

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Sections 16-106, 16-113, 16-127, 16-129.1, 16-133.2,  
6 16-136.4, 16-149.2, 16-150, 16-151, 16-182, 16-184, 16-185,  
7 and 16-186.3 as follows:

8 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

9 Sec. 16-106. Teacher. "Teacher": The following  
10 individuals, provided that, for employment prior to July 1,  
11 1990, they are employed on a full-time basis, or if not  
12 full-time, on a permanent and continuous basis in a position  
13 in which services are expected to be rendered for at least  
14 one school term:

15 (1) Any educational, administrative, professional  
16 or other staff employed in the public common schools  
17 included within this system in a position requiring  
18 certification under the law governing the certification  
19 of teachers;

20 (2) Any educational, administrative, professional  
21 or other staff employed in any facility of the Department  
22 of Children and Family Services or the Department of  
23 Human Services, in a position requiring certification  
24 under the law governing the certification of teachers,  
25 and any person who (i) works in such a position for the  
26 Department of Corrections, (ii) was a member of this  
27 System on May 31, 1987, and (iii) did not elect to become  
28 a member of the State Employees' Retirement System  
29 pursuant to Section 14-108.2 of this Code; except that  
30 "teacher" does not include any person who (A) becomes a  
31 security employee of the Department of Human Services, as

1 defined in Section 14-110, after June 28, 2001 (the  
 2 effective date of Public Act 92-14), or (B) becomes a  
 3 member of the State Employees' Retirement System pursuant  
 4 to Section 14-108.2c of this Code;

5 (3) Any regional superintendent of schools,  
 6 assistant regional superintendent of schools, State  
 7 Superintendent of Education; any person employed by the  
 8 State Board of Education as an executive; any executive  
 9 of the boards engaged in the service of public common  
 10 school education in school districts covered under this  
 11 system of which the State Superintendent of Education is  
 12 an ex-officio member;

13 (4) Any employee of a school board association  
 14 operating in compliance with Article 23 of the School  
 15 Code who is certificated under the law governing the  
 16 certification of teachers;

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

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

22 (ii) was an employee of but not a participant  
 23 in the system on the effective date of this  
 24 amendatory Act of the 93rd General Assembly, and has  
 25 thereafter become employed by the system in a  
 26 different position and made an irrevocable election  
 27 to begin participating in the system, or

28 (iii) becomes an employee of the system on or  
 29 after August 17, 2001;

30 (6) Any educational, administrative, professional  
 31 or other staff employed by and under the supervision and  
 32 control of a regional superintendent of schools, provided  
 33 such employment position requires the person to be  
 34 certificated under the law governing the certification of

1 teachers and is in an educational program serving 2 or  
2 more districts in accordance with a joint agreement  
3 authorized by the School Code or by federal legislation;

4 (7) Any educational, administrative, professional  
5 or other staff employed in an educational program  
6 serving 2 or more school districts in accordance with a  
7 joint agreement authorized by the School Code or by  
8 federal legislation and in a position requiring  
9 certification under the laws governing the certification  
10 of teachers;

11 (8) Any officer or employee of a statewide teacher  
12 organization or officer of a national teacher  
13 organization who is certified under the law governing  
14 certification of teachers, provided: (i) the individual  
15 had previously established creditable service under this  
16 Article, (ii) the individual files with the system an  
17 irrevocable election to become a member, and (iii) the  
18 individual does not receive credit for such service under  
19 any other Article of this Code;

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

25 An annuitant receiving a retirement annuity under this  
26 Article ~~or--under-Article-17-of-this-Code~~ who is temporarily  
27 employed by a board of education or other employer not  
28 exceeding that permitted under Section 16-118 is not a  
29 "teacher" for purposes of this Article. A person who has  
30 received a single-sum retirement benefit under Section  
31 16-136.4 of this Article is not a "teacher" for purposes of  
32 this Article.

33 (Source: P.A. 92-14, eff. 6-28-01; 92-416, eff. 8-17-01;  
34 92-651, eff. 7-11-02.)

1 (40 ILCS 5/16-113) (from Ch. 108 1/2, par. 16-113)

2 Sec. 16-113. Accumulated contributions. "Accumulated  
3 contributions": The sum of all contributions to this System  
4 made by or on behalf of a member in respect to membership  
5 service and credited to his or her account in the Benefit  
6 Trust Reserve Members<sup>1</sup>-Contribution--Reserve, together with  
7 regular interest thereon.

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

9 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

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

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

19 (1) Prior service as a teacher.

20 (2) Service in a capacity essentially similar or  
21 equivalent to that of a teacher, in the public common  
22 schools in school districts in this State not included  
23 within the provisions of this System, or of any other  
24 State, territory, dependency or possession of the United  
25 States, or in schools operated by or under the auspices  
26 of the United States, or under the auspices of any agency  
27 or department of any other State, and service during any  
28 period of professional speech correction or special  
29 education experience for a public agency within this  
30 State or any other State, territory, dependency or  
31 possession of the United States, and service prior to  
32 February 1, 1951 as a recreation worker for the Illinois  
33 Department of Public Safety, for a period not exceeding

1 the lesser of 2/5 of the total creditable service of the  
2 member or 10 years. The maximum service of 10 years  
3 which is allowable under this paragraph shall be reduced  
4 by the service credit which is validated by other  
5 retirement systems under paragraph (i) of Section 15-113  
6 and paragraph 1 of Section 17-133. Credit granted under  
7 this paragraph may not be used in determination of a  
8 retirement annuity or disability benefits unless the  
9 member has at least 5 years of creditable service earned  
10 subsequent to this employment with one or more of the  
11 following systems: Teachers' Retirement System of the  
12 State of Illinois, State Universities Retirement System,  
13 and the Public School Teachers' Pension and Retirement  
14 Fund of Chicago. Whenever such service credit exceeds  
15 the maximum allowed for all purposes of this Article, the  
16 first service rendered in point of time shall be  
17 considered. The changes to this subdivision (b)(2) made  
18 by Public Act 86-272 shall apply not only to persons who  
19 on or after its effective date (August 23, 1989) are in  
20 service as a teacher under the System, but also to  
21 persons whose status as such a teacher terminated prior  
22 to such effective date, whether or not such person is an  
23 annuitant on that date.

24 (3) Any periods immediately following teaching  
25 service, under this System or under Article 17, (or  
26 immediately following service prior to February 1, 1951  
27 as a recreation worker for the Illinois Department of  
28 Public Safety) spent in active service with the military  
29 forces of the United States; periods spent in educational  
30 programs that prepare for return to teaching sponsored by  
31 the federal government following such active military  
32 service; if a teacher returns to teaching service within  
33 one calendar year after discharge or after the completion  
34 of the educational program, a further period, not

1 exceeding one calendar year, between time spent in  
2 military service or in such educational programs and the  
3 return to employment as a teacher under this System; and  
4 a period of up to 2 years of active military service not  
5 immediately following employment as a teacher.

6 The changes to this Section and Section 16-128  
7 relating to military service made by P.A. 87-794 shall  
8 apply not only to persons who on or after its effective  
9 date are in service as a teacher under the System, but  
10 also to persons whose status as a teacher terminated  
11 prior to that date, whether or not the person is an  
12 annuitant on that date. In the case of an annuitant who  
13 applies for credit allowable under this Section for a  
14 period of military service that did not immediately  
15 follow employment, and who has made the required  
16 contributions for such credit, the annuity shall be  
17 recalculated to include the additional service credit,  
18 with the increase taking effect on the date the System  
19 received written notification of the annuitant's intent  
20 to purchase the credit, if payment of all the required  
21 contributions is made within 60 days of such notice, or  
22 else on the first annuity payment date following the date  
23 of payment of the required contributions. In calculating  
24 the automatic annual increase for an annuity that has  
25 been recalculated under this Section, the increase  
26 attributable to the additional service allowable under  
27 P.A. 87-794 shall be included in the calculation of  
28 automatic annual increases accruing after the effective  
29 date of the recalculation.

30 Credit for military service shall be determined as  
31 follows: if entry occurs during the months of July,  
32 August, or September and the member was a teacher at the  
33 end of the immediately preceding school term, credit  
34 shall be granted from July 1 of the year in which he or

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

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

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

25 (5)(i) Any periods for which a teacher, as defined  
26 in Section 16-106, is granted a leave of absence,  
27 provided he or she returns to teaching service creditable  
28 under this System or the State Universities Retirement  
29 System following the leave; (ii) periods during which a  
30 teacher is involuntarily laid off from teaching, provided  
31 he or she returns to teaching following the lay-off;  
32 (iii) periods prior to July 1, 1983 during which a  
33 teacher ceased covered employment under this Article or  
34 Article 17 due to pregnancy, provided that the teacher

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

17 Any qualified member or annuitant may apply for  
18 credit under item (iii) or (iv) of this paragraph (5)  
19 without regard to whether service was terminated before  
20 the effective date of this amendatory Act of 1997. In  
21 the case of an annuitant who establishes credit under  
22 item (iii) or (iv), the annuity shall be recalculated to  
23 include the additional service credit. The increase in  
24 annuity shall take effect on the date the System receives  
25 written notification of the annuitant's intent to  
26 purchase the credit, if the required evidence is  
27 submitted and the required contribution paid within 60  
28 days of that notification, otherwise on the first annuity  
29 payment date following the System's receipt of the  
30 required evidence and contribution. The increase in an  
31 annuity recalculated under this provision shall be  
32 included in the calculation of automatic annual increases  
33 in the annuity accruing after the effective date of the  
34 recalculation.



1 Optional credit may be purchased under this  
2 subsection (b)(5) for periods during which a teacher has  
3 been granted a leave of absence pursuant to Section 24-13  
4 of the School Code. A teacher whose service under this  
5 Article terminated prior to the effective date of P.A.  
6 86-1488 shall be eligible to purchase such optional  
7 credit. If a teacher who purchases this optional credit  
8 is already receiving a retirement annuity under this  
9 Article, the annuity shall be recalculated as if the  
10 annuitant had applied for the leave of absence credit at  
11 the time of retirement. The difference between the  
12 entitled annuity and the actual annuity shall be credited  
13 to the purchase of the optional credit. The remainder of  
14 the purchase cost of the optional credit shall be paid on  
15 or before April 1, 1992.

16 The change in this paragraph made by Public Act  
17 86-273 shall be applicable to teachers who retire after  
18 June 1, 1989, as well as to teachers who are in service  
19 on that date.

20 (6) Any days of unused and uncompensated  
21 accumulated sick leave earned by a teacher. The service  
22 credit granted under this paragraph shall be the ratio of  
23 the number of unused and uncompensated accumulated sick  
24 leave days to 170 days, subject to a maximum of 2 years  
25 of service credit. Prior to the member's retirement,  
26 each former employer shall certify to the System the  
27 number of unused and uncompensated accumulated sick leave  
28 days credited to the member at the time of termination of  
29 service. The period of unused sick leave shall not be  
30 considered in determining the effective date of  
31 retirement. A member is not required to make  
32 contributions in order to obtain service credit for  
33 unused sick leave.

34 Credit for sick leave shall, at retirement, be

1 granted by the System for any retiring regional or  
2 assistant regional superintendent of schools at the rate  
3 of 6 days per year of creditable service or portion  
4 thereof established while serving as such superintendent  
5 or assistant superintendent.

6 (7) Periods prior to February 1, 1987 served as an  
7 employee of the Illinois Mathematics and Science Academy  
8 for which credit has not been terminated under Section  
9 15-113.9 of this Code.

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

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

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

23 (b-1) A member may establish optional credit for up to 2  
24 years of service as a teacher or administrator employed by a  
25 private school recognized by the Illinois State Board of  
26 Education, provided that the teacher (i) was certified under  
27 the law governing the certification of teachers at the time  
28 the service was rendered, (ii) applies in writing on or after  
29 June 1, 2002 and on or before June 1, 2005, (iii) supplies  
30 satisfactory evidence of the employment, (iv) completes at  
31 least 10 years of contributing service as a teacher as  
32 defined in Section 16-106, and (v) pays the contribution  
33 required in subsection (d-5) of Section 16-128. The member  
34 may apply for credit under this subsection and pay the

1 required contribution before completing the 10 years of  
2 contributing service required under item (iv), but the credit  
3 may not be used until the item (iv) contributing service  
4 requirement has been met.

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

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

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

19 (Source: P.A. 92-867, eff. 1-3-03.)

20 (40 ILCS 5/16-129.1)

21 Sec. 16-129.1. Optional increase in retirement annuity.

22 (a) A member of the System may qualify for the augmented  
23 rate under subdivision (a)(B)(1) of Section 16-133 for all  
24 years of creditable service earned before July 1, 1998 by  
25 making the optional contribution specified in subsection (b).  
26 A member may not elect to qualify for the augmented rate for  
27 only a portion of his or her creditable service earned before  
28 July 1, 1998.

29 (b) The contribution shall be an amount equal to 1.0% of  
30 the member's highest salary rate in the 4 consecutive school  
31 years immediately prior to but not including the school year  
32 in which the application occurs, multiplied by the number of  
33 years of creditable service earned by the member before July

1 1, 1998 or 20, whichever is less. This contribution shall be  
2 reduced by 1.0% of that salary rate for every 3 full years of  
3 creditable service earned by the member after June 30, 1998.  
4 The contribution shall be further reduced at the rate of 25%  
5 of the contribution (as reduced for service after June 30,  
6 1998) for each year of the member's total creditable service  
7 in excess of 34 years. The contribution shall not in any  
8 event exceed 20% of that salary rate.

9 The member shall pay to the System the amount of the  
10 contribution as calculated at the time of application under  
11 this Section. The amount of the contribution determined  
12 under this subsection shall be recalculated at the time of  
13 retirement, and if the System determines that the amount paid  
14 by the member exceeds the recalculated amount, the System  
15 shall refund the difference to the member with regular  
16 interest from the date of payment to the date of refund.

17 The contribution required by this subsection shall be  
18 paid in one of the following ways or in a combination of the  
19 following ways that does not extend over more than 5 years:

20 (i) in a lump sum on or before the date of  
21 retirement;

22 (ii) in substantially equal installments over a  
23 period of time not to exceed 5 years, as a deduction from  
24 salary in accordance with subsection (b) of Section  
25 16-154;

26 ~~(iii) if the member becomes an annuitant before~~  
27 ~~June 30, 2003,~~ in substantially equal monthly  
28 installments over a 24-month period, by reducing the  
29 annuitant's monthly benefit over a 24-month period by the  
30 amount of the otherwise applicable contribution. For  
31 federal and Illinois tax purposes, the monthly amount by  
32 which the annuitant's benefit is reduced shall not be  
33 treated as a contribution by the annuitant, but rather as  
34 a reduction of the annuitant's monthly benefit.

1 (c) If the member fails to make the full contribution  
2 under this Section in a timely fashion, the payments made  
3 under this Section shall be refunded to the member, without  
4 interest. If the member dies before making the full  
5 contribution, the payments made under this Section, together  
6 with regular interest thereon, shall be refunded to the  
7 member's designated beneficiary for benefits under Section  
8 16-138.

9 (d) For purposes of this Section and subdivision  
10 (a)(B)(1) of Section 16-133, optional creditable service  
11 established by a member shall be deemed to have been earned  
12 at the time of the employment or other qualifying event upon  
13 which the service is based, rather than at the time the  
14 credit was established in this System.

15 (e) The contributions required under this Section are  
16 the responsibility of the teacher and not the teacher's  
17 employer. However, an employer of teachers may, after the  
18 effective date of this amendatory Act of 1998, specifically  
19 agree, through collective bargaining or otherwise, to make  
20 the contributions required by this Section on behalf of those  
21 teachers.

22 (f) A person who, on or after July 1, 1998 and before  
23 June 4, 1999, began receiving a retirement annuity calculated  
24 at the augmented rate may apply in writing to have the  
25 annuity recalculated to reflect the changes to this Section  
26 and Section 16-133 that were enacted in Public Act 91-17.  
27 The amount of any resulting decrease in the optional  
28 contribution shall be refunded to the annuitant, without  
29 interest. Any resulting increase in retirement annuity shall  
30 take effect on the next annuity payment date following the  
31 date of application under this subsection.

32 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01.)

33 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)

1           Sec. 16-133.2. Early retirement without discount. A  
2 member retiring after June 1, 1980 and on or before June 30,  
3 2005, and applying for a retirement annuity within 6 months  
4 of the last day of teaching for which retirement  
5 contributions were required, may elect at the time of  
6 application for a retirement annuity, to make a one time  
7 member contribution to the System and thereby avoid the  
8 reduction in the retirement annuity for retirement before age  
9 60 specified in paragraph (B) of Section 16-133. The  
10 exercise of the election shall also obligate the last  
11 employer to make a one time non-refundable contribution to  
12 the System. Substitute teachers wishing to exercise this  
13 election must teach 85 or more days in one school term with  
14 one employer, who shall be deemed the last employer for  
15 purposes of this Section. The last day of teaching with that  
16 employer must be within 6 months of the date of application  
17 for retirement. All substitute teaching credit applied  
18 toward the required 85 days must be earned after June 30,  
19 1990.

20           The one time member and employer contributions shall be a  
21 percentage of the retiring member's highest annual salary  
22 rate used in the determination of the average salary for  
23 retirement annuity purposes. However, when determining the  
24 one-time member and employer contributions, that part of a  
25 member's salary with the same employer which exceeds the  
26 annual salary rate for the preceding year by more than 20%  
27 shall be excluded. The member contribution shall be at the  
28 rate of 7% for the lesser of the following 2 periods: (1)  
29 for each year that the member is less than age 60; or (2) for  
30 each year that the member's creditable service is less than  
31 35 years. If a member is at least age 55 and has at least 34  
32 years of creditable service, no member or employer  
33 contribution for the early retirement option shall be  
34 required. The employer contribution shall be at the rate of

1 20% for each year the member is under age 60.

2 Upon receipt of the application and election, the System  
3 shall determine the one time employee and employer  
4 contributions required. The member contribution shall be  
5 credited to the individual account of the member and the  
6 employer contribution shall be credited to the Benefit Trust  
7 Reserve ~~Employer's-Contribution-Reserve~~. The provisions of  
8 this Section shall not be applicable until the member's  
9 contribution, if any, has been received by the System;  
10 however, the date such contributions are received shall not  
11 be considered in determining the effective date of  
12 retirement.

13 The number of members working for a single employer who  
14 may retire under this Section in any year may be limited at  
15 the option of the employer to a specified percentage of those  
16 eligible, not less than 30%, with the right to participate to  
17 be allocated among those applying on the basis of seniority  
18 in the service of the employer.

19 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

20 (40 ILCS 5/16-136.4) (from Ch. 108 1/2, par. 16-136.4)  
21 Sec. 16-136.4. Single-sum retirement benefit.

22 (a) A member who has less than 5 years of creditable  
23 service shall be entitled, upon written application to the  
24 board, to receive a retirement benefit payable in a single  
25 sum upon or after the member's attainment of age 65.  
26 However, the benefit shall not be paid while the member is  
27 employed as a teacher in the schools included under this  
28 Article or Article 17, unless the System is required by  
29 federal law to make payment due to the member's age.

30 (b) The retirement benefit shall consist of a single sum  
31 that is the actuarial equivalent of a life annuity consisting  
32 of 1.67% of the member's final average salary for each year  
33 of creditable service earned before July 1, 1998 and 2.2% of

1 the member's final average salary for each year of creditable  
2 service earned after June 30, 1998. In determining the  
3 amount of the benefit, a fractional year shall be granted  
4 proportional credit.

5 For the purposes of this Section, final average salary  
6 shall be the average salary of the member's highest 4  
7 consecutive years of service as determined under rules of the  
8 board. For a member with less than 4 consecutive years of  
9 service, final average salary shall be the average salary  
10 during the member's entire period of service. In the  
11 determination of final average salary for members other than  
12 elected officials and their appointees when such appointees  
13 are allowed by statute, that part of a member's salary which  
14 exceeds the member's annual full-time salary rate with the  
15 same employer for the preceding year by more than 20% shall  
16 be excluded. The exclusion shall not apply in any year in  
17 which the member's creditable earnings are less than 50% of  
18 the preceding year's mean salary for downstate teachers as  
19 determined by the survey of school district salaries provided  
20 in Section 2-3.103 of the School Code.

21 (c) The retirement benefit determined under this Section  
22 shall be available to all members who render teaching service  
23 after July 1, 1947 for which member contributions are  
24 required.

25 (d) Upon acceptance of the retirement benefit, all of  
26 the member's accrued rights and credits in the System are  
27 forfeited. Receipt of a single-sum retirement benefit under  
28 this Section does not make a person an "annuitant" for the  
29 purposes of this Article, nor a "benefit recipient" for the  
30 purposes of Sections 16-153.1 through 16-153.4.

31 (Source: P.A. 91-887, eff. 7-6-00.)

32 (40 ILCS 5/16-149.2) (from Ch. 108 1/2, par. 16-149.2)

33 Sec. 16-149.2. Disability retirement annuity.



1 (a) A member whose disability benefit has been  
2 terminated under the provisions of Section 16-149 may be  
3 retired on a disability retirement annuity payable effective  
4 the day following such termination provided the member  
5 remains disabled under the standard of disability provided in  
6 Section 16-149.

7 The disability retirement annuity shall be payable upon  
8 receipt of written certificates from at least 2 licensed  
9 physicians designated by the System verifying the  
10 continuation of the disability condition. A disability  
11 retirement annuity shall not be paid during any period for  
12 which the member receives benefits under Section 16-133,  
13 Section 16-149, or Section 16-149.1 or has a right to receive  
14 a salary as a teacher, or is employed in any capacity as a  
15 teacher by the employers included under this System or in an  
16 equivalent capacity in any other public or private school,  
17 college or university.

18 (b) The disability retirement annuity shall be equal to  
19 the larger of: (1) 35% of the most recent annual contract  
20 salary rate or for part-time and substitute members after  
21 June 30, 1990, the most recent annualized salary rate; or (2)  
22 if disability commences prior to the member's attainment of  
23 age 55, the amount computed in accordance with Section  
24 16-133, provided the amount computed under paragraph (B) of  
25 Section 16-133 shall be reduced by 1/2 of 1% for each month  
26 that the member is less than age 55; or (3) if disability  
27 commences after the member's attainment of age 55, and the  
28 member is not receiving a retirement annuity under Section  
29 16-133, the amount computed in accordance with Section  
30 16-133.

31 Prior to July 1, 1990, if the most recent period of  
32 service of any member eligible to receive a disability  
33 retirement annuity was rendered on a less than full-time but  
34 not less than half-time basis, the amount of the disability

1 retirement annuity payable shall be computed on the basis of  
2 the salary received by such member for the member's last year  
3 of service on a full-time basis if such salary was greater  
4 than the member's most recent salary.

5 (c) If an annuitant receiving a disability retirement  
6 annuity under this Section is engaged in or able to engage in  
7 gainful employment paying more than the difference between  
8 the disability retirement annuity and the salary rate upon  
9 which the disability benefit is based, with no salary to be  
10 considered less than the minimum prescribed in Section 24-8  
11 of the School Code, the disability retirement annuity shall  
12 be reduced to an amount which together with the amount earned  
13 by the annuitant, equals the salary rate upon which the  
14 disability benefit is based. However, for the purposes of  
15 this subsection (c) only, the salary rate upon which the  
16 benefit is based shall be deemed to increase by 15% on the  
17 tenth anniversary of the commencement of the annuity.

18 Once each year during the first 5 years following  
19 retirement on a disability retirement annuity, and once in  
20 every 3-year period thereafter, the System may require an  
21 annuitant to undergo a medical examination, by a physician or  
22 physicians designated by the System. If the annuitant  
23 refuses to submit to such medical examination, the annuity  
24 shall be discontinued until such time as the annuitant  
25 consents to the examination, and if refusal continues for one  
26 year, all the rights to the annuity shall be revoked.

27 (d) If an annuitant in receipt of a disability  
28 retirement annuity returns to active service as a teacher or  
29 is no longer disabled, such annuity shall cease and the  
30 annuitant shall again become a member of the Retirement  
31 System and, if in active service as a teacher, shall make  
32 regular contributions. The---remaining---accumulated  
33 contributions--shall---be---transferred---to---the---Members'  
34 Contribution---Reserve---from---the---Employer's---Contribution

1 Reserve. All service for which the annuitant had credit on  
2 the date of disability shall be properly reestablished.

3 An annuitant in receipt of a disability retirement  
4 annuity who returns to active service as a teacher and who  
5 again becomes disabled shall not be entitled to a  
6 recomputation of the disability retirement annuity based on  
7 amendments enacted while the annuitant was in receipt of the  
8 annuity unless at least one year of creditable service is  
9 rendered after the latest re-entry into service.

10 (e) An annuitant in receipt of a disability retirement  
11 annuity may, upon reaching retirement age as specified in  
12 Section 16-132, apply for a retirement annuity which is to be  
13 calculated as specified in Section 16-133. The disability  
14 retirement annuity shall be discontinued upon commencement of  
15 the retirement annuity.

16 (f) The board shall prescribe rules governing the  
17 filing, investigation, control, and supervision of disability  
18 retirement claims. The rules shall include specific  
19 standards to be used when requesting additional medical  
20 examinations, hospital records or other data necessary for  
21 determining the employment capacity and condition of the  
22 annuitant. Costs incurred by a claimant in connection with  
23 completing a claim for disability benefits shall be paid by  
24 the claimant.

25 The changes to this Section made by this amendatory Act  
26 of 1991 shall apply not only to persons who on or after its  
27 effective date are in service as a teacher under the System,  
28 but also to persons whose status as a teacher terminated  
29 prior to that date, whether or not the person is an annuitant  
30 on that date.

31 (Source: P.A. 86-273; 86-1488; 87-794.)

32 (40 ILCS 5/16-150) (from Ch. 108 1/2, par. 16-150)

33 Sec. 16-150. Re-entry. If an annuitant under this

1 System is again employed as a teacher for an aggregate period  
2 exceeding that permitted by Section 16-118, his or her  
3 retirement annuity shall be terminated and the annuitant  
4 shall thereupon be regarded as an active member. The  
5 ~~annuitant's--remaining--accumulated--contributions--shall--be~~  
6 ~~transferred--to--the--Members'--Contribution-Reserve--from--the~~  
7 ~~Employer's-Contribution-Reserve.~~

8 Such annuitant is not entitled to a recomputation of his  
9 or her retirement annuity unless at least one full year of  
10 creditable service is rendered after the latest re-entry into  
11 service and the annuitant must have rendered at least 3 years  
12 of creditable service after last re-entry into service to  
13 qualify for a recomputation of the retirement annuity based  
14 on amendments enacted while in receipt of a retirement  
15 annuity, except when retirement was due to disability.

16 However, regardless of age, an annuitant in receipt of a  
17 retirement annuity may be given temporary employment by a  
18 school board not exceeding that permitted under Section  
19 16-118 and continue to receive the retirement annuity.

20 Unless retirement was necessitated by disability, a  
21 retirement shall be considered cancelled and the retirement  
22 allowance must be repaid in full if the annuitant is employed  
23 as a teacher within the school year during which service was  
24 terminated.

25 An annuitant's retirement which does not include a period  
26 of at least one full and complete school year shall be  
27 considered cancelled and the retirement annuity must be  
28 repaid in full unless such retirement was necessitated by  
29 disability.

30 (Source: P.A. 86-273; 87-794.)

31 (40 ILCS 5/16-151) (from Ch. 108 1/2, par. 16-151)

32 Sec. 16-151. Refund. Upon termination of employment as a  
33 teacher for any cause other than death or retirement, a

1 member shall be paid the following amount upon demand made at  
2 least 4 months after ceasing to teach:

3 (1) from the Benefit Trust Reserve Members'  
4 Contribution-Reserve, the actual total contributions paid  
5 by or on behalf of the member for membership service  
6 which have not been previously refunded and which are  
7 then credited to the member's individual account in the  
8 Benefit Trust Reserve Members'--Contribution--Reserve,  
9 without interest thereon, and

10 (2) from the Benefit Trust Reserve Employer's  
11 Contribution---Reserve, the actual contributions not  
12 previously refunded, paid by or on behalf of the member  
13 for prior service and towards the cost of the automatic  
14 annual increase in retirement annuity as provided under  
15 Section 16-152, without interest thereon.

16 Any such amounts may be paid to the member either in one  
17 sum or, at the election of the board, in 4 quarterly  
18 payments.

19 Contributions credited to a member for periods of  
20 disability as provided in Sections 16-149 and 16-149.1 are  
21 not refundable.

22 Upon acceptance of a refund, all accrued rights and  
23 credits in the System are forfeited and may be reinstated  
24 only if the refund is repaid together with interest from the  
25 date of the refund to the date of repayment at the following  
26 rates compounded annually: for periods prior to July 1,  
27 1965, regular interest; for periods from July 1, 1965 to June  
28 30, 1977, 4% per year; for periods on and after July 1, 1977,  
29 regular interest. Repayment shall be permitted upon return to  
30 membership; however, service credit previously forfeited by a  
31 refund and subsequently reinstated may not be used as a basis  
32 for the payment of benefits, other than a refund of  
33 contributions, prior to the completion of one year of  
34 creditable service following the refund, except when

1 repayment is permitted under the provisions of the  
 2 "Retirement Systems Reciprocal Act" contained in Article 20.  
 3 (Source: P.A. 90-448, eff. 8-16-97.)

4 (40 ILCS 5/16-182) (from Ch. 108 1/2, par. 16-182)  
 5 Sec. 16-182. Members' Contribution Reserve.

6 (a) On July 1, 2003, the Members' Contribution Reserve  
 7 is abolished and the remaining balance shall be transferred  
 8 from that Reserve to the Benefit Trust Reserve. A-Members'  
 9 Contribution-Reserve-shall-be-established-for-the-purpose--of  
 10 accumulating--with--regular--interest--the--contributions--of  
 11 members-made-prior-to-retirement.

12 This-Reserve-shall-be-credited-with:

13 (1)--The---total---accumulated---contributions---for  
 14 membership--service,--as--of--the--date--this--reserve-is  
 15 established,--exclusive--of--contributions---for---annual  
 16 increases-in-retirement-annuity-and-survivor-benefits.

17 (2)--The-member-contributions-received-under-Section  
 18 16-133.2.

19 (3)--The--normal--contributions-under-Section-16-128  
 20 and-Section-16-131.2-together-with-regular-interest.

21 (4)--The-total-of-all-normal-contributions-for--each  
 22 fiscal-year-as-of-the-end-of-the-fiscal-year.

23 (5)--The--excess-of-the-accumulated-contributions-of  
 24 an-annuitant-at-retirement-over--the--retirement--annuity  
 25 payments--received,--to--be--computed--upon-re-entry-into  
 26 service-after-termination--of--a--retirement--annuity--as  
 27 provided--in--Section--16-150,--or-after-termination-of-a  
 28 disability-retirement--annuity--as--provided--in--Section  
 29 16-149.2.

30 (6)--Regular---interest---on---the---accumulated  
 31 contributions--in-the-members'-contribution-reserve-as-of  
 32 the-end-of-the-previous-fiscal-year,--credited-to-the-date  
 33 of-retirement-or-death-for-those-retiring-or-dying-during

1 the-fiscal-year, and-to-the-end-of-the--fiscal--year--for  
2 all-other-members.

3 (b)--This-Reserve-shall-be-charged-with:

4 (1)--The---accumulated---contributions---of---members  
5 retired-under-the-provisions-of-Sections-16-133, 16-136.4  
6 and-16-149.2.

7 (2)--The--accumulated---contributions---of---members  
8 granted-a-refund-under-the-provisions-of-Section-16-151.

9 (3)--The---accumulated---contributions--of--deceased  
10 members-upon-payment-of-a-refund-as-provided--in--Section  
11 16-138.

12 (4)--The--accumulated--contributions--together--with  
13 regular-interest-as-provided-in-Section-16-131.1.

14 (c)--Upon--the--granting--of--a-retirement-annuity-or-the  
15 payment-of-a-single-sum-retirement--benefit--or--a--death--or  
16 refund--benefit,--all--individual--accumulated-credits-of-the  
17 member-concerned-shall-be-terminated.

18 (d)--Amounts-credited-to-the-account-of--a--member--under  
19 this--Reserve--shall--not--be--used--until--such-member-dies,  
20 retires,--accepts--a--refund,--or--requests--a--transfer---of  
21 contributions.

22 (Source: P.A. 87-11.)

23 (40 ILCS 5/16-184) (from Ch. 108 1/2, par. 16-184)

24 Sec. 16-184. Supplementary Annuity Reserve.

25 (a)--Except--as--provided-in-subsection-(b), a-Reserve-to  
26 be-known-as-the-Supplementary-Annuity-Reserve-is--established  
27 for--the--purpose--of--crediting--funds-received-and-charging  
28 disbursements-made-for-supplementary-annuities-under--Section  
29 16-135-and-Section-16-149.4.

30 This-Reserve-shall-be-credited-with:

31 (1)--The---total---of---all--contributions--made--by  
32 annuitants-to-qualify-for-supplementary-annuities.

33 (2)--Amounts-contributed-to-the-System-by-the--State

1 of--Illinois--that--are--sufficient--to--assure--payment--of--the  
2 supplementary--annuities.

3 (3)--Regular--interest--computed--annually--on--the  
4 average--balance--in--this--reserve.

5 This--Reserve--shall--be--charged--with--all--supplemental  
6 annuity--payments--under--Section--16--135--and--Section--16--149.4.

7 (b) On the July 1, 2003 next--occurring--after--the  
8 effective--date--of--this--amendatory--Act--of--the--91st--General  
9 Assembly, the Supplemental Annuity Reserve is abolished and  
10 any remaining balance shall be transferred from that Reserve  
11 to the Benefit Trust Reserve Employer's Contribution Reserve.  
12 (Source: P.A. 91-887, eff. 7-6-00.)

13 (40 ILCS 5/16-185) (from Ch. 108 1/2, par. 16-185)

14 Sec. 16-185. Benefit Trust Employer's Contribution  
15 Reserve.

16 (a) On July 1, 2003, the Employer's Contribution Reserve  
17 shall be renamed the Benefit Trust Reserve. The Benefit  
18 Trust Reserve shall serve as a clearing account for income  
19 and expenses of the System as well as transfers to and from  
20 the other reserve accounts established under this Article and  
21 adjustments thereto.

22 (b) This Reserve shall be credited with all  
23 contributions, investment income, and other income received  
24 by the System, except as otherwise required by this Article.‡

25 (1)--All--amounts--contributed--by--the--State,--except  
26 those--credited--to--other--reserve--accounts--as--provided--in  
27 this--Article.

28 (2)--The--total--member--and--employer--contributions  
29 except--those--required--by--other--reserve--accounts.

30 (3)--The--total--income--from--invested--assets--of--the  
31 System,--and--other--miscellaneous--income.

32 (4)--The--interest--portion--of--the--accumulated  
33 contributions--of--members--granted--refunds.



1           (5)--Contributions-made-by-annuitants-to-qualify-for  
 2           automatic--annual--increases--in--annuity,--except--those  
 3           required-by-other-reserve-accounts.

4           (c) This Reserve shall be charged with all benefits and  
 5           refunds paid and all other expenses of the System, except as  
 6           otherwise required under this Article.†

7           (1)--All-amounts-necessary-to-be-transferred-to--the  
 8           Members'-Contribution-Reserve.

9           (2)--All--retirement--annuity,--single-sum-retirement  
 10           benefit--and--disability--retirement--annuity--payments,  
 11           including-automatic-annual-increases-in-annuities,--except  
 12           as-provided-by-other-reserve-accounts.

13           (3)--All---amounts---necessary--to--be--refunded--to  
 14           withdrawing-members-except-as-provided--by--the--Members'-  
 15           Contribution-Reserve.

16           (4)--All---benefits---paid---to---temporarily---or  
 17           accidentally-disabled-members-of--this--System,--and--all  
 18           amounts-credited-to-the-accounts-of-such-disabled-members  
 19           in-lieu-of-contributions.

20           (5)--All-amounts-payable-as-death-benefits-except-as  
 21           provided-by-the-Members'-Contribution-Reserve.

22           (6)--All--amounts-necessary-for-the-payment-of-costs  
 23           for-the-health-insurance-program-as-provided--under--this  
 24           Article.

25           (7)--All--survivor-benefit-contributions-refunded-to  
 26           an-annuitant-as-provided-under-Section-16-143.2.

27           (8)--All-amounts-paid--in--accordance--with--Section  
 28           16-131.1--except-as-provided-by-the-Members'-Contribution  
 29           Reserve.

30           (9)--Interest--to--be--credited--to--other---reserve  
 31           accounts-as-specified-in-this-Article.

32           (10)--Recognition--of--unrealized-gains-or-losses-in  
 33           market--value,--upon--adoption--of---generally---accepted  
 34           accounting-principles-that-allow-for-such-recognition.

1 (Source: P.A. 89-235, eff. 8-4-95; 90-448, eff. 8-16-97.)

2 (40 ILCS 5/16-186.3) (from Ch. 108 1/2, par. 16-186.3)

3 Sec. 16-186.3. Reserve for minimum retirement annuity.

4 (a) A Minimum Retirement Annuity Reserve is established  
5 for the purpose of crediting funds received and charging  
6 disbursements for minimum retirement annuity payments under  
7 Section 16-136.2 and Section 16-136.3.

8 This Reserve shall be credited with:

9 (1) The total of all contributions made by  
10 annuitants to qualify for the minimum retirement annuity.

11 (2) Amounts contributed to the System by the State  
12 of Illinois that are sufficient to assure payment of the  
13 minimum retirement annuity payments under Section  
14 16-136.2 and Section 16-136.3.

15 (3) Regular interest computed annually on the  
16 average balance in this Reserve.

17 This Reserve shall be charged with all minimum retirement  
18 annuity payments under Section 16-136.2 and Section 16-136.3.

19 (b) After all minimum retirement annuity payments have  
20 been completed, any remaining funds shall be transferred from  
21 this Reserve to the Benefit Trust Reserve Employer's  
22 Contribution-Reserve.

23 (Source: P.A. 88-593, eff. 8-22-94.)

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.