



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB5553

by Rep. Joseph M. Lyons

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/11-134	from Ch. 108 1/2, par. 11-134
40 ILCS 5/11-145.1	from Ch. 108 1/2, par. 11-145.1
30 ILCS 805/8.32 new	

Amends the Chicago Laborers Article of the Illinois Pension Code. Beginning January 1, 2009, provides a minimum retirement annuity of \$1,050 (now, \$850) for certain employees and a minimum widow annuity of \$1,000 (now, \$800) for certain widows. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 19090 AMC 45292 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 11-134 and 11-145.1 as follows:

6 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)  
7 Sec. 11-134. Minimum annuities.

8 (a) An employee whose withdrawal occurs after July 1, 1957  
9 at age 60 or over, with 20 or more years of service, (as  
10 service is defined or computed in Section 11-216), for whom the  
11 age and service and prior service annuity combined is less than  
12 the amount stated in this Section, shall, from and after the  
13 date of withdrawal, in lieu of all annuities otherwise provided  
14 in this Article, be entitled to receive an annuity for life of  
15 an amount equal to 1 2/3% for each year of service, of the  
16 highest average annual salary for any 5 consecutive years  
17 within the last 10 years of service immediately preceding the  
18 date of withdrawal; provided, that in the case of any employee  
19 who withdraws on or after July 1, 1971, such employee age 60 or  
20 over with 20 or more years of service, shall be entitled to  
21 instead receive an annuity for life equal to 1.67% for each of  
22 the first 10 years of service; 1.90% for each of the next 10  
23 years of service; 2.10% for each year of service in excess of

1 20 but not exceeding 30; and 2.30% for each year of service in  
2 excess of 30, based on the highest average annual salary for  
3 any 4 consecutive years within the last 10 years of service  
4 immediately preceding the date of withdrawal.

5 An employee who withdraws after July 1, 1957 and before  
6 January 1, 1988, with 20 or more years of service, before age  
7 60, shall be entitled to an annuity, to begin not earlier than  
8 age 55, if under such age at withdrawal, as computed in the  
9 last preceding paragraph, reduced 0.25% if the employee was  
10 born before January 1, 1936, or 0.5% if the employee was born  
11 on or after January 1, 1936, for each full month or fractional  
12 part thereof that his attained age when such annuity is to  
13 begin is less than 60.

14 Any employee born before January 1, 1936 who withdraws with  
15 20 or more years of service, and any employee with 20 or more  
16 years of service who withdraws on or after January 1, 1988, may  
17 elect to receive, in lieu of any other employee annuity  
18 provided in this Section, an annuity for life equal to 1.80%  
19 for each of the first 10 years of service, 2.00% for each of  
20 the next 10 years of service, 2.20% for each year of service in  
21 excess of 20, but not exceeding 30, and 2.40% for each year of  
22 service in excess of 30, of the highest average annual salary  
23 for any 4 consecutive years within the last 10 years of service  
24 immediately preceding the date of withdrawal, to begin not  
25 earlier than upon attained age of 55 years, if under such age  
26 at withdrawal, reduced 0.25% for each full month or fractional

1 part thereof that his attained age when annuity is to begin is  
2 less than 60; except that an employee retiring on or after  
3 January 1, 1988, at age 55 or over but less than age 60, having  
4 at least 35 years of service, or an employee retiring on or  
5 after July 1, 1990, at age 55 or over but less than age 60,  
6 having at least 30 years of service, or an employee retiring on  
7 or after the effective date of this amendatory Act of 1997, at  
8 age 55 or over but less than age 60, having at least 25 years of  
9 service, shall not be subject to the reduction in retirement  
10 annuity because of retirement below age 60.

11 However, in the case of an employee who retired on or after  
12 January 1, 1985 but before January 1, 1988, at age 55 or older  
13 and with at least 35 years of service, and who was subject  
14 under this subsection (a) to the reduction in retirement  
15 annuity because of retirement below age 60, that reduction  
16 shall cease to be effective January 1, 1991, and the retirement  
17 annuity shall be recalculated accordingly.

18 Any employee who withdraws on or after July 1, 1990, with  
19 20 or more years of service, may elect to receive, in lieu of  
20 any other employee annuity provided in this Section, an annuity  
21 for life equal to 2.20% for each year of service if withdrawal  
22 is before January 1, 2002, or 2.40% for each year of service if  
23 withdrawal is on or after January 1, 2002, of the highest  
24 average annual salary for any 4 consecutive years within the  
25 last 10 years of service immediately preceding the date of  
26 withdrawal, to begin not earlier than upon attained age of 55

1 years, if under such age at withdrawal, reduced 0.25% for each  
2 full month or fractional part thereof that his attained age  
3 when annuity is to begin is less than 60; except that an  
4 employee retiring at age 55 or over but less than age 60,  
5 having at least 30 years of service, shall not be subject to  
6 the reduction in retirement annuity because of retirement below  
7 age 60.

8 Any employee who withdraws on or after the effective date  
9 of this amendatory Act of 1997 with 20 or more years of service  
10 may elect to receive, in lieu of any other employee annuity  
11 provided in this Section, an annuity for life equal to 2.20%  
12 for each year of service if withdrawal is before January 1,  
13 2002, or 2.40% for each year of service if withdrawal is on or  
14 after January 1, 2002, of the highest average annual salary for  
15 any 4 consecutive years within the last 10 years of service  
16 immediately preceding the date of withdrawal, to begin not  
17 earlier than upon attainment of age 55 (age 50 if the employee  
18 has at least 30 years of service), reduced 0.25% for each full  
19 month or remaining fractional part thereof that the employee's  
20 attained age when annuity is to begin is less than 60; except  
21 that an employee retiring at age 50 or over with at least 30  
22 years of service or at age 55 or over with at least 25 years of  
23 service shall not be subject to the reduction in retirement  
24 annuity because of retirement below age 60.

25 The maximum annuity payable under this paragraph (a) of  
26 this Section shall not exceed 70% of highest average annual

1 salary in the case of an employee who withdraws prior to July  
2 1, 1971, 75% if withdrawal takes place on or after July 1, 1971  
3 and prior to January 1, 2002, or 80% if withdrawal is on or  
4 after January 1, 2002. For the purpose of the minimum annuity  
5 provided in said paragraphs \$1,500 shall be considered the  
6 minimum annual salary for any year; and the maximum annual  
7 salary to be considered for the computation of such annuity  
8 shall be \$4,800 for any year prior to 1953, \$6,000 for the  
9 years 1953 to 1956, inclusive, and the actual annual salary, as  
10 salary is defined in this Article, for any year thereafter.

11 (b) For an employee receiving disability benefit, his  
12 salary for annuity purposes under this Section shall, for all  
13 periods of disability benefit subsequent to the year 1956, be  
14 the amount on which his disability benefit was based.

15 (c) An employee with 20 or more years of service, whose  
16 entire disability benefit credit period expires prior to  
17 attainment of age 55 while still disabled for service, shall be  
18 entitled upon withdrawal to the larger of (1) the minimum  
19 annuity provided above assuming that he is then age 55, and  
20 reducing such annuity to its actuarial equivalent at his  
21 attained age on such date, or (2) the annuity provided from his  
22 age and service and prior service annuity credits.

23 (d) The minimum annuity provisions as aforesaid shall not  
24 apply to any former employee receiving an annuity from the  
25 fund, and who re-enters service as an employee, unless he  
26 renders at least 3 years of additional service after the date

1 of re-entry.

2 (e) An employee in service on July 1, 1947, or who became a  
3 contributor after July 1, 1947 and prior to July 1, 1950, or  
4 who shall become a contributor to the fund after July 1, 1950  
5 prior to attainment of age 70, who withdraws after age 65 with  
6 less than 20 years of service, for whom the annuity has been  
7 fixed under the foregoing Sections of this Article shall, in  
8 lieu of the annuity so fixed, receive an annuity as follows:

9 Such amount as he could have received had the accumulated  
10 amounts for annuity been improved with interest at the  
11 effective rate to the date of his withdrawal, or to attainment  
12 of age 70, whichever is earlier, and had the city contributed  
13 to such earlier date for age and service annuity the amount  
14 that would have been contributed had he been under age 65,  
15 after the date his annuity was fixed in accordance with this  
16 Article, and assuming his annuity were computed from such  
17 accumulations as of his age on such earlier date. The annuity  
18 so computed shall not exceed the annuity which would be payable  
19 under the other provisions of this Section if the employee was  
20 credited with 20 years of service and would qualify for annuity  
21 thereunder.

22 (f) In lieu of the annuity provided in this or in any other  
23 Section of this Article, an employee having attained age 65  
24 with at least 15 years of service who withdraws from service on  
25 or after July 1, 1971 and whose annuity computed under other  
26 provisions of this Article is less than the amount provided

1 under this paragraph shall be entitled to receive a minimum  
2 annual annuity for life equal to 1% of the highest average  
3 annual salary for any 4 consecutive years within the last 10  
4 years of service immediately preceding retirement for each year  
5 of his service plus the sum of \$25 for each year of service.  
6 Such annual annuity shall not exceed the maximum percentages  
7 stated under paragraph (a) of this Section of such highest  
8 average annual salary.

9 (f-1) Instead of any other retirement annuity provided in  
10 this Article, an employee who has at least 10 years of service  
11 and withdraws from service on or after January 1, 1999 may  
12 elect to receive a retirement annuity for life, beginning no  
13 earlier than upon attainment of age 60, equal to 2.2% if  
14 withdrawal is before January 1, 2002, or 2.4% for each year of  
15 service if withdrawal is on or after January 1, 2002, of final  
16 average salary for each year of service, subject to a maximum  
17 of 75% of final average salary if withdrawal is before January  
18 1, 2002, or 80% if withdrawal is on or after January 1, 2002.  
19 For the purpose of calculating this annuity, "final average  
20 salary" means the highest average annual salary for any 4  
21 consecutive years in the last 10 years of service.

22 (g) Any annuity payable under the preceding subsections of  
23 this Section 11-134 shall be paid in equal monthly  
24 installments.

25 (h) The amendatory provisions of part (a) and (f) of this  
26 Section shall be effective July 1, 1971 and apply in the case



1 of every qualifying employee withdrawing on or after July 1,  
2 1971.

3 (h-1) The changes made to this Section by Public Act 92-609  
4 (increasing the retirement formula to 2.4% per year of service  
5 and increasing the maximum to 80%) apply to persons who  
6 withdraw from service on or after January 1, 2002, regardless  
7 of whether that withdrawal takes place before the effective  
8 date of that Act. In the case of a person who withdraws from  
9 service on or after January 1, 2002 but begins to receive a  
10 retirement annuity before July 1, 2002, the annuity shall be  
11 recalculated, with the increase resulting from Public Act  
12 92-609 accruing from the date the retirement annuity began. The  
13 changes made by Public Act 92-609 control over the changes made  
14 by Public Act 92-599, as provided in Section 95 of P.A. 92-609.

15 (i) The amendatory provisions of this amendatory Act of  
16 1985 relating to the discount of annuity because of retirement  
17 prior to attainment of age 60 and increasing the retirement  
18 formula for those born before January 1, 1936, shall apply only  
19 to qualifying employees withdrawing on or after August 16,  
20 1985.

21 (j) Beginning on January 1, 1999, the minimum amount of  
22 employee's annuity shall be \$850 per month for life for the  
23 following classes of employees, without regard to the fact that  
24 withdrawal occurred prior to the effective date of this  
25 amendatory Act of 1998:

26 (1) any employee annuitant alive and receiving a life

1 annuity on the effective date of this amendatory Act of  
2 1998, except a reciprocal annuity;

3 (2) any employee annuitant alive and receiving a term  
4 annuity on the effective date of this amendatory Act of  
5 1998, except a reciprocal annuity;

6 (3) any employee annuitant alive and receiving a  
7 reciprocal annuity on the effective date of this amendatory  
8 Act of 1998, whose service in this fund is at least 5  
9 years;

10 (4) any employee annuitant withdrawing after age 60 on  
11 or after the effective date of this amendatory Act of 1998,  
12 with at least 10 years of service in this fund.

13 The increases granted under items (1), (2) and (3) of this  
14 subsection (j) shall not be limited by any other Section of  
15 this Act.

16 (k) Beginning on January 1, 2009, the minimum amount of  
17 employee's annuity shall be \$1,050 per month for life for the  
18 following classes of employees, without regard to the fact that  
19 withdrawal occurred before the effective date of this  
20 amendatory Act of the 95th General Assembly:

21 (1) any employee annuitant alive and receiving a life  
22 annuity on the effective date of this amendatory Act of the  
23 95th General Assembly, except a reciprocal annuity;

24 (2) any employee annuitant alive and receiving a term  
25 annuity on the effective date of this amendatory Act of the  
26 95th General Assembly, except a reciprocal annuity;

1           (3) any employee annuitant alive and receiving a  
2           reciprocal annuity on the effective date of this amendatory  
3           Act of the 95th General Assembly, whose service in this  
4           fund is at least 5 years;

5           (4) any employee annuitant withdrawing after age 60 on  
6           or after the effective date of this amendatory Act of the  
7           95th General Assembly, with at least 10 years of service in  
8           this fund.

9           The increases granted under items (1), (2), and (3) of this  
10          subsection (k) shall not be limited by any other Section of  
11          this Act.

12          (Source: P.A. 95-331, eff. 8-21-07.)

13           (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

14           Sec. 11-145.1. Minimum annuities for widows. The widow  
15 otherwise eligible for widow's annuity under other Sections of  
16 this Article 11, of an employee hereinafter described, who  
17 retires from service or dies while in the service subsequent to  
18 the effective date of this amendatory provision, and for which  
19 widow the amount of widow's annuity and widow's prior service  
20 annuity combined, fixed or provided for such widow under other  
21 provisions of said Article 11 is less than the amount  
22 hereinafter provided in this section, shall, from and after the  
23 date her otherwise provided annuity would begin, in lieu of  
24 such otherwise provided widow's and widow's prior service  
25 annuity, be entitled to the following indicated amount of

1 annuity:

2 (a) The widow of any employee who dies while in service on  
3 or after the date on which he attains age 60 if the death  
4 occurs before July 1, 1990, or on or after the date on which he  
5 attains age 55 if the death occurs on or after July 1, 1990,  
6 with at least 20 years of service, or on or after the date on  
7 which he attains age 50 if the death occurs on or after the  
8 effective date of this amendatory Act of 1997 with at least 30  
9 years of service, shall be entitled to an annuity equal to  
10 one-half of the amount of annuity which her deceased husband  
11 would have been entitled to receive had he withdrawn from the  
12 service on the day immediately preceding the date of his death,  
13 conditional upon such widow having attained age 60 on or before  
14 such date if the death occurs before July 1, 1990, or age 55 if  
15 the death occurs on or after July 1, 1990, or age 50 if the  
16 death occurs on or after January 1, 1998 and the employee is  
17 age 50 or over with at least 30 years of service or age 55 or  
18 over with at least 25 years of service. Except as provided in  
19 subsection (j), the widow's annuity shall not, however, exceed  
20 the sum of \$500 a month if the employee's death in service  
21 occurs before January 23, 1987. The widow's annuity shall not  
22 be limited to a maximum dollar amount if the employee's death  
23 in service occurs on or after January 23, 1987.

24 If the employee dies in service before July 1, 1990, and if  
25 such widow of such described employee shall not be 60 or more  
26 years of age on such date of death, the amount provided in the

1 immediately preceding paragraph for a widow 60 or more years of  
2 age, shall, in the case of such younger widow, be reduced by  
3 0.25% for each month that her then attained age is less than 60  
4 years if the employee was born before January 1, 1936, or dies  
5 in service on or after January 1, 1988, or 0.5% for each month  
6 that her then attained age is less than 60 years if the  
7 employee was born on or after January 1, 1936 and dies in  
8 service before January 1, 1988.

9 If the employee dies in service on or after July 1, 1990,  
10 and if the widow of the employee has not attained age 55 on or  
11 before the employee's date of death, the amount otherwise  
12 provided in this subsection (a) shall be reduced by 0.25% for  
13 each month that her then attained age is less than 55 years;  
14 except that if the employee dies in service on or after January  
15 1, 1998 at age 50 or over with at least 30 years of service or  
16 at age 55 or over with at least 25 years of service, there  
17 shall be no reduction due to the widow's age if she has  
18 attained age 50 on or before the employee's date of death, and  
19 if the widow has not attained age 50 on or before the  
20 employee's date of death the amount otherwise provided in this  
21 subsection (a) shall be reduced by 0.25% for each month that  
22 her then attained age is less than 50 years.

23 (b) The widow of any employee who dies subsequent to the  
24 date of his retirement on annuity, and who so retired on or  
25 after the date on which he attained age 60 if retirement occurs  
26 before July 1, 1990, or on or after the date on which he

1 attained age 55 if retirement occurs on or after July 1, 1990,  
2 with at least 20 years of service, or on or after the date on  
3 which he attained age 50 if the retirement occurs on or after  
4 the effective date of this amendatory Act of 1997 with at least  
5 30 years of service, shall be entitled to an annuity equal to  
6 one-half of the amount of annuity which her deceased husband  
7 received as of the date of his retirement on annuity,  
8 conditional upon such widow having attained age 60 on or before  
9 the date of her husband's retirement on annuity if retirement  
10 occurs before July 1, 1990, or age 55 if retirement occurs on  
11 or after July 1, 1990, or age 50 if the retirement on annuity  
12 occurs on or after January 1, 1998 and the employee is age 50  
13 or over with at least 30 years of service or age 55 or over with  
14 at least 25 years of service. Except as provided in subsection  
15 (j), this widow's annuity shall not, however, exceed the sum of  
16 \$500 a month if the employee's death occurs before January 23,  
17 1987. The widow's annuity shall not be limited to a maximum  
18 dollar amount if the employee's death occurs on or after  
19 January 23, 1987, regardless of the date of retirement;  
20 provided that, if retirement was before January 23, 1987, the  
21 employee or eligible spouse repays the excess spouse refund  
22 with interest at the effective rate from the date of refund to  
23 the date of repayment.

24 If the date of the employee's retirement on annuity is  
25 before July 1, 1990, and if such widow of such described  
26 employee shall not have attained such age of 60 or more years

1 on such date of her husband's retirement on annuity, the amount  
2 provided in the immediately preceding paragraph for a widow 60  
3 or more years of age on the date of her husband's retirement on  
4 annuity, shall, in the case of such then younger widow, be  
5 reduced by 0.25% for each month that her then attained age was  
6 less than 60 years if the employee was born before January 1,  
7 1936, or withdraws from service on or after January 1, 1988, or  
8 0.5% for each month that her then attained age was less than 60  
9 years if the employee was born on or after January 1, 1936 and  
10 withdraws from service before January 1, 1988.

11 If the date of the employee's retirement on annuity is on  
12 or after July 1, 1990, and if the widow of the employee has not  
13 attained age 55 by the date of the employee's retirement on  
14 annuity, the amount otherwise provided in this subsection (b)  
15 shall be reduced by 0.25% for each month that her then attained  
16 age is less than 55 years; except that if the employee retires  
17 on annuity on or after January 1, 1998 at age 50 or over with at  
18 least 30 years of service or at age 55 or over with at least 25  
19 years of service, there shall be no reduction due to the  
20 widow's age if she has attained age 50 on or before the  
21 employee's date of death, and if the widow has not attained age  
22 50 on or before the employee's date of death the amount  
23 otherwise provided in this subsection (b) shall be reduced by  
24 0.25% for each month that her then attained age is less than 50  
25 years.

26 (c) The foregoing provisions relating to minimum annuities

1 for widows shall not apply to the widow of any former employee  
2 receiving an annuity from the fund on August 2, 1965 or on the  
3 effective date of this amendatory provision, who re-enters  
4 service as a former employee, unless such employee renders at  
5 least 3 years of additional service after the date of re-entry.

6 (d) (Blank).

7 (e) (Blank).

8 (f) The amendments to this Section by this amendatory Act  
9 of 1985, relating to changing the discount because of age from  
10  $1/2$  of 1% to 0.25% per month for widows of employees born  
11 before January 1, 1936, shall apply only to qualifying widows  
12 whose husbands die while in the service on or after August 16,  
13 1985 or withdraw and enter on annuity on or after August 16,  
14 1985.

15 (g) Beginning on January 1, 1999, the minimum amount of  
16 widow's annuity shall be \$800 per month for life for the  
17 following classes of widows, without regard to the fact that  
18 the death of the employee occurred prior to the effective date  
19 of this amendatory Act of 1998:

20 (1) any widow annuitant alive and receiving a term  
21 annuity on the effective date of this amendatory Act of  
22 1998, except a reciprocal annuity;

23 (2) any widow annuitant alive and receiving a life  
24 annuity on the effective date of this amendatory Act of  
25 1998, except a reciprocal annuity;

26 (3) any widow annuitant alive and receiving a



1 reciprocal annuity on the effective date of this amendatory  
2 Act of 1998, whose employee spouse's service in this fund  
3 was at least 5 years;

4 (4) the widow of an employee with at least 10 years of  
5 service in this fund who dies after retirement, if the  
6 retirement occurred prior to the effective date of this  
7 amendatory Act of 1998;

8 (5) the widow of an employee with at least 10 years of  
9 service in this fund who dies after retirement, if  
10 withdrawal occurs on or after the effective date of this  
11 amendatory Act of 1998;

12 (6) the widow of an employee who dies in service with  
13 at least 5 years of service in this fund, if the death in  
14 service occurs on or after the effective date of this  
15 amendatory Act of 1998.

16 The increases granted under items (1), (2), (3) and (4) of  
17 this subsection (g) shall not be limited by any other Section  
18 of this Act.

19 (g-1) Beginning on January 1, 2009, the minimum amount of  
20 widow's annuity shall be \$1,000 per month for life for the  
21 following classes of widows, without regard to the fact that  
22 the death of the employee occurred before the effective date of  
23 this amendatory Act of the 95th General Assembly:

24 (1) any widow annuitant alive and receiving a term  
25 annuity on the effective date of this amendatory Act of the  
26 95th General Assembly, except a reciprocal annuity;

1           (2) any widow annuitant alive and receiving a life  
2           annuity on the effective date of this amendatory Act of the  
3           95th General Assembly, except a reciprocal annuity;

4           (3) any widow annuitant alive and receiving a  
5           reciprocal annuity on the effective date of this amendatory  
6           Act of the 95th General Assembly, whose employee spouse's  
7           service in this fund was at least 5 years;

8           (4) the widow of an employee with at least 10 years of  
9           service in this fund who dies after retirement, if the  
10           retirement occurred prior to the effective date of this  
11           amendatory Act of the 95th General Assembly;

12           (5) the widow of an employee with at least 10 years of  
13           service in this fund who dies after retirement, if  
14           withdrawal occurs on or after the effective date of this  
15           amendatory Act of the 95th General Assembly;

16           (6) the widow of an employee who dies in service with  
17           at least 5 years of service in this fund, if the death in  
18           service occurs on or after the effective date of this  
19           amendatory Act of the 95th General Assembly.

20           The increases granted under items (1), (2), (3), and (4) of  
21           this subsection (g-1) shall not be limited by any other Section  
22           of this Act.

23           (h) The widow of an employee who retired or died in service  
24           on or after January 1, 1985 and before July 1, 1990, at age 55  
25           or older, and with at least 35 years of service credit, shall  
26           be entitled to have her widow's annuity increased, effective

1 January 1, 1991, to an amount equal to 50% of the retirement  
2 annuity that the deceased employee received on the date of  
3 retirement, or would have been eligible to receive if he had  
4 retired on the day preceding the date of his death in service,  
5 provided that if the widow had not attained age 60 by the date  
6 of the employee's retirement or death in service, the amount of  
7 the annuity shall be reduced by 0.25% for each month that her  
8 then attained age was less than age 60 if the employee's  
9 retirement or death in service occurred on or after January 1,  
10 1988, or by 0.5% for each month that her attained age is less  
11 than age 60 if the employee's retirement or death in service  
12 occurred prior to January 1, 1988. However, in cases where a  
13 refund of excess contributions for widow's annuity has been  
14 paid by the Fund, the increase in benefit provided by this  
15 subsection (h) shall be contingent upon repayment of the refund  
16 to the Fund with interest at the effective rate from the date  
17 of refund to the date of payment.

18 (i) If a deceased employee is receiving a retirement  
19 annuity at the time of death and that death occurs on or after  
20 June 27, 1997, the widow may elect to receive, in lieu of any  
21 other annuity provided under this Article, 50% of the deceased  
22 employee's retirement annuity at the time of death reduced by  
23 0.25% for each month that the widow's age on the date of death  
24 is less than 55; except that if the employee dies on or after  
25 January 1, 1998 and withdrew from service on or after June 27,  
26 1997 at age 50 or over with at least 30 years of service or at

1 age 55 or over with at least 25 years of service, there shall  
2 be no reduction due to the widow's age if she has attained age  
3 50 on or before the employee's date of death, and if the widow  
4 has not attained age 50 on or before the employee's date of  
5 death the amount otherwise provided in this subsection (i)  
6 shall be reduced by 0.25% for each month that her age on the  
7 date of death is less than 50 years. However, in cases where a  
8 refund of excess contributions for widow's annuity has been  
9 paid by the Fund, the benefit provided by this subsection (i)  
10 is contingent upon repayment of the refund to the Fund with  
11 interest at the effective rate from the date of refund to the  
12 date of payment.

13 (j) For widows of employees who died before January 23,  
14 1987 after retirement on annuity or in service, the maximum  
15 dollar amount limitation on widow's annuity shall cease to  
16 apply, beginning with the first annuity payment after the  
17 effective date of this amendatory Act of 1997; except that if a  
18 refund of excess contributions for widow's annuity has been  
19 paid by the Fund, the increase resulting from this subsection  
20 (j) shall not begin before the refund has been repaid to the  
21 Fund, together with interest at the effective rate from the  
22 date of the refund to the date of repayment.

23 (k) In lieu of any other annuity provided in this Article,  
24 an eligible spouse of an employee who dies in service on or  
25 after January 1, 2002 (regardless of whether that death in  
26 service occurs prior to the effective date of this amendatory

1 Act of the 93rd General Assembly) with at least 10 years of  
2 service shall be entitled to an annuity of 50% of the minimum  
3 formula annuity earned and accrued to the credit of the  
4 employee at the date of death. For the purposes of this  
5 subsection, the minimum formula annuity earned and accrued to  
6 the credit of the employee is equal to 2.40% for each year of  
7 service of the highest average annual salary for any 4  
8 consecutive years within the last 10 years of service  
9 immediately preceding the date of death, up to a maximum of 80%  
10 of the highest average annual salary. This annuity shall not be  
11 reduced due to the age of the employee or spouse. In addition  
12 to any other eligibility requirements under this Article, the  
13 spouse is eligible for this annuity only if the marriage was in  
14 effect for 10 full years or more.

15 (Source: P.A. 92-599, eff. 6-28-02; 93-654, eff. 1-16-04.)

16 Section 90. The State Mandates Act is amended by adding  
17 Section 8.32 as follows:

18 (30 ILCS 805/8.32 new)

19 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8  
20 of this Act, no reimbursement by the State is required for the  
21 implementation of any mandate created by this amendatory Act of  
22 the 95th General Assembly.

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