officer;
- 6 (7) investigator for the Department of Revenue or the
- 7 Illinois Gaming Board;
- 8 (8) security employee of the Department of Human
- 9 Services;
- 10 (9) Central Management Services security police
- 11 officer;
- 12 (10) security employee of the Department of
- 13 Corrections or the Department of Juvenile Justice;
- 14 (11) dangerous drugs investigator;
- 15 (12) investigator for the Illinois State Police;
- 16 (13) investigator for the Office of the Attorney
- 17 General;
- 18 (14) controlled substance inspector;
- 19 (15) investigator for the Office of the State's
- 20 Attorneys Appellate Prosecutor;
- 21 (16) Commerce Commission police officer;
- 22 (17) arson investigator;
- 23 (18) State highway maintenance worker;
- 24 (19) security employee of the Department of Innovation
- 25 and Technology; ~~or~~
- 26 (20) transferred employee; or ~~-~~

1 (21) investigator for the Department of the Lottery.

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

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

17 (c) For the purposes of this Section:

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

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

25 (3) The term "air pilot" includes any employee whose
26 official job description on file in the Department of

1 Central Management Services, or in the department by which
2 he is employed if that department is not covered by the
3 Personnel Code, states that his principal duty is the
4 operation of aircraft, and who possesses a pilot's
5 license; however, the change in this definition made by
6 Public Act 83-842 shall not operate to exclude any
7 noncovered employee who was an "air pilot" for the
8 purposes of this Section on January 1, 1984.

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

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

11 (6) The term "Conservation Police Officer" means any
12 person employed by the Division of Law Enforcement of the
13 Department of Natural Resources and vested with such law
14 enforcement duties as render him ineligible for coverage
15 under the Social Security Act by reason of Sections
16 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
17 term "Conservation Police Officer" includes the positions
18 of Chief Conservation Police Administrator and Assistant
19 Conservation Police Administrator.

20 (7) The term "investigator for the Department of
21 Revenue" means any person employed by the Department of
22 Revenue and vested with such investigative duties as
23 render him ineligible for coverage under the Social
24 Security Act by reason of Sections 218(d)(5)(A),
25 218(d)(8)(D) and 218(1)(1) of that Act.

26 The term "investigator for the Illinois Gaming Board"

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

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

1 Human Services as sexually violent persons, persons unfit
2 to stand trial, or persons not guilty by reason of
3 insanity. With respect to past employment, references to
4 the Department of Human Services include its predecessor,
5 the Department of Mental Health and Developmental
6 Disabilities.

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

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

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

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

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

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

21 (13) "Investigator for the Office of the Attorney
22 General" means any person who is employed as such by the
23 Office of the Attorney General and is vested with such
24 investigative duties as render him ineligible for coverage
25 under the Social Security Act by reason of Sections
26 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For

1 the period before January 1, 1989, the term includes all
2 persons who were employed as investigators by the Office
3 of the Attorney General, without regard to social security
4 status.

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

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

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

25 (17) "Arson investigator" means any person who is
26 employed as such by the Office of the State Fire Marshal

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

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

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

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

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

21 (20) "Transferred employee" means an employee who was
22 transferred to the Department of Central Management
23 Services by Executive Order No. 2003-10 or Executive Order
24 No. 2004-2 or transferred to the Department of Innovation
25 and Technology by Executive Order No. 2016-1, or both, and
26 was entitled to eligible creditable service for services

1 immediately preceding the transfer.

2 (21) The term "investigator for the Department of the
3 Lottery" means any person employed by the Department of
4 the Lottery and who is vested with such investigative
5 duties which render him or her ineligible for coverage
6 under the Social Security Act by reason of Sections
7 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. An
8 investigator for the Department of the Lottery who
9 qualifies under this Section shall earn eligible
10 creditable service and be required to make contributions
11 at the rate specified in paragraph (3) of subsection (a)
12 of Section 14-133 for all periods of service as an
13 investigator for the Department of the Lottery.

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

22 (i) 25 years of eligible creditable service and age
23 55; or

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

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

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

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

10 (vi) beginning January 1, 1991, 25 years of eligible
11 creditable service and age 50, or 20 years of eligible
12 creditable service and age 55.

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

22 (e) If a member enters military service while working in a
23 position in which eligible creditable service may be earned,
24 and returns to State service in the same or another such
25 position, and fulfills in all other respects the conditions
26 prescribed in this Article for credit for military service,

1 such military service shall be credited as eligible creditable
2 service for the purposes of the retirement annuity prescribed
3 in this Section.

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

18 For purposes of calculating retirement annuities under
19 this Section, periods of service rendered after December 31,
20 1968 and before January 1, 1982 as a covered employee in the
21 position of investigator for the Department of Revenue shall
22 be deemed to have been service as a noncovered employee,
23 provided that the employee pays to the System prior to
24 retirement an amount equal to (1) the difference between the
25 employee contributions that would have been required for such
26 service as a noncovered employee, and the amount of employee

1 contributions actually paid, plus (2) if payment is made after
2 January 1, 1990, regular interest on the amount specified in
3 item (1) from the date of service to the date of payment.

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

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

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

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

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

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

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

21 Subject to the limitation in subsection (i), an
22 investigator for the Office of the Attorney General, or an
23 investigator for the Department of Revenue, may elect to
24 establish eligible creditable service for up to 5 years of
25 service as a police officer under Article 3, a policeman under
26 Article 5, a sheriff's law enforcement employee under Article

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

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

1 employer contributions transferred to the System under
2 Sections 7-139.8 and 9-121.10 and the amounts that would have
3 been contributed had such contributions been made at the rates
4 applicable to State policemen, plus (ii) interest thereon at
5 the actuarially assumed rate for each year, compounded
6 annually, from the date of service to the date of payment.

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

25 Subject to the limitation in subsection (i), a
26 conservation police officer may elect to establish eligible

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

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

1 the amount of employee and employer contributions transferred
2 to the System under Sections 4-108.8, 7-139.8, and 9-121.10
3 and the amounts that would have been contributed had such
4 contributions been made at the rates applicable to State
5 policemen, plus (ii) interest thereon at the actuarially
6 assumed rate for each year, compounded annually, from the date
7 of service to the date of payment.

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

25 Notwithstanding the limitation in subsection (i), an
26 investigator for the Department of Revenue, investigator for

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

22 Subject to the limitation in subsection (i), a security
23 employee of the Department of Human Services who is subject to
24 subsection (g-1) of Section 1-160 may elect to convert up to 12
25 years of service credit established before the effective date
26 of this amendatory Act of the 103rd General Assembly as a

1 security employee of the Department of Human Services to
2 eligible creditable service by filing a written election with
3 the Board no later than 2 years after the effective date of
4 this amendatory Act of the 103rd General Assembly, accompanied
5 by payment of an amount, to be determined by the Board, equal
6 to (i) the difference between the amount of the employee
7 contributions actually paid for that service and the amount of
8 the employee contributions that would have been paid had the
9 employee contributions been made as a covered employee serving
10 in a position in which eligible creditable service, as defined
11 in this Section, may be earned, plus (ii) interest thereon at
12 the effective rate for each year, compounded annually, from
13 the date of service to the date of payment.

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

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

1 transferred to the System under Section 3-110.6 or 7-139.8,
2 and the amounts that would have been contributed had such
3 contributions been made at the rates applicable to State
4 policemen, plus (2) interest thereon at the effective rate for
5 each year, compounded annually, from the date of service to
6 the date of payment.

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

1 the employment for which credit is being established to the
2 date of payment.

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

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

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

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

1 Beginning with the pay period that immediately follows the
2 effective date of this amendatory Act of the 103rd General
3 Assembly, the bachelor's or advanced degree requirement of
4 subsection (b) of Section 3-2.5-15 of the Unified Code of
5 Corrections shall no longer determine the eligibility to earn
6 eligible creditable service for a person employed by the
7 Department of Juvenile Justice.

8 An employee may elect to convert into eligible creditable
9 service his or her creditable service earned with the
10 Department of Juvenile Justice while employed in a position
11 that required the employee to do any one or more of the
12 following: (1) participate or assist in the rehabilitative and
13 vocational training of delinquent youths; (2) supervise the
14 daily activities and assume direct and continuing
15 responsibility for the youth's security, welfare, and
16 development; or (3) participate in the personal rehabilitation
17 of delinquent youth by training, supervising, and assisting
18 lower-level personnel. To convert that creditable service to
19 eligible creditable service, the employee must pay to the
20 System the difference between the employee contributions
21 actually paid for that service and the amounts that would have
22 been contributed if the applicant were contributing at the
23 rate applicable to persons with the same Social Security
24 status earning eligible creditable service on the date of
25 application.

26 (n) A person employed in a position under subsection (b)

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

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

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

8 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
9 102-856, eff. 1-1-23; 103-34, eff. 1-1-24.)

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

11 Sec. 14-110. Alternative retirement annuity.

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

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

1 10 years of creditable service, 2 1/2% for each year above
2 10 years to and including 20 years of creditable service,
3 and 2 3/4% for each year of creditable service above 20
4 years; and

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

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

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

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

26 (1) State policeman;

- 1 (2) fire fighter in the fire protection service of a
- 2 department;
- 3 (3) air pilot;
- 4 (4) special agent;
- 5 (5) investigator for the Secretary of State;
- 6 (6) conservation police officer;
- 7 (7) investigator for the Department of Revenue or the
- 8 Illinois Gaming Board;
- 9 (8) security employee of the Department of Human
- 10 Services;
- 11 (9) Central Management Services security police
- 12 officer;
- 13 (10) security employee of the Department of
- 14 Corrections or the Department of Juvenile Justice;
- 15 (11) dangerous drugs investigator;
- 16 (12) investigator for the Illinois State Police;
- 17 (13) investigator for the Office of the Attorney
- 18 General;
- 19 (14) controlled substance inspector;
- 20 (15) investigator for the Office of the State's
- 21 Attorneys Appellate Prosecutor;
- 22 (16) Commerce Commission police officer;
- 23 (17) arson investigator;
- 24 (18) State highway maintenance worker;
- 25 (19) security employee of the Department of Innovation
- 26 and Technology; ~~or~~

1 (20) transferred employee; or ~~or~~

2 (21) investigator for the Department of the Lottery.

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

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

18 (c) For the purposes of this Section:

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

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

26 (3) The term "air pilot" includes any employee whose

1 official job description on file in the Department of
2 Central Management Services, or in the department by which
3 he is employed if that department is not covered by the
4 Personnel Code, states that his principal duty is the
5 operation of aircraft, and who possesses a pilot's
6 license; however, the change in this definition made by
7 Public Act 83-842 shall not operate to exclude any
8 noncovered employee who was an "air pilot" for the
9 purposes of this Section on January 1, 1984.

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

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

1 Security Act by reason of Sections 218(d)(5)(A),
2 218(d)(8)(D) and 218(1)(1) of that Act.

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

12 (6) The term "Conservation Police Officer" means any
13 person employed by the Division of Law Enforcement of the
14 Department of Natural Resources and 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. The
18 term "Conservation Police Officer" includes the positions
19 of Chief Conservation Police Administrator and Assistant
20 Conservation Police Administrator.

21 (7) The term "investigator for the Department of
22 Revenue" means any person employed by the Department of
23 Revenue and vested with such investigative duties as
24 render him ineligible for coverage under the Social
25 Security Act by reason of Sections 218(d)(5)(A),
26 218(d)(8)(D) and 218(1)(1) of that Act.

1 The term "investigator for the Illinois Gaming Board"
2 means any person employed as such by the Illinois Gaming
3 Board and vested with such peace officer 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (17) "Arson investigator" means any person who is

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

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

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

1 condition for vehicular traffic.

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

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

22 (20) "Transferred employee" means an employee who was
23 transferred to the Department of Central Management
24 Services by Executive Order No. 2003-10 or Executive Order
25 No. 2004-2 or transferred to the Department of Innovation
26 and Technology by Executive Order No. 2016-1, or both, and

1 was entitled to eligible creditable service for services
2 immediately preceding the transfer.

3 (21) The term "investigator for the Department of the
4 Lottery" means any person employed by the Department of
5 the Lottery and who is vested with such investigative
6 duties which render him or her ineligible for coverage
7 under the Social Security Act by reason of Sections
8 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. An
9 investigator for the Department of the Lottery who
10 qualifies under this Section shall earn eligible
11 creditable service and be required to make contributions
12 at the rate specified in paragraph (3) of subsection (a)
13 of Section 14-133 for all periods of service as an
14 investigator for the Department of the Lottery.

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

23 (i) 25 years of eligible creditable service and age
24 55; or

25 (ii) beginning January 1, 1987, 25 years of eligible
26 creditable service and age 54, or 24 years of eligible

1 creditable service and age 55; or

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

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

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

11 (vi) beginning January 1, 1991, 25 years of eligible
12 creditable service and age 50, or 20 years of eligible
13 creditable service and age 55.

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

23 (e) If a member enters military service while working in a
24 position in which eligible creditable service may be earned,
25 and returns to State service in the same or another such
26 position, and fulfills in all other respects the conditions

1 prescribed in this Article for credit for military service,
2 such military service shall be credited as eligible creditable
3 service for the purposes of the retirement annuity prescribed
4 in this Section.

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

19 For purposes of calculating retirement annuities under
20 this Section, periods of service rendered after December 31,
21 1968 and before January 1, 1982 as a covered employee in the
22 position of investigator for the Department of Revenue shall
23 be deemed to have been service as a noncovered employee,
24 provided that the employee pays to the System prior to
25 retirement an amount equal to (1) the difference between the
26 employee contributions that would have been required for such

1 service as a noncovered employee, and the amount of employee
2 contributions actually paid, plus (2) if payment is made after
3 January 1, 1990, regular interest on the amount specified in
4 item (1) from the date of service to the date of payment.

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

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

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

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

17 Subject to the limitation in subsection (i), a State
18 policeman, conservation police officer, or investigator for
19 the Secretary of State may elect to establish eligible
20 creditable service for up to 10 years of service as a sheriff's
21 law enforcement employee under Article 7, by filing a written
22 election with the Board on or before January 31, 1993, and
23 paying to the System by January 31, 1994 an amount to be
24 determined by the Board, equal to (i) the difference between
25 the amount of employee and employer contributions transferred
26 to the System under Section 7-139.7, and the amounts that

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

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

22 Subject to the limitation in subsection (i), an
23 investigator for the Office of the Attorney General, or an
24 investigator for the Department of Revenue, may elect to
25 establish eligible creditable service for up to 5 years of
26 service as a police officer under Article 3, a policeman under

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

14 Subject to the limitation in subsection (i), a State
15 policeman, conservation police officer, investigator for the
16 Office of the Attorney General, an investigator for the
17 Department of Revenue, or investigator for the Secretary of
18 State may elect to establish eligible creditable service for
19 up to 5 years of service as a person employed by a
20 participating municipality to perform police duties, or law
21 enforcement officer employed on a full-time basis by a forest
22 preserve district under Article 7, a county corrections
23 officer, or a court services officer under Article 9, by
24 filing a written election with the Board within 6 months after
25 August 25, 2009 (the effective date of Public Act 96-745) and
26 paying to the System an amount to be determined by the Board,

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

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

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

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

16 Notwithstanding the limitation in subsection (i), a State
17 policeman or conservation police officer may elect to convert
18 service credit earned under this Article to eligible
19 creditable service, as defined by this Section, by filing a
20 written election with the board within 6 months after July 30,
21 2021 (the effective date of Public Act 102-210) and paying to
22 the System an amount to be determined by the Board equal to (i)
23 the difference between the amount of employee contributions
24 originally paid for that service and the amounts that would
25 have been contributed had such contributions been made at the
26 rates applicable to State policemen, plus (ii) the difference

1 between the employer's normal cost of the credit prior to the
2 conversion authorized by Public Act 102-210 and the employer's
3 normal cost of the credit converted in accordance with Public
4 Act 102-210, plus (iii) interest thereon at the actuarially
5 assumed rate for each year, compounded annually, from the date
6 of service to the date of payment.

7 Subject to the limitation in subsection (i), a security
8 employee of the Department of Human Services who is subject to
9 subsection (g-1) of Section 1-160 may elect to convert up to 12
10 years of service credit established before the effective date
11 of this amendatory Act of the 103rd General Assembly as a
12 security employee of the Department of Human Services to
13 eligible creditable service by filing a written election with
14 the Board no later than 2 years after the effective date of
15 this amendatory Act of the 103rd General Assembly, accompanied
16 by payment of an amount, to be determined by the Board, equal
17 to (i) the difference between the amount of the employee
18 contributions actually paid for that service and the amount of
19 the employee contributions that would have been paid had the
20 employee contributions been made as a covered employee serving
21 in a position in which eligible creditable service, as defined
22 in this Section, may be earned, plus (ii) interest thereon at
23 the effective rate for each year, compounded annually, from
24 the date of service to the date of payment.

25 (i) The total amount of eligible creditable service
26 established by any person under subsections (g), (h), (j),

1 (k), (l), (l-5), (o), and (p) of this Section shall not exceed
2 12 years.

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

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

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

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

1 to the date of payment.

2 (1-5) Subject to the limitation in subsection (i) of this
3 Section, a State policeman may elect to establish eligible
4 creditable service for up to 5 years of service as a full-time
5 law enforcement officer employed by the federal government or
6 by a state or local government located outside of Illinois for
7 which credit is not held in any other public employee pension
8 fund or retirement system. To obtain this credit, the
9 applicant must file a written application with the Board no
10 later than 3 years after January 1, 2020 (the effective date of
11 Public Act 101-610), accompanied by evidence of eligibility
12 acceptable to the Board and payment of an amount to be
13 determined by the Board, equal to (1) employee contributions
14 for the credit being established, based upon the applicant's
15 salary on the first day as an alternative formula employee
16 after the employment for which credit is being established and
17 the rates then applicable to alternative formula employees,
18 plus (2) an amount determined by the Board to be the employer's
19 normal cost of the benefits accrued for the credit being
20 established, plus (3) regular interest on the amounts in items
21 (1) and (2) from the first day as an alternative formula
22 employee after the employment for which credit is being
23 established to the date of payment.

24 (m) The amendatory changes to this Section made by Public
25 Act 94-696 apply only to: (1) security employees of the
26 Department of Juvenile Justice employed by the Department of

1 Corrections before June 1, 2006 (the effective date of Public
2 Act 94-696) and transferred to the Department of Juvenile
3 Justice by Public Act 94-696; and (2) persons employed by the
4 Department of Juvenile Justice on or after June 1, 2006 (the
5 effective date of Public Act 94-696) who are required by
6 subsection (b) of Section 3-2.5-15 of the Unified Code of
7 Corrections to have any bachelor's or advanced degree from an
8 accredited college or university or, in the case of persons
9 who provide vocational training, who are required to have
10 adequate knowledge in the skill for which they are providing
11 the vocational training.

12 Beginning with the pay period that immediately follows the
13 effective date of this amendatory Act of the 103rd General
14 Assembly, the bachelor's or advanced degree requirement of
15 subsection (b) of Section 3-2.5-15 of the Unified Code of
16 Corrections shall no longer determine the eligibility to earn
17 eligible creditable service for a person employed by the
18 Department of Juvenile Justice.

19 An employee may elect to convert into eligible creditable
20 service his or her creditable service earned with the
21 Department of Juvenile Justice while employed in a position
22 that required the employee to do any one or more of the
23 following: (1) participate or assist in the rehabilitative and
24 vocational training of delinquent youths; (2) supervise the
25 daily activities and assume direct and continuing
26 responsibility for the youth's security, welfare, and

1 development; or (3) participate in the personal rehabilitation
2 of delinquent youth by training, supervising, and assisting
3 lower-level personnel. To convert that creditable service to
4 eligible creditable service, the employee must pay to the
5 System the difference between the employee contributions
6 actually paid for that service and the amounts that would have
7 been contributed if the applicant were contributing at the
8 rate applicable to persons with the same Social Security
9 status earning eligible creditable service on the date of
10 application.

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

22 (o) Subject to the limitation in subsection (i), a
23 conservation police officer, investigator for the Secretary of
24 State, Commerce Commission police officer, investigator for
25 the Department of Revenue or the Illinois Gaming Board, or
26 arson investigator subject to subsection (g) of Section 1-160

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

19 (p) Subject to the limitation in subsection (i), an
20 investigator for the Office of the Attorney General subject to
21 subsection (g) of Section 1-160 may elect to convert up to 8
22 years of service credit established before the effective date
23 of this amendatory Act of the 102nd General Assembly as an
24 investigator for the Office of the Attorney General under this
25 Article into eligible creditable service by filing a written
26 election with the Board no later than one year after the

1 effective date of this amendatory Act of the 102nd General
2 Assembly, accompanied by payment of an amount to be determined
3 by the Board equal to (i) the difference between the amount of
4 the employee contributions actually paid for that service and
5 the amount of the employee contributions that would have been
6 paid had the employee contributions been made as a noncovered
7 employee serving in a position in which eligible creditable
8 service, as defined in this Section, may be earned, plus (ii)
9 interest thereon at the effective rate for each year,
10 compounded annually, from the date of service to the date of
11 payment.

12 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
13 102-956, eff. 5-27-22; 103-34, eff. 1-1-24.)

14 Article 12.

15 Section 12-5. The Illinois Pension Code is amended by
16 adding Sections 3-144.3 and 4-138.15 as follows:

17 (40 ILCS 5/3-144.3 new)

18 Sec. 3-144.3. Retirement Systems Reciprocal Act. The
19 Retirement Systems Reciprocal Act, Article 20 of this Code, is
20 adopted and made a part of this Article, but only with respect
21 to a person who, on or after the effective date of this
22 amendatory Act of the 103rd General Assembly, is entitled
23 under this Article or through a participating system under the

1 Retirement Systems Reciprocal Act, as defined in Section
2 20-108, to begin receiving a retirement annuity or survivor's
3 annuity (as those terms are defined in Article 20) and who
4 elects to proceed under the Retirement Systems Reciprocal Act.

5 (40 ILCS 5/4-138.15 new)

6 Sec. 4-138.15. Retirement Systems Reciprocal Act. The
7 Retirement Systems Reciprocal Act, Article 20 of this Code, is
8 adopted and made a part of this Article, but only with respect
9 to a person who, on or after the effective date of this
10 amendatory Act of the 103rd General Assembly, is entitled
11 under this Article or through a participating system under the
12 Retirement Systems Reciprocal Act, as defined in Section
13 20-108, to begin receiving a retirement annuity or survivor's
14 annuity (as those terms are defined in Article 20) and who
15 elects to proceed under the Retirement Systems Reciprocal Act.

16 Article 90.

17 Section 90-5. The Illinois Pension Code is amended by
18 changing Sections 2-162, 14-152.1, 15-198, 16-203, and 18-169
19 as follows:

20 (40 ILCS 5/2-162)

21 Sec. 2-162. Application and expiration of new benefit
22 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 the effective date of this
6 amendatory Act of the 94th General Assembly. "New benefit
7 increase", however, does not include any benefit increase
8 resulting from the changes made to this Article by this
9 amendatory Act of the 103rd General Assembly.

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

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

19 Every new benefit increase is contingent upon the General
20 Assembly providing the additional funding required under this
21 subsection. The Commission on Government Forecasting and
22 Accountability shall analyze whether adequate additional
23 funding has been provided for the new benefit increase and
24 shall report its analysis to the Public Pension Division of
25 the Department of Insurance. A new benefit increase created by
26 a Public Act that does not include the additional funding

1 required under this subsection is null and void. If the Public
2 Pension Division determines that the additional funding
3 provided for a new benefit increase under this subsection is
4 or has become inadequate, it may so certify to the Governor and
5 the State Comptroller and, in the absence of corrective action
6 by the General Assembly, the new benefit increase shall expire
7 at the end of the fiscal year in which the certification is
8 made.

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

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

25 (Source: P.A. 103-426, eff. 8-4-23.)

1 (40 ILCS 5/14-152.1)

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

4 (a) As used in this Section, "new benefit increase" means
5 an increase in the amount of any benefit provided under this
6 Article, or an expansion of the conditions of eligibility for
7 any benefit under this Article, that results from an amendment
8 to this Code that takes effect after June 1, 2005 (the
9 effective date of Public Act 94-4). "New benefit increase",
10 however, does not include any benefit increase resulting from
11 the changes made to Article 1 or this Article by Public Act
12 96-37, Public Act 100-23, Public Act 100-587, Public Act
13 100-611, Public Act 101-10, Public Act 101-610, Public Act
14 102-210, Public Act 102-856, Public Act 102-956, or this
15 amendatory Act of the 103rd General Assembly ~~this amendatory~~
16 ~~Act of the 102nd General Assembly.~~

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

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

26 Every new benefit increase is contingent upon the General

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

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

22 (e) Except as otherwise provided in the language creating
23 the new benefit increase, a new benefit increase that expires
24 under this Section continues to apply to persons who applied
25 and qualified for the affected benefit while the new benefit
26 increase was in effect and to the affected beneficiaries and

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

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
7 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
8 1-1-23; 102-956, eff. 5-27-22.)

9 (40 ILCS 5/15-198)

10 Sec. 15-198. Application and expiration of new benefit
11 increases.

12 (a) As used in this Section, "new benefit increase" means
13 an increase in the amount of any benefit provided under this
14 Article, or an expansion of the conditions of eligibility for
15 any benefit under this Article, that results from an amendment
16 to this Code that takes effect after June 1, 2005 (the
17 effective date of Public Act 94-4). "New benefit increase",
18 however, does not include any benefit increase resulting from
19 the changes made to Article 1 or this Article by Public Act
20 100-23, Public Act 100-587, Public Act 100-769, Public Act
21 101-10, Public Act 101-610, Public Act 102-16, Public Act
22 103-80, Public Act 103-548, or this amendatory Act of the
23 103rd General Assembly ~~or this amendatory Act of the 103rd~~
24 ~~General Assembly.~~

25 (b) Notwithstanding any other provision of this Code or

1 any subsequent amendment to this Code, every new benefit
2 increase is subject to this Section and shall be deemed to be
3 granted only in conformance with and contingent upon
4 compliance with the provisions of this Section.

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

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

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

5 (e) Except as otherwise provided in the language creating
6 the new benefit increase, a new benefit increase that expires
7 under this Section continues to apply to persons who applied
8 and qualified for the affected benefit while the new benefit
9 increase was in effect and to the affected beneficiaries and
10 alternate payees of such persons, but does not apply to any
11 other person, including, without limitation, a person who
12 continues in service after the expiration date and did not
13 apply and qualify for the affected benefit while the new
14 benefit increase was in effect.

15 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;
16 103-548, eff. 8-11-23; revised 8-31-23.)

17 (40 ILCS 5/16-203)

18 Sec. 16-203. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after June 1, 2005 (the
25 effective date of Public Act 94-4). "New benefit increase",

1 however, does not include any benefit increase resulting from
2 the changes made to Article 1 or this Article by Public Act
3 95-910, Public Act 100-23, Public Act 100-587, Public Act
4 100-743, Public Act 100-769, Public Act 101-10, Public Act
5 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
6 amendatory Act of the 103rd General Assembly.

7 (b) Notwithstanding any other provision of this Code or
8 any subsequent amendment to this Code, every new benefit
9 increase is subject to this Section and shall be deemed to be
10 granted only in conformance with and contingent upon
11 compliance with the provisions of this Section.

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

16 Every new benefit increase is contingent upon the General
17 Assembly providing the additional funding required under this
18 subsection. The Commission on Government Forecasting and
19 Accountability shall analyze whether adequate additional
20 funding has been provided for the new benefit increase and
21 shall report its analysis to the Public Pension Division of
22 the Department of Insurance. A new benefit increase created by
23 a Public Act that does not include the additional funding
24 required under this subsection is null and void. If the Public
25 Pension Division determines that the additional funding
26 provided for a new benefit increase under this subsection is

1 or has become inadequate, it may so certify to the Governor and
2 the State Comptroller and, in the absence of corrective action
3 by the General Assembly, the new benefit increase shall expire
4 at the end of the fiscal year in which the certification is
5 made.

6 (d) Every new benefit increase shall expire 5 years after
7 its effective date or on such earlier date as may be specified
8 in the language enacting the new benefit increase or provided
9 under subsection (c). This does not prevent the General
10 Assembly from extending or re-creating a new benefit increase
11 by law.

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

22 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
23 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.
24 6-30-23.)

25 (40 ILCS 5/18-169)

1 Sec. 18-169. Application and expiration of new benefit
2 increases.

3 (a) As used in this Section, "new benefit increase" means
4 an increase in the amount of any benefit provided under this
5 Article, or an expansion of the conditions of eligibility for
6 any benefit under this Article, that results from an amendment
7 to this Code that takes effect after the effective date of this
8 amendatory Act of the 94th General Assembly. "New benefit
9 increase", however, does not include any benefit increase
10 resulting from the changes made to this Article by this
11 amendatory Act of the 103rd General Assembly.

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

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

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

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

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

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

1 (Source: P.A. 103-426, eff. 8-4-23.)

2 Section 90-90. The State Mandates Act is amended by adding
3 Section 8.48 as follows:

4 (30 ILCS 805/8.48 new)

5 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and
6 8 of this Act, no reimbursement by the State is required for
7 the implementation of any mandate created by this amendatory
8 Act of the 103rd General Assembly.

9 Article 99.

10 Section 99-99. Effective date. This Act takes effect July
11 1, 2025.

1

INDEX

2

Statutes amended in order of appearance

3

40 ILCS 5/1-160

4

40 ILCS 5/2-108.1

from Ch. 108 1/2, par. 2-108.1

5

40 ILCS 5/2-119.1

from Ch. 108 1/2, par. 2-119.1

6

40 ILCS 5/14-103.10

from Ch. 108 1/2, par. 14-103.10

7

40 ILCS 5/15-111

from Ch. 108 1/2, par. 15-111

8

40 ILCS 5/18-125

from Ch. 108 1/2, par. 18-125

9

40 ILCS 5/18-128.01

from Ch. 108 1/2, par. 18-128.01

10

40 ILCS 5/1-160

11

40 ILCS 5/2-119.1

from Ch. 108 1/2, par. 2-119.1

12

40 ILCS 5/15-136

from Ch. 108 1/2, par. 15-136

13

40 ILCS 5/18-125.1

from Ch. 108 1/2, par. 18-125.1

14

5 ILCS 100/5-45.55 new

15

40 ILCS 5/2-154.5 new

16

40 ILCS 5/2-154.6 new

17

40 ILCS 5/17-156.10 new

18

40 ILCS 5/17-156.11 new

19

40 ILCS 5/18-161.5 new

20

40 ILCS 5/18-161.6 new

21

40 ILCS 5/1-168 new

22

40 ILCS 5/3-118 new

23

40 ILCS 5/4-136 new

24

40 ILCS 5/7-142.2 new

25

30 ILCS 330/7.2

1	30 ILCS 330/7.6	
2	30 ILCS 105/8s new	
3	40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
4	40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
5	40 ILCS 5/2-107	from Ch. 108 1/2, par. 2-107
6	40 ILCS 5/2-117	from Ch. 108 1/2, par. 2-117
7	40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
8	40 ILCS 5/14-104	from Ch. 108 1/2, par. 14-104
9	40 ILCS 5/14-104.14 new	
10	40 ILCS 5/14-105.4	from Ch. 108 1/2, par. 14-105.4
11	40 ILCS 5/18-101	from Ch. 108 1/2, par. 18-101
12	40 ILCS 5/18-108	from Ch. 108 1/2, par. 18-108
13	40 ILCS 5/18-109	from Ch. 108 1/2, par. 18-109
14	40 ILCS 5/18-110	from Ch. 108 1/2, par. 18-110
15	40 ILCS 5/18-120	from Ch. 108 1/2, par. 18-120
16	40 ILCS 5/1-160	
17	40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
18	40 ILCS 5/1-160	
19	40 ILCS 5/15-108.2	
20	40 ILCS 5/15-155	from Ch. 108 1/2, par. 15-155
21	40 ILCS 5/16-158.3	
22	40 ILCS 5/1-161 rep.	
23	40 ILCS 5/1-162 rep.	
24	40 ILCS 5/15-155.2 rep.	
25	40 ILCS 5/1-160	
26	40 ILCS 5/14-110	from Ch. 108 1/2, par. 14-110

- 1 40 ILCS 5/3-144.3 new
- 2 40 ILCS 5/4-138.15 new
- 3 40 ILCS 5/2-162
- 4 40 ILCS 5/14-152.1
- 5 40 ILCS 5/15-198
- 6 40 ILCS 5/16-203
- 7 40 ILCS 5/18-169
- 8 30 ILCS 805/8.48 new