



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0193

Introduced 1/13/2005, by Rep. Angelo Saviano

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-114	from Ch. 108 1/2, par. 14-114
40 ILCS 5/14-119	from Ch. 108 1/2, par. 14-119
40 ILCS 5/14-121	from Ch. 108 1/2, par. 14-121
40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
40 ILCS 5/15-136.3	
40 ILCS 5/15-145	from Ch. 108 1/2, par. 15-145
40 ILCS 5/16-133.1	from Ch. 108 1/2, par. 16-133.1
40 ILCS 5/16-143.1	from Ch. 108 1/2, par. 16-143.1
40 ILCS 5/17-119	from Ch. 108 1/2, par. 17-119
40 ILCS 5/17-122	from Ch. 108 1/2, par. 17-122
30 ILCS 805/8.29 new	

Amends the State Employee, State Universities, Downstate Teacher, and Chicago Teacher Articles of the Pension Code to provide for a one-time increase in certain retirement and survivor's annuities. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 03437 LRD 33440 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT in relation to public employee pensions.

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 changing
5 Sections 14-114, 14-119, 14-121, 15-136, 15-136.3, 15-145,
6 16-133.1, 16-143.1, 17-119, and 17-122 as follows:

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

8 Sec. 14-114. Automatic increase in retirement annuity.

9 (a) Any person receiving a retirement annuity under this
10 Article who retires having attained age 60, or who retires
11 before age 60 having at least 35 years of creditable service,
12 or who retires on or after January 1, 2001 at an age which,
13 when added to the number of years of his or her creditable
14 service, equals at least 85, shall, on January 1 next following
15 the first full year of retirement, have the amount of the then
16 fixed and payable monthly retirement annuity increased 3%. Any
17 person receiving a retirement annuity under this Article who
18 retires before attainment of age 60 and with less than (i) 35
19 years of creditable service if retirement is before January 1,
20 2001, or (ii) the number of years of creditable service which,
21 when added to the member's age, would equal 85, if retirement
22 is on or after January 1, 2001, shall have the amount of the
23 fixed and payable retirement annuity increased by 3% on the
24 January 1 occurring on or next following (1) attainment of age
25 60, or (2) the first anniversary of retirement, whichever
26 occurs later. However, for persons who receive the alternative
27 retirement annuity under Section 14-110, references in this
28 subsection (a) to attainment of age 60 shall be deemed to refer
29 to attainment of age 55. For a person receiving early
30 retirement incentives under Section 14-108.3 whose retirement
31 annuity began after January 1, 1992 pursuant to an extension
32 granted under subsection (e) of that Section, the first

1 anniversary of retirement shall be deemed to be January 1,
2 1993. For a person who retires on or after June 28, 2001 and on
3 or before October 1, 2001, and whose retirement annuity is
4 calculated, in whole or in part, under Section 14-110 or
5 subsection (g) or (h) of Section 14-108, the first anniversary
6 of retirement shall be deemed to be January 1, 2002.

7 On each January 1 following the date of the initial
8 increase under this subsection, the employee's monthly
9 retirement annuity shall be increased by an additional 3%.

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

14 (b) The provisions of subsection (a) of this Section shall
15 be applicable to an employee only if the employee makes the
16 additional contributions required after December 31, 1969 for
17 the purpose of the automatic increases for not less than the
18 equivalent of one full year. If an employee becomes an
19 annuitant before his additional contributions equal one full
20 year's contributions based on his salary at the date of
21 retirement, the employee may pay the necessary balance of the
22 contributions to the system, without interest, and be eligible
23 for the increasing annuity authorized by this Section.

24 (c) The provisions of subsection (a) of this Section shall
25 not be applicable to any annuitant who is on retirement on
26 December 31, 1969, and thereafter returns to State service,
27 unless the member has established at least one year of
28 additional creditable service following reentry into service.

29 (d) In addition to other increases which may be provided by
30 this Section, on January 1, 1981 any annuitant who was
31 receiving a retirement annuity on or before January 1, 1971
32 shall have his retirement annuity then being paid increased \$1
33 per month for each year of creditable service. On January 1,
34 1982, any annuitant who began receiving a retirement annuity on
35 or before January 1, 1977, shall have his retirement annuity
36 then being paid increased \$1 per month for each year of

1 creditable service.

2 On January 1, 1987, any annuitant who began receiving a
3 retirement annuity on or before January 1, 1977, shall have the
4 monthly retirement annuity increased by an amount equal to 8¢
5 per year of creditable service times the number of years that
6 have elapsed since the annuity began.

7 (d-1) On January 1, 2006, every annuitant who began
8 receiving a retirement annuity on or before January 1, 1991
9 shall have the monthly retirement annuity increased by an
10 amount equal to 25¢ multiplied by the number of full years of
11 creditable service multiplied by the number of full years that
12 have elapsed since the annuity began. Every annuitant who
13 begins receiving a retirement annuity after January 1, 1991 and
14 before January 1, 1998 shall have the monthly retirement
15 annuity increased on January 1, 2006 or on the January 1
16 occurring on or next following the seventh anniversary of
17 retirement, whichever is later, by an amount equal to \$1.75
18 multiplied by the number of full years of creditable service
19 upon which the retirement annuity is based. The increase under
20 this subsection shall be included in the calculation of
21 increases granted simultaneously or thereafter under
22 subsection (a).

23 (e) Every person who receives the alternative retirement
24 annuity under Section 14-110 and who is eligible to receive the
25 3% increase under subsection (a) on January 1, 1986, shall also
26 receive on that date a one-time increase in retirement annuity
27 equal to the difference between (1) his actual retirement
28 annuity on that date, including any increases received under
29 subsection (a), and (2) the amount of retirement annuity he
30 would have received on that date if the amendments to
31 subsection (a) made by Public Act 84-162 had been in effect
32 since the date of his retirement.

33 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;
34 92-651, eff. 7-11-02.)

35 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

1 Sec. 14-119. Amount of widow's annuity.

2 (a) The widow's annuity shall be 50% of the amount of
3 retirement annuity payable to the member on the date of death
4 while on retirement if an annuitant, or on the date of his
5 death while in service if an employee, regardless of his age on
6 such date, or on the date of withdrawal if death occurred after
7 termination of service under the conditions prescribed in the
8 preceding Section.

9 (b) If an eligible widow, regardless of age, has in her
10 care any unmarried child or children of the member under age 18
11 (under age 22 if a full-time student), the widow's annuity
12 shall be increased in the amount of 5% of the retirement
13 annuity for each such child, but the combined payments for a
14 widow and children shall not exceed $66 \frac{2}{3}\%$ of the member's
15 earned retirement annuity.

16 The amount of retirement annuity from which the widow's
17 annuity is derived shall be that earned by the member without
18 regard to whether he attained age 60 prior to his withdrawal
19 under the conditions stated or prior to his death.

20 (c) Adopted children shall be considered as children of the
21 member only if the proceedings for adoption were commenced at
22 least 1 year prior to the member's death.

23 Marriage of a child shall render the child ineligible for
24 further consideration in the increase in the amount of the
25 widow's annuity.

26 Attainment of age 18 (age 22 if a full-time student) shall
27 render a child ineligible for further consideration in the
28 increase of the widow's annuity, but the annuity to the widow
29 shall be continued thereafter, without regard to her age at
30 that time.

31 (d) A widow's annuity payable on account of any covered
32 employee who shall have been a covered employee for at least 18
33 months shall be reduced by $\frac{1}{2}$ of the amount of survivors
34 benefits to which his beneficiaries are eligible under the
35 provisions of the Federal Social Security Act, except that (1)
36 the amount of any widow's annuity payable under this Article

1 shall not be reduced by reason of any increase under that Act
2 which occurs after the offset required by this subsection is
3 first applied to that annuity, and (2) for benefits granted on
4 or after January 1, 1992, the offset under this subsection (d)
5 shall not exceed 50% of the amount of widow's annuity otherwise
6 payable.

7 (e) Upon the death of a recipient of a widow's annuity the
8 excess, if any, of the member's accumulated contributions plus
9 credited interest over all annuity payments to the member and
10 widow, exclusive of the \$500 lump sum payment, shall be paid to
11 the named beneficiary of the widow, or if none has been named,
12 to the estate of the widow, provided no reversionary annuity is
13 payable.

14 (f) On January 1, 1981, any recipient of a widow's annuity
15 who was receiving a widow's annuity on or before January 1,
16 1971, shall have her widow's annuity then being paid increased
17 by 1% for each full year which has elapsed from the date the
18 widow's annuity began. On January 1, 1982, any recipient of a
19 widow's annuity who began receiving a widow's annuity after
20 January 1, 1971, but before January 1, 1981, shall have her
21 widow's annuity then being paid increased by 1% for each full
22 year which has elapsed from the date the widow's annuity began.
23 On January 1, 1987, any recipient of a widow's annuity who
24 began receiving the widow's annuity on or before January 1,
25 1977, shall have the monthly widow's annuity increased by \$1
26 for each full year which has elapsed since the date the annuity
27 began.

28 (f-1) On January 1, 2006, every widow who began receiving a
29 widow's annuity on or before January 1, 1991 shall have the
30 monthly widow's annuity increased by an amount equal to 25¢
31 multiplied by the number of full years of the deceased spouse's
32 creditable service multiplied by the sum of (i) the number of
33 full years that have elapsed since the widow's annuity began
34 and (ii) the number of full years, if any, during which the
35 deceased spouse received a retirement annuity under this
36 Article. Every widow who begins receiving a widow's annuity

1 after January 1, 1991 and before January 1, 2006 shall have the
2 monthly widow's annuity increased on January 1, 2006 or on the
3 January 1 occurring on or next following the seventh
4 anniversary of the commencement of the widow's annuity,
5 whichever is later, by an amount equal to 25¢ multiplied by the
6 number of full years of the deceased spouse's creditable
7 service multiplied by the sum of (i) the number of full years
8 that have elapsed since the widow's annuity began and (ii) the
9 number of full years, if any, during which the deceased spouse
10 received a retirement annuity under this Article. The increase
11 under this subsection shall be included in the calculation of
12 increases granted simultaneously or thereafter under
13 subsection (g).

14 (g) Beginning January 1, 1990, every widow's annuity shall
15 be increased (1) on each January 1 occurring on or after the
16 commencement of the annuity if the deceased member died while
17 receiving a retirement annuity, or (2) in other cases, on each
18 January 1 occurring on or after the first anniversary of the
19 commencement of the annuity, by an amount equal to 3% of the
20 current amount of the annuity, including any previous increases
21 under this Article. Such increases shall apply without regard
22 to whether the deceased member was in service on or after the
23 effective date of Public Act 86-1488, but shall not accrue for
24 any period prior to January 1, 1990.

25 (Source: P.A. 90-448, eff. 8-16-97.)

26 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

27 Sec. 14-121. Amount of survivors annuity. A survivors
28 annuity beneficiary shall be entitled upon death of the member
29 to a single sum payment of \$1,000, payable pro rata among all
30 persons entitled thereto, together with a survivors annuity
31 payable at the rates and under the conditions specified in this
32 Article.

33 (a) If the survivors annuity beneficiary is a spouse, the
34 survivors annuity shall be 30% of final average compensation
35 subject to a maximum payment of \$400 per month.

1 (b) If an eligible child or children under the care of a
2 spouse also survives the member, such spouse as natural
3 guardian of the child or children shall receive, in addition to
4 the foregoing annuity, 20% of final average compensation on
5 account of each such child and 10% of final average
6 compensation divided pro rata among such children, subject to a
7 maximum payment on account of all survivor annuity
8 beneficiaries of \$600 per month, or 80% of the member's final
9 average compensation, whichever is the lesser.

10 (c) If the survivors annuity beneficiary or beneficiaries
11 consists of an unmarried child or children, the amount of
12 survivors annuity shall be 20% of final average compensation to
13 each child, and 10% of final average compensation divided pro
14 rata among all such children entitled to such annuity, subject
15 to a maximum payment to all children combined of \$600 per month
16 or 80% of the member's final average compensation, whichever is
17 the lesser.

18 (d) If the survivors annuity beneficiary is one or more
19 dependent parents, the annuity shall be 20% of final average
20 compensation to each parent and 10% of final average
21 compensation divided pro rata among the parents who qualify for
22 this annuity, subject to a maximum payment to both dependent
23 parents of \$400 per month.

24 (e) The survivors annuity to the spouse, children or
25 dependent parents of a member whose death occurs after the date
26 of last withdrawal, or after retirement, or while in service
27 following reentry into service after retirement but before
28 completing 1 1/2 years of additional creditable service, shall
29 not exceed the lesser of 80% of the member's earned retirement
30 annuity at the date of death or the maximum previously
31 established in this Section.

32 (f) In applying the limitation prescribed on the combined
33 payments to 2 or more survivors annuity beneficiaries, the
34 annuity on account of each beneficiary shall be reduced pro
35 rata until such time as the number of beneficiaries makes the
36 reduction no longer applicable.

1 (g) A survivors annuity payable on account of any covered
2 employee who shall have been a covered employee for at least 18
3 months at date of death or last withdrawal, whichever is the
4 later, shall be reduced by 1/2 of the survivors benefits to
5 which his beneficiaries are eligible under the federal Social
6 Security Act, except that (1) the survivors annuity payable
7 under this Article shall not be reduced by any increase under
8 that Act which occurs after the offset required by this
9 subsection is first applied to that annuity, and (2) for
10 benefits granted on or after January 1, 1992, the offset under
11 this subsection (g) shall not exceed 50% of the amount of
12 survivors annuity otherwise payable.

13 (h) The minimum payment to a beneficiary hereunder shall be
14 \$60 per month, which shall be reduced in accordance with the
15 limitation prescribed on the combined payments to all
16 beneficiaries of a member.

17 (i) Subject to the conditions set forth in Section 14-120,
18 the minimum total survivors annuity benefit payable to the
19 survivors annuity beneficiaries of a deceased member or
20 annuitant whose death occurs on or after January 1, 1984, shall
21 be 50% of the amount of retirement annuity that was or would
22 have been payable to the deceased on the date of death,
23 regardless of the age of the deceased on such date. If the
24 minimum total benefit provided by this subsection exceeds the
25 maximum otherwise imposed by this Section, the minimum total
26 benefit shall nevertheless be payable. Any increase in the
27 total survivors annuity benefit resulting from the operation of
28 this subsection shall be divided among the survivors annuity
29 beneficiaries of the deceased in proportion to their shares of
30 the total survivors annuity benefit otherwise payable under
31 this Section.

32 (j) Any survivors annuity beneficiary whose annuity
33 terminates due to any condition specified in this Article other
34 than death shall be entitled to a refund of the excess, if any,
35 of the accumulated contributions of the member plus credited
36 interest over all payments to the member and beneficiary or

1 beneficiaries, exclusive of the single sum payment of \$1,000,
2 provided no future survivors or reversionary annuity benefits
3 are payable.

4 (k) Upon the death of the last eligible recipient of a
5 survivors annuity the excess, if any, of the member's
6 accumulated contributions plus credited interest over all
7 annuity payments to the member and survivors exclusive of the
8 single sum payment of \$1000, shall be paid to the named
9 beneficiary of the last eligible survivor, or if none has been
10 named, to the estate of the last eligible survivor, provided no
11 reversionary annuity is payable.

12 (l) On January 1, 1981, any survivor who was receiving a
13 survivors annuity on or before January 1, 1971, shall have his
14 survivors annuity then being paid increased by 1% for each full
15 year which has elapsed from the date the annuity began. On
16 January 1, 1982, any survivor who began receiving a survivor's
17 annuity after January 1, 1971, but before January 1, 1981,
18 shall have his survivor's annuity then being paid increased by
19 1% for each full year that has elapsed from the date the
20 annuity began. On January 1, 1987, any survivor who began
21 receiving a survivor's annuity on or before January 1, 1977,
22 shall have the monthly survivor's annuity increased by \$1 for
23 each full year which has elapsed since the date the survivor's
24 annuity began.

25 (m) Beginning January 1, 1990, every survivor's annuity
26 shall be increased (1) on each January 1 occurring on or after
27 the commencement of the annuity if the deceased member died
28 while receiving a retirement annuity, or (2) in other cases, on
29 each January 1 occurring on or after the first anniversary of
30 the commencement of the annuity, by an amount equal to 3% of
31 the current amount of the annuity, including any previous
32 increases under this Article. Such increases shall apply
33 without regard to whether the deceased member was in service on
34 or after the effective date of Public Act 86-1488, but shall
35 not accrue for any period prior to January 1, 1990.

36 (n) On January 1, 2006, every survivor who began receiving

1 a survivor's annuity on or before January 1, 1991 shall have
2 the monthly survivor's annuity increased by an amount equal to
3 25¢ multiplied by the number of full years of the deceased's
4 creditable service multiplied by the sum of (i) the number of
5 full years that have elapsed since the survivor's annuity began
6 and (ii) the number of full years, if any, during which the
7 deceased received a retirement annuity under this Article.
8 Every survivor who begins receiving a survivor's annuity after
9 January 1, 1991 and before January 1, 2006 shall have the
10 monthly survivor's annuity increased on January 1, 2006 or on
11 the January 1 occurring on or next following the seventh
12 anniversary of the commencement of the survivor's annuity,
13 whichever is later, by an amount equal to 25¢ multiplied by the
14 number of full years of the deceased's creditable service
15 multiplied by the sum of (i) the number of full years that have
16 elapsed since the survivor's annuity began and (ii) the number
17 of full years, if any, during which the deceased received a
18 retirement annuity under this Article. The increase under this
19 subsection shall be included in the calculation of increases
20 granted simultaneously or thereafter under subsection (m).

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

22 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

23 Sec. 15-136. Retirement annuities - Amount. The provisions
24 of this Section 15-136 apply only to those participants who are
25 participating in the traditional benefit package or the
26 portable benefit package and do not apply to participants who
27 are participating in the self-managed plan.

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

32 Rule 1: The retirement annuity shall be 1.67% of final rate
33 of earnings for each of the first 10 years of service, 1.90%
34 for each of the next 10 years of service, 2.10% for each year
35 of service in excess of 20 but not exceeding 30, and 2.30% for

1 each year in excess of 30; or for persons who retire on or
2 after January 1, 1998, 2.2% of the final rate of earnings for
3 each year of service.

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

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

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

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

22 With respect to a police officer or firefighter who retires
23 on or after August 14, 1998, the accumulated normal
24 contributions taken into account under clauses (i) and (ii) of
25 this Rule 2 shall include the additional normal contributions
26 made by the police officer or firefighter under Section
27 15-157(a).

28 The amount of a retirement annuity calculated under this
29 Rule 2 shall be computed solely on the basis of the
30 participant's accumulated normal contributions, as specified
31 in this Rule and defined in Section 15-116. Neither an employee
32 or employer contribution for early retirement under Section
33 15-136.2 nor any other employer contribution shall be used in
34 the calculation of the amount of a retirement annuity under
35 this Rule 2.

36 This amendatory Act of the 91st General Assembly is a

1 clarification of existing law and applies to every participant
2 and annuitant without regard to whether status as an employee
3 terminates before the effective date of this amendatory Act.

4 Rule 3: The retirement annuity of a participant who is
5 employed at least one-half time during the period on which his
6 or her final rate of earnings is based, shall be equal to the
7 participant's years of service not to exceed 30, multiplied by
8 (1) \$96 if the participant's final rate of earnings is less
9 than \$3,500, (2) \$108 if the final rate of earnings is at least
10 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
11 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
12 the final rate of earnings is at least \$5,500 but less than
13 \$6,500, (5) \$144 if the final rate of earnings is at least
14 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
15 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
16 the final rate of earnings is at least \$8,500 but less than
17 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
18 more, except that the annuity for those persons having made an
19 election under Section 15-154(a-1) shall be calculated and
20 payable under the portable retirement benefit program pursuant
21 to the provisions of Section 15-136.4.

22 Rule 4: A participant who is at least age 50 and has 25 or
23 more years of service as a police officer or firefighter, and a
24 participant who is age 55 or over and has at least 20 but less
25 than 25 years of service as a police officer or firefighter,
26 shall be entitled to a retirement annuity of 2 1/4% of the
27 final rate of earnings for each of the first 10 years of
28 service as a police officer or firefighter, 2 1/2% for each of
29 the next 10 years of service as a police officer or
30 firefighter, and 2 3/4% for each year of service as a police
31 officer or firefighter in excess of 20. The retirement annuity
32 for all other service shall be computed under Rule 1.

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

35 (i) service that is performed while the person is an
36 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 of
8 the University of Illinois in a position other than police
9 officer or firefighter, from the date of that transfer
10 until the employee's next termination of service with the
11 University of Illinois.

12 Rule 5: The retirement annuity of a participant who elected
13 early retirement under the provisions of Section 15-136.2 and
14 who, on or before February 16, 1995, brought administrative
15 proceedings pursuant to the administrative rules adopted by the
16 System to challenge the calculation of his or her retirement
17 annuity shall be the sum of the following, determined from
18 amounts credited to the participant in accordance with the
19 actuarial tables and the prescribed rate of interest in effect
20 at the time the retirement annuity begins:

21 (i) the normal annuity which can be provided on an
22 actuarially equivalent basis, by the accumulated normal
23 contributions as of the date the annuity begins; and

24 (ii) an annuity from employer contributions of an
25 amount equal to that which can be provided on an
26 actuarially equivalent basis from the accumulated normal
27 contributions made by the participant under Section
28 15-113.6 and Section 15-113.7 plus 1.4 times all other
29 accumulated normal contributions made by the participant;
30 and

31 (iii) an annuity which can be provided on an
32 actuarially equivalent basis from the employee
33 contribution for early retirement under Section 15-136.2,
34 and an annuity from employer contributions of an amount
35 equal to that which can be provided on an actuarially
36 equivalent basis from the employee contribution for early

1 retirement under Section 15-136.2.

2 In no event shall a retirement annuity under this Rule 5 be
3 lower than the amount obtained by adding (1) the monthly amount
4 obtained by dividing the combined employee and employer
5 contributions made under Section 15-136.2 by the System's
6 annuity factor for the age of the participant at the beginning
7 of the annuity payment period and (2) the amount equal to the
8 participant's annuity if calculated under Rule 1, reduced under
9 Section 15-136(b) as if no contributions had been made under
10 Section 15-136.2.

11 With respect to a participant who is qualified for a
12 retirement annuity under this Rule 5 whose retirement annuity
13 began before the effective date of this amendatory Act of the
14 91st General Assembly, and for whom an employee contribution
15 was made under Section 15-136.2, the System shall recalculate
16 the retirement annuity under this Rule 5 and shall pay any
17 additional amounts due in the manner provided in Section
18 15-186.1 for benefits mistakenly set too low.

19 The amount of a retirement annuity calculated under this
20 Rule 5 shall be computed solely on the basis of those
21 contributions specifically set forth in this Rule 5. Except as
22 provided in clause (iii) of this Rule 5, neither an employee
23 nor employer contribution for early retirement under Section
24 15-136.2, nor any other employer contribution, shall be used in
25 the calculation of the amount of a retirement annuity under
26 this Rule 5.

27 The General Assembly has adopted the changes set forth in
28 Section 25 of this amendatory Act of the 91st General Assembly
29 in recognition that the decision of the Appellate Court for the
30 Fourth District in *Mattis v. State Universities Retirement*
31 *System et al.* might be deemed to give some right to the
32 plaintiff in that case. The changes made by Section 25 of this
33 amendatory Act of the 91st General Assembly are a legislative
34 implementation of the decision of the Appellate Court for the
35 Fourth District in *Mattis v. State Universities Retirement*
36 *System et al.* with respect to that plaintiff.

1 The changes made by Section 25 of this amendatory Act of
2 the 91st General Assembly apply without regard to whether the
3 person is in service as an employee on or after its effective
4 date.

5 (b) The retirement annuity provided under Rules 1 and 3
6 above shall be reduced by 1/2 of 1% for each month the
7 participant is under age 60 at the time of retirement. However,
8 this reduction shall not apply in the following cases:

9 (1) For a disabled participant whose disability
10 benefits have been discontinued because he or she has
11 exhausted eligibility for disability benefits under clause
12 (6) of Section 15-152;

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

16 (3) For that portion of a retirement annuity which has
17 been provided on account of service of the participant
18 during periods when he or she performed the duties of a
19 police officer or firefighter, if these duties were
20 performed for at least 5 years immediately preceding the
21 date the retirement annuity is to begin.

22 (c) The maximum retirement annuity provided under Rules 1,
23 2, 4, and 5 shall be the lesser of (1) the annual limit of
24 benefits as specified in Section 415 of the Internal Revenue
25 Code of 1986, as such Section may be amended from time to time
26 and as such benefit limits shall be adjusted by the
27 Commissioner of Internal Revenue, and (2) 80% of final rate of
28 earnings.

29 (d) An annuitant whose status as an employee terminates
30 after August 14, 1969 shall receive automatic increases in his
31 or her retirement annuity as follows:

32 Effective January 1 immediately following the date the
33 retirement annuity begins, the annuitant shall receive an
34 increase in his or her monthly retirement annuity of 0.125% of
35 the monthly retirement annuity provided under Rule 1, Rule 2,
36 Rule 3, Rule 4, or Rule 5, contained in this Section,

1 multiplied by the number of full months which elapsed from the
2 date the retirement annuity payments began to January 1, 1972,
3 plus 0.1667% of such annuity, multiplied by the number of full
4 months which elapsed from January 1, 1972, or the date the
5 retirement annuity payments began, whichever is later, to
6 January 1, 1978, plus 0.25% of such annuity multiplied by the
7 number of full months which elapsed from January 1, 1978, or
8 the date the retirement annuity payments began, whichever is
9 later, to the effective date of the increase.

10 The annuitant shall receive an increase in his or her
11 monthly retirement annuity on each January 1 thereafter during
12 the annuitant's life of 3% of the monthly annuity provided
13 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in
14 this Section. The change made under this subsection by P.A.
15 81-970 is effective January 1, 1980 and applies to each
16 annuitant whose status as an employee terminates before or
17 after that date.

18 Beginning January 1, 1990, all automatic annual increases
19 payable under this Section shall be calculated as a percentage
20 of the total annuity payable at the time of the increase,
21 including all increases previously granted under this Article.

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

25 (e) If, on January 1, 1987, or the date the retirement
26 annuity payment period begins, whichever is later, the sum of
27 the retirement annuity provided under Rule 1 or Rule 2 of this
28 Section and the automatic annual increases provided under the
29 preceding subsection or Section 15-136.1, amounts to less than
30 the retirement annuity which would be provided by Rule 3, the
31 retirement annuity shall be increased as of January 1, 1987, or
32 the date the retirement annuity payment period begins,
33 whichever is later, to the amount which would be provided by
34 Rule 3 of this Section. Such increased amount shall be
35 considered as the retirement annuity in determining benefits
36 provided under other Sections of this Article. This paragraph

1 applies without regard to whether status as an employee
2 terminated before the effective date of this amendatory Act of
3 1987, provided that the annuitant was employed at least
4 one-half time during the period on which the final rate of
5 earnings was based.

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

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

28 (h) On January 1, 1981, an annuitant who was receiving a
29 retirement annuity on or before January 1, 1971 shall have his
30 or her retirement annuity then being paid increased \$1 per
31 month for each year of creditable service. On January 1, 1982,
32 an annuitant whose retirement annuity began on or before
33 January 1, 1977, shall have his or her retirement annuity then
34 being paid increased \$1 per month for each year of creditable
35 service.

36 (i) On January 1, 1987, any annuitant whose retirement

1 annuity began on or before January 1, 1977, shall have the
2 monthly retirement annuity increased by an amount equal to 8¢
3 per year of creditable service times the number of years that
4 have elapsed since the annuity began.

5 (j) On January 1, 2006, every annuitant who began receiving
6 a retirement annuity on or before January 1, 1991 shall have
7 the monthly retirement annuity increased by an amount equal to
8 25¢ multiplied by the number of full years of creditable
9 service multiplied by the number of full years that have
10 elapsed since the annuity began. Every annuitant who begins
11 receiving a retirement annuity after January 1, 1991 and before
12 January 1, 1998 shall have the monthly retirement annuity
13 increased on January 1, 2006 or on the January 1 occurring on
14 or next following the seventh anniversary of retirement,
15 whichever is later, by an amount equal to \$1.75 multiplied by
16 the number of full years of creditable service upon which the
17 retirement annuity is based. The increase under this subsection
18 shall be included in the calculation of increases granted
19 simultaneously or thereafter under subsection (d).

20 (Source: P.A. 92-16, eff. 6-28-01; 93-347, eff. 7-24-03.)

21 (40 ILCS 5/15-136.3)

22 Sec. 15-136.3. Minimum retirement annuity.

23 (a) Beginning January 1, 1997, any person who is receiving
24 a monthly retirement annuity under this Article which, after
25 inclusion of (1) all one-time and automatic annual increases to
26 which the person is entitled, (2) any supplemental annuity
27 payable under Section 15-136.1, and (3) any amount deducted
28 under Section 15-138 or 15-140 to provide a reversionary
29 annuity, is less than the minimum monthly retirement benefit
30 amount specified in subsection (b) of this Section, shall be
31 entitled to a monthly supplemental payment equal to the
32 difference.

33 (b) For purposes of the calculation in subsection (a), the
34 minimum monthly retirement benefit amount is the sum of \$25 for
35 each year of service credit, up to a maximum of 30 years of

1 service, plus the amount of the increase received by the
2 annuitant under subsection (j) of Section 15-136, if any.

3 (c) This Section applies to all persons receiving a
4 retirement annuity under this Article, without regard to
5 whether or not employment terminated prior to the effective
6 date of this Section.

7 (Source: P.A. 89-616, eff. 8-9-96.)

8 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

9 Sec. 15-145. Survivors insurance benefits; conditions and
10 amounts.

11 (a) The survivors insurance benefits provided under this
12 Section shall be payable to the eligible survivors of a
13 participant covered under the traditional benefit package upon
14 the death of (1) a participating employee with at least 1 1/2
15 years of service, (2) a participant who terminated employment
16 with at least 10 years of service, and (3) an annuitant in
17 receipt of a retirement annuity or disability retirement
18 annuity under this Article.

19 Service under the State Employees' Retirement System of
20 Illinois, the Teachers' Retirement System of the State of
21 Illinois and the Public School Teachers' Pension and Retirement
22 Fund of Chicago shall be considered in determining eligibility
23 for survivors benefits under this Section.

24 If by law, a function of a governmental unit, as defined by
25 Section 20-107, is transferred in whole or in part to an
26 employer, and an employee transfers employment from this
27 governmental unit to such employer within 6 months after the
28 transfer of this function, the service credits in the
29 governmental unit's retirement system which have been
30 validated under Section 20-109 shall be considered in
31 determining eligibility for survivors benefits under this
32 Section.

33 (b) A surviving spouse of a deceased participant, or of a
34 deceased annuitant who did not take a refund or additional
35 annuity consisting of accumulated survivors insurance

1 contributions, shall receive a survivors annuity of 30% of the
2 final rate of earnings. Payments shall begin on the day
3 following the participant's or annuitant's death or the date
4 the surviving spouse attains age 50, whichever is later, and
5 continue until the death of the surviving spouse. The annuity
6 shall be payable to the surviving spouse prior to attainment of
7 age 50 if the surviving spouse has in his or her care a
8 deceased participant's or annuitant's dependent unmarried
9 child under age 18 (under age 22 if a full-time student) who is
10 eligible for a survivors annuity.

11 Remarriage of a surviving spouse prior to attainment of age
12 55 that occurs before the effective date of this amendatory Act
13 of the 91st General Assembly shall disqualify him or her for
14 the receipt of a survivors annuity until July 6, 2000.

15 A surviving spouse whose survivors annuity has been
16 terminated due to remarriage may apply for reinstatement of
17 that annuity. The reinstated annuity shall begin to accrue on
18 July 6, 2000, except that if, on July 6, 2000, the annuity is
19 payable to an eligible surviving child or parent, payment of
20 the annuity to the surviving spouse shall not be reinstated
21 until the annuity is no longer payable to any eligible
22 surviving child or parent. The reinstated annuity shall include
23 any one-time or annual increases received prior to the date of
24 termination, as well as any increases that would otherwise have
25 accrued from the date of termination to the date of
26 reinstatement. An eligible surviving spouse whose expectation
27 of receiving a survivors annuity was lost due to remarriage
28 before attainment of age 50 shall also be entitled to
29 reinstatement under this subsection, but the resulting
30 survivors annuity shall not begin to accrue sooner than upon
31 the surviving spouse's attainment of age 50.

32 The changes made to this subsection by this amendatory Act
33 of the 92nd General Assembly (pertaining to remarriage prior to
34 age 55 or 50) apply without regard to whether the deceased
35 participant or annuitant was in service on or after the
36 effective date of this amendatory Act.

1 (c) Each dependent unmarried child under age 18 (under age
2 22 if a full-time student) of a deceased participant, or of a
3 deceased annuitant who did not take a refund or additional
4 annuity consisting of accumulated survivors insurance
5 contributions, shall receive a survivors annuity equal to the
6 sum of (1) 20% of the final rate of earnings, and (2) 10% of the
7 final rate of earnings divided by the number of children
8 entitled to this benefit. Payments shall begin on the day
9 following the participant's or annuitant's death and continue
10 until the child marries, dies, or attains age 18 (age 22 if a
11 full-time student). If the child is in the care of a surviving
12 spouse who is eligible for survivors insurance benefits, the
13 child's benefit shall be paid to the surviving spouse.

14 Each unmarried child over age 18 of a deceased participant
15 or of a deceased annuitant who had a survivor's insurance
16 beneficiary at the time of his or her retirement, and who was
17 dependent upon the participant or annuitant by reason of a
18 physical or mental disability which began prior to the date the
19 child attained age 18 (age 22 if a full-time student), shall
20 receive a survivor's annuity equal to the sum of (1) 20% of the
21 final rate of earnings, and (2) 10% of the final rate of
22 earnings divided by the number of children entitled to
23 survivors benefits. Payments shall begin on the day following
24 the participant's or annuitant's death and continue until the
25 child marries, dies, or is no longer disabled. If the child is
26 in the care of a surviving spouse who is eligible for survivors
27 insurance benefits, the child's benefit may be paid to the
28 surviving spouse. For the purposes of this Section, disability
29 means inability to engage in any substantial gainful activity
30 by reason of any medically determinable physical or mental
31 impairment that can be expected to result in death or that has
32 lasted or can be expected to last for a continuous period of at
33 least one year.

34 (d) Each dependent parent of a deceased participant, or of
35 a deceased annuitant who did not take a refund or additional
36 annuity consisting of accumulated survivors insurance

1 contributions, shall receive a survivors annuity equal to the
2 sum of (1) 20% of final rate of earnings, and (2) 10% of final
3 rate of earnings divided by the number of parents who qualify
4 for the benefit. Payments shall begin when the parent reaches
5 age 55 or the day following the participant's or annuitant's
6 death, whichever is later, and continue until the parent dies.
7 Remarriage of a parent prior to attainment of age 55 shall
8 disqualify the parent for the receipt of a survivors annuity.

9 (e) In addition to the survivors annuity provided above,
10 each survivors insurance beneficiary shall, upon death of the
11 participant or annuitant, receive a lump sum payment of \$1,000
12 divided by the number of such beneficiaries.

13 (f) The changes made in this Section by Public Act 81-712
14 pertaining to survivors annuities in cases of remarriage prior
15 to age 55 shall apply to each survivors insurance beneficiary
16 who remarries after June 30, 1979, regardless of the date that
17 the participant or annuitant terminated his employment or died.

18 The change made to this Section by this amendatory Act of
19 the 91st General Assembly, pertaining to remarriage prior to
20 age 55, applies without regard to whether the deceased
21 participant or annuitant was in service on or after the
22 effective date of this amendatory Act of the 91st General
23 Assembly.

24 (g) On January 1, 1981, any person who was receiving a
25 survivors annuity on or before January 1, 1971 shall have the
26 survivors annuity then being paid increased by 1% for each full
27 year which has elapsed from the date the annuity began. On
28 January 1, 1982, any survivor whose annuity began after January
29 1, 1971, but before January 1, 1981, shall have the survivor's
30 annuity then being paid increased by 1% for each year which has
31 elapsed from the date the survivor's annuity began. On January
32 1, 1987, any survivor who began receiving a survivor's annuity
33 on or before January 1, 1977, shall have the monthly survivor's
34 annuity increased by \$1 for each full year which has elapsed
35 since the date the survivor's annuity began.

36 (g-1) On January 1, 2006, every survivor who began

1 receiving a survivor's annuity on or before January 1, 1991
2 shall have the monthly survivor's annuity increased by an
3 amount equal to 25¢ multiplied by the number of full years of
4 the deceased's creditable service multiplied by the sum of (i)
5 the number of full years that have elapsed since the survivor's
6 annuity began and (ii) the number of full years, if any, during
7 which the deceased received a retirement annuity under this
8 Article. Every survivor who begins receiving a survivor's
9 annuity after January 1, 1991 and before January 1, 2006 shall
10 have the monthly survivor's annuity increased on January 1,
11 2006 or on the January 1 occurring on or next following the
12 seventh anniversary of the commencement of the survivor's
13 annuity, whichever is later, by an amount equal to 25¢
14 multiplied by the number of full years of the deceased's
15 creditable service multiplied by the sum of (i) the number of
16 full years that have elapsed since the survivor's annuity began
17 and (ii) the number of full years, if any, during which the
18 deceased received a retirement annuity under this Article. The
19 increase under this subsection shall be included in the
20 calculation of increases granted simultaneously or thereafter
21 under subsection (j).

22 (h) If the sum of the lump sum and total monthly survivor
23 benefits payable under this Section upon the death of a
24 participant amounts to less than the sum of the death benefits
25 payable under items (2) and (3) of Section 15-141, the
26 difference shall be paid in a lump sum to the beneficiary of
27 the participant who is living on the date that this additional
28 amount becomes payable.

29 (i) If the sum of the lump sum and total monthly survivor
30 benefits payable under this Section upon the death of an
31 annuitant receiving a retirement annuity or disability
32 retirement annuity amounts to less than the death benefit
33 payable under Section 15-142, the difference shall be paid to
34 the beneficiary of the annuitant who is living on the date that
35 this additional amount becomes payable.

36 (j) Effective on the later of (1) January 1, 1990, or (2)

1 the January 1 on or next after the date on which the survivor
2 annuity begins, if the deceased member died while receiving a
3 retirement annuity, or in all other cases the January 1 nearest
4 the first anniversary of the date the survivor annuity payments
5 begin, every survivors insurance beneficiary shall receive an
6 increase in his or her monthly survivors annuity of 3%. On each
7 January 1 after the initial increase, the monthly survivors
8 annuity shall be increased by 3% of the total survivors annuity
9 provided under this Article, including previous increases
10 provided by this subsection. Such increases shall apply to the
11 survivors insurance beneficiaries of each participant and
12 annuitant, whether or not the employment status of the
13 participant or annuitant terminates before the effective date
14 of this amendatory Act of 1990. This subsection (j) also
15 applies to persons receiving a survivor annuity under the
16 portable benefit package.

17 (k) If the Internal Revenue Code of 1986, as amended,
18 requires that the survivors benefits be payable at an age
19 earlier than that specified in this Section the benefits shall
20 begin at the earlier age, in which event, the survivor's
21 beneficiary shall be entitled only to that amount which is
22 equal to the actuarial equivalent of the benefits provided by
23 this Section.

24 (l) The changes made to this Section and Section 15-131 by
25 this amendatory Act of 1997, relating to benefits for certain
26 unmarried children who are full-time students under age 22,
27 apply without regard to whether the deceased member was in
28 service on or after the effective date of this amendatory Act
29 of 1997. These changes do not authorize the repayment of a
30 refund or a re-election of benefits, and any benefit or
31 increase in benefits resulting from these changes is not
32 payable retroactively for any period before the effective date
33 of this amendatory Act of 1997.

34 (Source: P.A. 91-887, eff. 7-6-00; 92-749, eff. 8-2-02.)

1 Sec. 16-133.1. Automatic annual increase in annuity.

2 (a) Each member with creditable service and retiring on or
3 after August 26, 1969 is entitled to the automatic annual
4 increases in annuity provided under this Section while
5 receiving a retirement annuity or disability retirement
6 annuity from the system.

7 An annuitant shall first be entitled to an initial increase
8 under this Section on the January 1 next following the first
9 anniversary of retirement, or January 1 of the year next
10 following attainment of age 61, whichever is later. At such
11 time, the system shall pay an initial increase determined as
12 follows:

13 (1) 1.5% of the originally granted retirement annuity
14 or disability retirement annuity multiplied by the number
15 of years elapsed, if any, from the date of retirement until
16 January 1, 1972, plus

17 (2) 2% of the originally granted annuity multiplied by
18 the number of years elapsed, if any, from the date of
19 retirement or January 1, 1972, whichever is later, until
20 January 1, 1978, plus

21 (3) 3% of the originally granted annuity multiplied by
22 the number of years elapsed from the date of retirement or
23 January 1, 1978, whichever is later, until the effective
24 date of the initial increase.

25 However, the initial annual increase calculated under this
26 Section for the recipient of a disability retirement annuity
27 granted under Section 16-149.2 shall be reduced by an amount
28 equal to the total of all increases in that annuity received
29 under Section 16-149.5 (but not exceeding 100% of the amount of
30 the initial increase otherwise provided under this Section).

31 Following the initial increase, automatic annual increases
32 in annuity shall be payable on each January 1 thereafter during
33 the lifetime of the annuitant, determined as a percentage of
34 the originally granted retirement annuity or disability
35 retirement annuity for increases granted prior to January 1,
36 1990, and calculated as a percentage of the total amount of

1 annuity, including previous increases under this Section, for
2 increases granted on or after January 1, 1990, as follows: 1.5%
3 for periods prior to January 1, 1972, 2% for periods after
4 December 31, 1971 and prior to January 1, 1978, and 3% for
5 periods after December 31, 1977.

6 (b) The automatic annual increases in annuity provided
7 under this Section shall not be applicable unless a member has
8 made contributions toward such increases for a period
9 equivalent to one full year of creditable service. If a member
10 contributes for service performed after August 26, 1969 but the
11 member becomes an annuitant before such contributions amount to
12 one full year's contributions based on the salary at the date
13 of retirement, he or she may pay the necessary balance of the
14 contributions to the system and be eligible for the automatic
15 annual increases in annuity provided under this Section.

16 (c) Each member shall make contributions toward the cost of
17 the automatic annual increases in annuity as provided under
18 Section 16-152.

19 (d) An annuitant receiving a retirement annuity or
20 disability retirement annuity on July 1, 1969, who subsequently
21 re-enters service as a teacher is eligible for the automatic
22 annual increases in annuity provided under this Section if he
23 or she renders at least one year of creditable service
24 following the latest re-entry.

25 (e) In addition to the automatic annual increases in
26 annuity provided under this Section, an annuitant who meets the
27 service requirements of this Section and whose retirement
28 annuity or disability retirement annuity began on or before
29 January 1, 1971 shall receive, on January 1, 1981, an increase
30 in the annuity then being paid of one dollar per month for each
31 year of creditable service. On January 1, 1982, an annuitant
32 whose retirement annuity or disability retirement annuity
33 began on or before January 1, 1977 shall receive an increase in
34 the annuity then being paid of one dollar per month for each
35 year of creditable service.

36 On January 1, 1987, any annuitant whose retirement annuity

1 began on or before January 1, 1977, shall receive an increase
2 in the monthly retirement annuity equal to 8¢ per year of
3 creditable service times the number of years that have elapsed
4 since the annuity began.

5 (f) On January 1, 2006, every annuitant who began receiving
6 a retirement annuity on or before January 1, 1991 shall have
7 the monthly retirement annuity increased by an amount equal to
8 25¢ multiplied by the number of full years of creditable
9 service multiplied by the number of full years that have
10 elapsed since the annuity began. Every annuitant who begins
11 receiving a retirement annuity after January 1, 1991 and before
12 July 1, 1998 shall have the monthly retirement annuity
13 increased on January 1, 2006 or on the January 1 occurring on
14 or next following the seventh anniversary of retirement,
15 whichever is later, by an amount equal to \$1.75 multiplied by
16 the number of full years of creditable service upon which the
17 retirement annuity is based. The increase under this subsection
18 shall be included in the calculation of increases granted
19 simultaneously or thereafter under subsection (a).

20 (Source: P.A. 91-927, eff. 12-14-00.)

21 (40 ILCS 5/16-143.1) (from Ch. 108 1/2, par. 16-143.1)

22 Sec. 16-143.1. Increase in survivor benefits.

23 (a) Beginning January 1, 1990, each survivor's benefit and
24 each reversionary annuity payable under Section 16-136 shall be
25 increased by 3% of the currently payable amount thereof (1) on
26 each January 1 occurring on or after the commencement of the
27 annuity if the deceased teacher died while receiving a
28 retirement or disability retirement annuity, or (2) in other
29 cases, on each January 1 occurring on or after the first
30 anniversary of the granting of the benefit, without regard to
31 whether the deceased teacher was in service on or after the
32 effective date of this amendatory Act of 1991, but such
33 increases shall not accrue for any period prior to January 1,
34 1990.

35 (b) On January 1, 1981, any beneficiary who was receiving a

1 survivor's monthly benefit on or before January 1, 1971, shall
2 have the benefit then being paid increased by 1% for each full
3 year elapsed from the date the survivor's benefit began. On
4 January 1, 1982, any beneficiary who began receiving a
5 survivor's monthly benefit after January 1, 1971, but before
6 January 1, 1981 shall have the benefit then being paid
7 increased by 1% for each year elapsed from the date the
8 survivor's benefit began.

9 On January 1, 1987, any beneficiary whose monthly
10 survivor's benefit began on or before January 1, 1977, shall
11 have the monthly survivor's benefit increased by \$1 for each
12 full year which has elapsed since the date the survivor's
13 benefit began.

14 (c) On January 1, 2006, every survivor who began receiving
15 a survivor's benefit on or before January 1, 1991 shall have
16 the monthly survivor's benefit increased by an amount equal to
17 25¢ multiplied by the number of full years of the deceased's
18 creditable service multiplied by the sum of (i) the number of
19 full years that have elapsed since the survivor's benefit began
20 and (ii) the number of full years, if any, during which the
21 deceased received a retirement annuity under this Article.
22 Every survivor who begins receiving a survivor's benefit after
23 January 1, 1991 and before January 1, 2006 shall have the
24 monthly survivor's benefit increased on January 1, 2006 or on
25 the January 1 occurring on or next following the seventh
26 anniversary of the commencement of the survivor's benefit,
27 whichever is later, by an amount equal to 25¢ multiplied by the
28 number of full years of the deceased's creditable service
29 multiplied by the sum of (i) the number of full years that have
30 elapsed since the survivor's benefit began and (ii) the number
31 of full years, if any, during which the deceased received a
32 retirement annuity under this Article. The increase under this
33 subsection shall be included in the calculation of increases
34 granted simultaneously or thereafter under subsection (a).

35 (Source: P.A. 86-273; 86-1488.)

1 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

2 Sec. 17-119. Automatic annual increase in pension.

3 (a) Each teacher retiring on or after September 1, 1959, is
4 entitled to the annual increase in pension, defined herein,
5 while he is receiving a pension from the Fund.

6 1. The term "base pension" means a service retirement
7 or disability retirement pension in the amount fixed and
8 payable at the date of retirement of a teacher.

9 2. The annual increase in pension shall be at the rate
10 of 1 1/2% of base pension. This increase shall first occur
11 in January of the year next following the first anniversary
12 of retirement. At such time the Fund shall pay the pro rata
13 part of the increase for the period from the first
14 anniversary date to the date of the first increase in
15 pension. Beginning January 1, 1972, the rate of annual
16 increase in pension shall be 2% of the base pension.
17 Beginning January 1, 1979, the rate of annual increase in
18 pension shall be 3% of the base pension. Beginning January
19 1, 1990, all automatic annual increases payable under this
20 Section shall be calculated as a percentage of the total
21 pension payable at the time of the increase, including all
22 increases previously granted under this Article,
23 notwithstanding Section 17-157.

24 3. An increase in pension shall be granted only if the
25 retired teacher is age 60 or over. If the teacher attains
26 age 60 after retirement, the increase in pension shall
27 begin in January of the year following the 61st birthday.
28 At such time the Fund also shall pay the pro rata part of
29 the increase from the 61st birthday to the date of first
30 increase in pension.

31 (b) In addition to other increases which may be provided by
32 this Section, on January 1, 1981 any teacher who was receiving
33 a retirement pension on or before January 1, 1971 shall have
34 his retirement pension then being paid increased \$1 per month
35 for each year of creditable service. On January 1, 1982, any
36 teacher whose retirement pension began on or before January 1,

1 1977, shall have his retirement pension then being paid
2 increased \$1 per month for each year of creditable service.

3 On January 1, 1987, any teacher whose retirement pension
4 began on or before January 1, 1977, shall have the monthly
5 retirement pension increased by an amount equal to 8¢ per year
6 of creditable service times the number of years that have
7 elapsed since the retirement pension began.

8 (c) On January 1, 2006, every pensioner who began receiving
9 a retirement pension on or before January 1, 1991 shall have
10 the monthly retirement pension increased by an amount equal to
11 25¢ multiplied by the number of full years of creditable
12 service multiplied by the number of full years that have
13 elapsed since the pension began. Every pensioner who begins
14 receiving a retirement pension after January 1, 1991 and before
15 July 1, 1998 shall have the monthly retirement pension
16 increased on January 1, 2006 or on the January 1 occurring on
17 or next following the seventh anniversary of retirement,
18 whichever is later, by an amount equal to \$1.75 multiplied by
19 the number of full years of creditable service upon which the
20 retirement pension is based. The increase under this subsection
21 shall be included in the calculation of increases granted
22 simultaneously or thereafter under subsection (a). Section
23 17-157 does not apply to the increase provided under this
24 subsection.

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

26 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

27 Sec. 17-122. Survivor's and children's pensions - Amount.

28 (a) Upon the death of a teacher who has completed at least
29 1 1/2 years of contributing service with either this Fund or
30 the State Universities Retirement System or the Teachers'
31 Retirement System of the State of Illinois, provided his death
32 occurred while (a) in active service covered by the Fund or
33 during his first 18 months of continuous employment without a
34 break in service under any other participating system as
35 defined in the Illinois Retirement Systems Reciprocal Act

1 except the State Universities Retirement System and the
2 Teachers' Retirement System of the State of Illinois, (b) on a
3 creditable leave of absence, (c) on a noncreditable leave of
4 absence of no more than one year, or (d) a pension was deferred
5 or pending provided the teacher had at least 10 years of
6 validated service credit, or upon the death of a pensioner
7 otherwise qualified for such benefit, the surviving spouse and
8 unmarried minor children of the deceased teacher under age 18
9 shall be entitled to pensions, under the conditions stated
10 hereinafter. Such survivor's and children's pensions shall be
11 based on the average of the 4 highest consecutive years of
12 salary in the last 10 years of service or on the average salary
13 for total service, if total service has been less than 4 years,
14 according to the following percentages:

15 30% of average salary or 50% of the retirement pension
16 earned by the teacher, whichever is larger, subject to the
17 prescribed maximum monthly payment, for a surviving spouse
18 alone on attainment of age 50;

19 60% of average salary for a surviving spouse and
20 eligible minor children of the deceased teacher.

21 If no eligible spouse survives, or the surviving spouse
22 remarries, or the parent of the children of the deceased member
23 is otherwise ineligible for a survivor's pension, a children's
24 pension for eligible minor children under age 18 shall be paid
25 to their parent or legal guardian for their benefit according
26 to the following percentages:

27 30% of average salary for one child;

28 60% of average salary for 2 or more children.

29 (b) On January 1, 1981, any survivor or child who was
30 receiving a survivor's or children's pension on or before
31 January 1, 1971, shall have his survivor's or children's
32 pension then being paid increased by 1% for each full year
33 which has elapsed from the date the pension began. On January
34 1, 1982, any survivor or child whose pension began after
35 January 1, 1971, but before January 1, 1981, shall have his
36 survivor's or children's pension then being paid increased 1%

1 for each full year which has elapsed from the date the pension
2 began. On January 1, 1987, any survivor or child whose pension
3 began on or before January 1, 1977, shall have the monthly
4 survivor's or children's pension increased by \$1 for each full
5 year which has elapsed since the pension began.

6 (c) On January 1, 2006, every survivor or child who began
7 receiving a survivor's or children's pension on or before
8 January 1, 1991 shall have the monthly pension increased by an
9 amount equal to 25¢ multiplied by the number of full years of
10 the deceased's creditable service multiplied by the sum of (i)
11 the number of full years that have elapsed since the survivor's
12 or children's pension began and (ii) the number of full years,
13 if any, during which the deceased received a retirement pension
14 under this Article. Every survivor or child who begins
15 receiving a survivor's or children's pension after January 1,
16 1991 and before January 1, 2006 shall have the monthly pension
17 increased on January 1, 2006 or on the January 1 occurring on
18 or next following the seventh anniversary of the commencement
19 of the pension, whichever is later, by an amount equal to 25¢
20 multiplied by the number of full years of the deceased's
21 creditable service multiplied by the sum of (i) the number of
22 full years that have elapsed since the survivor's annuity began
23 and (ii) the number of full years, if any, during which the
24 deceased received a retirement pension under this Article. The
25 increase under this subsection shall be included in the
26 calculation of increases granted simultaneously or thereafter
27 under subsection (d). Section 17-157 does not apply to the
28 increase provided under this subsection.

29 (d) Beginning January 1, 1990, every survivor's and
30 children's pension shall be increased (1) on each January 1
31 occurring on or after the commencement of the pension if the
32 deceased teacher died while receiving a retirement pension, or
33 (2) in other cases, on each January 1 occurring on or after the
34 first anniversary of the commencement of the pension, by an
35 amount equal to 3% of the current amount of the pension,
36 including all increases previously granted under this Article,

1 notwithstanding Section 17-157. Such increases shall apply
2 without regard to whether the deceased teacher was in service
3 on or after the effective date of this amendatory Act of 1991,
4 but shall not accrue for any period prior to January 1, 1990.

5 (e) Subject to the minimum established below, the maximum
6 amount of pension for a surviving spouse alone or one minor
7 child shall be \$400 per month, and the maximum combined
8 pensions for a surviving spouse and children of the deceased
9 teacher shall be \$600 per month, with individual pensions
10 adjusted for all beneficiaries pro rata to conform with this
11 limitation. If proration is unnecessary the minimum survivor's
12 and children's pensions shall be \$40 per month. The minimum
13 total survivor's and children's pension payable upon the death
14 of a contributor or annuitant which occurs after December 31,
15 1986, shall be 50% of the earned retirement pension of such
16 contributor or annuitant, calculated without early retirement
17 discount in the case of death in service.

18 On death after retirement, the total survivor's and
19 children's pensions shall not exceed the monthly retirement or
20 disability pension paid to the deceased retirant. Survivor's
21 and children's benefits described in this Section shall apply
22 to all service and disability pensioners eligible for a pension
23 as of July 1, 1981.

24 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

25 Section 90. The State Mandates Act is amended by adding
26 Section 8.29 as follows:

27 (30 ILCS 805/8.29 new)

28 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
29 of this Act, no reimbursement by the State is required for the
30 implementation of any mandate created by this amendatory Act of
31 the 94th General Assembly.

32 Section 99. Effective date. This Act takes effect upon
33 becoming law.