

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 9-121.6, 9-133, 9-133.1, 9-166, 9-169, 9-179.3,
6 9-182, 9-199, 9-204, 15-106, and 15-107 and by adding 9-134.5
7 and 10-104.5 as follows:

8 (40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)

9 Sec. 9-121.6. Alternative annuity for county officers. (a)
10 Any county officer elected by vote of the people may elect to
11 establish alternative credits for an alternative annuity by
12 electing in writing to make additional optional contributions
13 in accordance with this Section and procedures established by
14 the board. Such elected county officer may discontinue making
15 the additional optional contributions by notifying the Fund in
16 writing in accordance with this Section and procedures
17 established by the board.

18 Additional optional contributions for the alternative
19 annuity shall be as follows:

20 (1) For service after the option is elected, an additional
21 contribution of 3% of salary shall be contributed to the Fund
22 on the same basis and under the same conditions as
23 contributions required under Sections 9-170 and 9-176.

1 (2) For service before the option is elected, an additional
2 contribution of 3% of the salary for the applicable period of
3 service, plus interest at the effective rate from the date of
4 service to the date of payment. All payments for past service
5 must be paid in full before credit is given. No additional
6 optional contributions may be made for any period of service
7 for which credit has been previously forfeited by acceptance of
8 a refund, unless the refund is repaid in full with interest at
9 the effective rate from the date of refund to the date of
10 repayment.

11 (b) In lieu of the retirement annuity otherwise payable
12 under this Article, any county officer elected by vote of the
13 people who (1) has elected to participate in the Fund and make
14 additional optional contributions in accordance with this
15 Section, and (2) has attained age 60 with at least 10 years of
16 service credit, or has attained age 65 with at least 8 years of
17 service credit, may elect to have his retirement annuity
18 computed as follows: 3% of the participant's salary at the time
19 of termination of service for each of the first 8 years of
20 service credit, plus 4% of such salary for each of the next 4
21 years of service credit, plus 5% of such salary for each year
22 of service credit in excess of 12 years, subject to a maximum
23 of 80% of such salary. To the extent such elected county
24 officer has made additional optional contributions with
25 respect to only a portion of his years of service credit, his
26 retirement annuity will first be determined in accordance with

1 this Section to the extent such additional optional
2 contributions were made, and then in accordance with the
3 remaining Sections of this Article to the extent of years of
4 service credit with respect to which additional optional
5 contributions were not made.

6 (c) In lieu of the disability benefits otherwise payable
7 under this Article, any county officer elected by vote of the
8 people who (1) has elected to participate in the Fund, and (2)
9 has become permanently disabled and as a consequence is unable
10 to perform the duties of his office, and (3) was making
11 optional contributions in accordance with this Section at the
12 time the disability was incurred, may elect to receive a
13 disability annuity calculated in accordance with the formula in
14 subsection (b). For the purposes of this subsection, such
15 elected county officer shall be considered permanently
16 disabled only if: (i) disability occurs while in service as an
17 elected county officer and is of such a nature as to prevent
18 him from reasonably performing the duties of his office at the
19 time; and (ii) the board has received a written certification
20 by at least 2 licensed physicians appointed by it stating that
21 such officer is disabled and that the disability is likely to
22 be permanent.

23 (d) Refunds of additional optional contributions shall be
24 made on the same basis and under the same conditions as
25 provided under Section 9-164, 9-166 and 9-167. Interest shall
26 be credited at the effective rate on the same basis and under

1 the same conditions as for other contributions. ~~Optional~~
2 ~~contributions shall be accounted for in a separate Elected~~
3 ~~County Officer Optional Contribution Reserve.~~ Optional
4 contributions under this Section shall be included in the
5 amount of employee contributions used to compute the tax levy
6 under Section 9-169.

7 (e) The effective date of this plan of optional alternative
8 benefits and contributions shall be January 1, 1988, or the
9 date upon which approval is received from the U.S. Internal
10 Revenue Service, whichever is later. The plan of optional
11 alternative benefits and contributions shall not be available
12 to any former county officer or employee receiving an annuity
13 from the Fund on the effective date of the plan, unless he
14 re-enters service as an elected county officer and renders at
15 least 3 years of additional service after the date of re-entry.

16 (Source: P.A. 85-964.)

17 (40 ILCS 5/9-133) (from Ch. 108 1/2, par. 9-133)

18 Sec. 9-133. Automatic increase in annuity.

19 (a) An employee who retired or retires from service after
20 December 31, 1959, having attained age 60 or more or, beginning
21 January 1, 1991, having attained 30 or more years of creditable
22 service, shall, in the month of January of the year following
23 the year in which the first anniversary of retirement occurs,
24 have his then fixed and payable monthly annuity increased by 1
25 1/2%, and such first fixed annuity as granted at retirement

1 increased by a further 1 1/2% in January of each year
2 thereafter. Beginning with January of the year 1972, such
3 increases shall be at the rate of 2% in lieu of the aforesaid
4 specified 1 1/2%. Beginning with January of the year 1982, such
5 increases shall be at the rate of 3% in lieu of the aforesaid
6 specified 2%. Beginning January 1, 1998, these increases shall
7 be at the rate of 3% of the current amount of the annuity,
8 including any previous increases received under this Article,
9 without regard to whether the annuitant is in service on or
10 after the effective date of this amendatory Act of 1997.

11 An employee who retires on annuity before age 60 and,
12 beginning January 1, 1991, with less than 30 years of
13 creditable service shall receive such increases beginning with
14 January of the year immediately following the year in which he
15 attains the age of 60 years. An employee who retires on annuity
16 before age 60 and before January 1, 1991, with at least 30
17 years of creditable service, shall be entitled to receive the
18 first increase under this subsection no later than January 1,
19 1993.

20 For an employee who, in accordance with the provisions of
21 Section 9-108.1 of this Act, shall have become a member of the
22 State System established under Article 14 on February 1, 1974,
23 the first such automatic increase shall begin in January of
24 1975.

25 (b) Subsection (a) is not applicable to an employee
26 retiring and receiving a term annuity, as defined in this Act,

1 nor to any otherwise qualified employee who retires before he
2 makes employee contributions (at the 1/2 of 1% rate as provided
3 in this Section) for this additional annuity for not less than
4 the equivalent of one full year. Such employee, however, shall
5 make arrangement to pay to the fund a balance of such
6 contributions, based on his final salary, as will bring such
7 1/2 of 1% contributions, computed without interest, to the
8 equivalent of one year's contributions.

9 Beginning with the month of January, 1960, each employee
10 shall contribute by means of salary deductions 1/2 of 1% of
11 each salary payment, concurrently with and in addition to the
12 employee contributions otherwise provided for annuity
13 purposes.

14 Each such additional contribution shall be ~~credited to an~~
15 ~~account in the prior service annuity reserve, to be used,~~
16 together with county contributions, to defray the cost of the
17 specified annuity increments. ~~Any balance in such account as of~~
18 ~~the beginning of each calendar year shall be credited with~~
19 ~~interest at the rate of 3% per annum.~~

20 Such additional employee contributions are not refundable,
21 except to an employee who withdraws and applies for refund
22 under this Article, or applies for annuity, and also in cases
23 where a term annuity becomes payable. In such cases his
24 contributions shall be refunded, without interest, ~~and charged~~
25 ~~to the prior service annuity reserve.~~

26 (Source: P.A. 90-32, eff. 6-27-97.)

1 (40 ILCS 5/9-133.1) (from Ch. 108 1/2, par. 9-133.1)

2 Sec. 9-133.1. Automatic increases in annuity for certain
3 heretofore retired participants. A retired employee retired at
4 age 55 or over and who (a) is receiving annuity based on a
5 service credit of 20 or more years, and (b) does not qualify
6 for the automatic increases in annuity provided for in Sec.
7 9-133 of this Article, and (c) elects to make a contribution to
8 the Fund at a time and manner prescribed by the Retirement
9 Board, of a sum equal to 1% of the final average monthly salary
10 forming the basis of the calculation of their annuity
11 multiplied by years of credited service, or 1% of their final
12 monthly salary multiplied by years of credited service in any
13 case where the final average salary is not used in the
14 calculation, shall have his original fixed and payable monthly
15 amount of annuity increased in January of the year following
16 the year in which he attains the age of 65 years, if such age of
17 65 years is attained in the year 1969 or later, by an amount
18 equal to 1 1/2%, and by an equal additional 1 1/2% in January
19 of each year thereafter. Beginning with January of the year
20 1972, such increases shall be at the rate of 2% in lieu of the
21 aforesaid specified 1 1/2%. Beginning with January of the year
22 1982, such increases shall be at the rate of 3% in lieu of the
23 aforesaid specified 2%. Beginning January 1, 1998, these
24 increases shall be at the rate of 3% of the current amount of
25 the annuity, including any previous increases received under

1 this Article, without regard to whether the annuitant is in
2 service on or after the effective date of this amendatory Act
3 of 1997.

4 In those cases in which the retired employee receiving
5 annuity has attained the age of 66 or more years in the year
6 1969, he shall have such annuity increased in January of the
7 year 1970 by an amount equal to 1 1/2% multiplied by the number
8 equal to the number of months of January elapsing from and
9 including January of the year immediately following the year he
10 attained the age of 65 years if retired at or prior to age 65,
11 or from and including January of the year immediately following
12 the year of retirement if retired at an age greater than 65
13 years, to and including January of the year 1970, and by an
14 equal additional 1 1/2% in January of each year thereafter.
15 Beginning with January of the year 1972, such increases shall
16 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.
17 Beginning with January of the year 1982, such increases shall
18 be at the rate of 3% in lieu of the aforesaid specified 2%.
19 Beginning January 1, 1998, these increases shall be at the rate
20 of 3% of the current amount of the annuity, including any
21 previous increases received under this Article, without regard
22 to whether the annuitant is in service on or after the
23 effective date of this amendatory Act of 1997.

24 To defray the annual cost of such increases, the annual
25 interest income of the Fund, accruing from investments held by
26 the Fund, exclusive of gains or losses on sales or exchanges of

1 assets during the year, over and above 4% a year, shall be used
2 to the extent necessary and available to finance the cost of
3 such increases for the following year, ~~and such amount shall be~~
4 ~~transferred as of the end of each year, beginning with the year~~
5 ~~1969, to a Fund account designated as the Supplementary Payment~~
6 ~~Reserve from the Investment and Interest Reserve set forth in~~
7 ~~Sec. 9-214. The sums contributed by annuitants as provided for~~
8 ~~in this Section shall also be placed in the aforesaid~~
9 ~~Supplementary Payment Reserve and shall be applied for and used~~
10 ~~for the purposes of such Fund account, together with the~~
11 ~~aforesaid interest.~~

12 ~~In the event the monies in the Supplementary Payment~~
13 ~~Reserve in any year arising from: (1) the available interest~~
14 ~~income as defined hereinbefore and accruing in the preceding~~
15 ~~year above 4% a year and (2) the contributions by retired~~
16 ~~persons, as set forth hereinbefore, are insufficient to make~~
17 ~~the total payments to all persons estimated to be entitled to~~
18 ~~the annuity increases specified hereinbefore, then (3) any~~
19 ~~interest earnings over 4% a year beginning with the year 1969~~
20 ~~which were not previously used to finance such increases and~~
21 ~~which were transferred to the Prior Service Annuity Reserve may~~
22 ~~be used to the extent necessary and available to provide~~
23 ~~sufficient funds to finance such increases for the current~~
24 ~~year, and such sums shall be transferred from the Prior Service~~
25 ~~Annuity Reserve.~~

26 ~~In the event the total monies available in the~~

1 ~~Supplementary Payment Reserve from the preceding indicated~~
2 ~~sources are insufficient to make the total payments to all~~
3 ~~persons entitled to such increases for the year, a~~
4 ~~proportionate amount computed as the ratio of the monies~~
5 ~~available to the total of the total payments for that year~~
6 ~~shall be paid to each person for that year.~~

7 ~~The Fund shall be obligated for the payment of the~~
8 ~~increases in annuity as provided for in this Section only to~~
9 ~~the extent that the assets for such purpose, as specified~~
10 ~~herein, are available.~~

11 (Source: P.A. 90-32, eff. 6-27-97.)

12 (40 ILCS 5/9-134.5 new)

13 Sec. 9-134.5. Alternative retirement cancellation payment.

14 (a) To be eligible for the alternative retirement
15 cancellation payment provided in this Section, a person must:

16 (1) be a member of this Fund who, on December 31, 2006,
17 was (i) in active payroll status as an employee and
18 continuously employed in a position on and after the
19 effective date of this Section and (ii) an active
20 contributor to this Fund with respect to that employment;

21 (2) have not previously received any retirement
22 annuity under this Article;

23 (3) file with the Board on or before 45 days after the
24 effective date of this Section, a written application
25 requesting the alternative retirement cancellation payment

1 provided in this Section; (4) terminate employment under
2 this Article no later than 60 days after the effective date
3 of this Section.

4 (4) if there is a QILDRO in effect against the person,
5 file with the Board the written consent of all alternate
6 payees under the QILDRO to the election of an alternative
7 retirement cancellation payment under this Section; and

8 (b) In lieu of any retirement annuity or other benefit
9 provided under this Article, a person who qualifies for and
10 elects to receive the alternative retirement cancellation
11 payment under this Section shall be entitled to receive a
12 one-time lump sum retirement cancellation payment equal to the
13 amount of his or her contributions to the Fund (including any
14 employee contributions for optional service credit and
15 including any employee contributions paid by the employer or
16 credited to the employee during disability) on the date of
17 termination, with regular interest, multiplied by 1.5.

18 (c) Notwithstanding any other provision of this Article, a
19 person who receives an alternative retirement cancellation
20 payment under this Section thereby forfeits the right to any
21 other retirement or disability benefit or refund under this
22 Article, and no widow's, survivor's, or death benefit deriving
23 from that person shall be payable under this Article. Upon
24 accepting an alternative retirement cancellation payment under
25 this Section, the person's creditable service and all other
26 rights in the Fund are terminated for all purposes.

1 (d) To the extent permitted by federal law, a person who
2 receives an alternative retirement cancellation payment under
3 this Section may direct the Fund to pay all or a portion of
4 that payment as a rollover into another retirement plan or
5 account qualified under the Internal Revenue Code of 1986, as
6 amended.

7 (e) Notwithstanding any other provision of this Article, a
8 person who has received an alternative retirement cancellation
9 payment under this Section and who reenters service under this
10 Article must first repay to the Fund the amount by which that
11 alternative retirement cancellation payment exceeded the
12 amount of his or her refundable employee contributions with
13 interest at 6% per annum. For the purposes of re-establishing
14 creditable service that was terminated upon election of the
15 alternative retirement cancellation payment, the portion of
16 the alternative retirement cancellation payment representing
17 refundable employee contributions shall be deemed a refund
18 repayable in accordance with Section 9-163.

19 (f) No individual who receives an alternative retirement
20 cancellation payment under this Section may return to active
21 payroll status within 365 days after separation from service to
22 the employer.

23 (40 ILCS 5/9-166) (from Ch. 108 1/2, par. 9-166)

24 Sec. 9-166. Refunds - When paid to beneficiary, children or
25 estate. Whenever the total amount accumulated to the account of

1 a deceased employee from employee contributions for annuity
2 purposes, and from employee contributions applied to any county
3 pension fund superseded by this fund, have not been paid to
4 him, and in the case of a married male employee to the employee
5 and his widow together, in form of annuity or refund before the
6 death of the last of such persons, a refund shall be payable as
7 follows:

8 An amount equal to the excess of such amounts over the
9 amounts paid on any annuity or annuities or refund, without
10 interest upon either of such amounts, shall be refunded to a
11 beneficiary theretofore designated by the employee in writing,
12 signed by him before an officer authorized to administer oaths,
13 and filed with the board before the employee's death.

14 If there is no designated beneficiary or the beneficiary
15 does not survive the employee, the amount shall be refunded to
16 the employee's children, in equal parts with the children of a
17 deceased child taking the share of their parent. If there is no
18 designated beneficiary or children, the refund shall be paid to
19 the administrator or executor of the employee's estate.

20 If an administrator or executor of the estate has not been
21 appointed within 90 days from the date the refund became
22 payable the refund may be applied in the discretion of the
23 board toward the payment of the employee's burial expenses. Any
24 remaining balance shall be paid to the heirs of the employee
25 according to the law of descent and distribution of this state
26 but assuming for the purpose of such payment of refund and

1 determination of heirs that the deceased male employee left no
2 widow surviving in those cases where a widow eligible for
3 widow's annuity as his widow survived him and subsequently
4 died; provided,

5 (a) that if any child or children of the employee are
6 less than age 18, such part or all of any such amount
7 necessary to pay annuities to them shall not be refunded as
8 hereinbefore stated ~~but shall be transferred to the child's~~
9 ~~annuity reserve and used therein for the payment of such~~
10 ~~annuities~~; and provided further,

11 (b) that if a reversionary annuity becomes payable as
12 provided in Section 9-135 such refund shall not be paid
13 until the death of the reversionary annuitant, and the
14 refund otherwise payable under this section shall then
15 first further be reduced by the total amount of the
16 reversionary annuity paid.

17 (Source: P.A. 81-1536.)

18 (40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

19 Sec. 9-169. Financing - Tax levy. (a) The county board
20 shall levy a tax annually upon all taxable property in the
21 county at the rate that will produce a sum which, when added to
22 the amounts deducted from the salaries of the employees or
23 otherwise contributed by them is sufficient for the
24 requirements of this Article.

25 For the years before 1962 the tax rate shall be as provided

1 in "The 1925 Act". For the years 1962 and 1963 the tax rate
2 shall be not more than .0200 per cent; for the years 1964 and
3 1965 the tax rate shall be not more than .0202 per cent; for
4 the years 1966 and 1967 the tax rate shall be not more than
5 .0207 per cent; for the year 1968 the tax rate shall be not
6 more than .0220 per cent; for the year 1969 the tax rate shall
7 be not more than .0233 per cent; for the year 1970 the tax rate
8 shall be not more than .0255 per cent; for the year 1971 the
9 tax rate shall be not more than .0268 per cent of the value, as
10 equalized or assessed by the Department of Revenue upon all
11 taxable property in the county. Beginning with the year 1972
12 and for each year thereafter the county shall levy a tax
13 annually at a rate on the dollar of the value, as equalized or
14 assessed by the Department of Revenue of all taxable property
15 within the county that will produce, when extended, not to
16 exceed an amount equal to the total amount of contributions
17 made by the employees to the fund in the calendar year 2 years
18 prior to the year for which the annual applicable tax is levied
19 multiplied by .8 for the years 1972 through 1976; by .8 for the
20 year 1977; by .87 for the year 1978; by .94 for the year 1979;
21 by 1.02 for the year 1980 and by 1.10 for the year 1981 and by
22 1.18 for the year 1982 and by 1.36 for the year 1983 and by 1.54
23 for the year 1984 and for each year thereafter.

24 This tax shall be levied and collected in like manner with
25 the general taxes of the county, and shall be in addition to
26 all other taxes which the county is authorized to levy upon the

1 aggregate valuation of all taxable property within the county
2 and shall be exclusive of and in addition to the amount of tax
3 the county is authorized to levy for general purposes under any
4 laws which may limit the amount of tax which the county may
5 levy for general purposes. The county clerk, in reducing tax
6 levies under any Act concerning the levy and extension of
7 taxes, shall not consider this tax as a part of the general tax
8 levy for county purposes, and shall not include it within any
9 limitation of the per cent of the assessed valuation upon which
10 taxes are required to be extended for the county. It is lawful
11 to extend this tax in addition to the general county rate fixed
12 by statute, without being authorized as additional by a vote of
13 the people of the county.

14 Revenues derived from this tax shall be paid to the
15 treasurer of the county and held by him for the benefit of the
16 fund.

17 If the payments on account of taxes are insufficient during
18 any year to meet the requirements of this Article, the county
19 may issue tax anticipation warrants against the current tax
20 levy.

21 (b) By January 10, annually, the board shall notify the
22 county board of the requirement of this Article that this tax
23 shall be levied. The board ~~shall compute the amounts necessary~~
24 ~~for the purposes of the fund for that current year to be~~
25 ~~credited to the reserves established and maintained as provided~~
26 ~~in this Act,~~ shall make an annual determination of the required

1 county contributions, and shall certify the results thereof to
2 the county board.

3 (c) The various sums to be contributed by the county board
4 and allocated for the purposes of this Article and any interest
5 to be contributed by the county shall be taken from the revenue
6 derived from this tax and no money of the county derived from
7 any source other than the levy and collection of this tax or
8 the sale of tax anticipation warrants, except state or federal
9 funds contributed for annuity and benefit purposes for
10 employees of a county department of public aid under "The
11 Illinois Public Aid Code", approved April 11, 1967, as now or
12 hereafter amended, may be used to provide revenue for the fund.

13 If it is not possible or practicable for the county to make
14 contributions for age and service annuity and widow's annuity
15 concurrently with the employee contributions made for such
16 purposes, such county shall make such contributions as soon as
17 possible and practicable thereafter with interest thereon at
18 the effective rate until the time it shall be made.

19 (d) With respect to employees whose wages are funded as
20 participants under the Comprehensive Employment and Training
21 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
22 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
23 subsequent to October 1, 1978, and in instances where the board
24 has elected to establish a manpower program reserve, the board
25 shall compute the amounts necessary to be credited to the
26 manpower program reserves established and maintained as herein

1 provided, and shall make a periodic determination of the amount
2 of required contributions from the County to the reserve to be
3 reimbursed by the federal government in accordance with rules
4 and regulations established by the Secretary of the United
5 States Department of Labor or his designee, and certify the
6 results thereof to the County Board. Any such amounts shall
7 become a credit to the County and will be used to reduce the
8 amount which the County would otherwise contribute during
9 succeeding years for all employees.

10 (e) In lieu of establishing a manpower program reserve with
11 respect to employees whose wages are funded as participants
12 under the Comprehensive Employment and Training Act of 1973, as
13 authorized by subsection (d), the board may elect to establish
14 a special County contribution rate for all such employees. If
15 this option is elected, the County shall contribute to the Fund
16 from federal funds provided under the Comprehensive Employment
17 and Training Act program at the special rate so established and
18 such contributions shall become a credit to the County and be
19 used to reduce the amount which the County would otherwise
20 contribute during succeeding years for all employees.

21 (Source: P.A. 83-1362.)

22 (40 ILCS 5/9-179.3) (from Ch. 108 1/2, par. 9-179.3)

23 Sec. 9-179.3. Optional plan of additional benefits and
24 contributions.

25 (a) While this plan is in effect, an employee may establish

1 additional optional credit for additional optional benefits by
2 electing in writing at any time to make additional optional
3 contributions. The employee may discontinue making the
4 additional optional contributions at any time by notifying the
5 fund in writing.

6 (b) Additional optional contributions for the additional
7 optional benefits shall be as follows:

8 (1) For service after the option is elected, an
9 additional contribution of 3% of salary shall be
10 contributed to the fund on the same basis and under the
11 same conditions as contributions required under Sections
12 9-170 and 9-176.

13 (2) For service before the option is elected, an
14 additional contribution of 3% of the salary for the
15 applicable period of service, plus interest at the
16 effective rate from the date of service to the date of
17 payment. All payments for past service must be paid in full
18 before credit is given. No additional optional
19 contributions may be made for any period of service for
20 which credit has been previously forfeited by acceptance of
21 a refund, unless the refund is repaid in full with interest
22 at the effective rate from the date of refund to the date
23 of repayment.

24 (c) Additional optional benefits shall accrue for all
25 periods of eligible service for which additional contributions
26 are paid in full. The additional benefit shall consist of an

1 additional 1% for each year of service for which optional
2 contributions have been paid, based on the highest average
3 annual salary for any 4 consecutive years within the last 10
4 years of service immediately preceding the date of withdrawal,
5 to be added to the employee retirement annuity benefits as
6 otherwise computed under this Article. The calculation of these
7 additional benefits shall be subject to the same terms and
8 conditions as are used in the calculation of retirement annuity
9 under Section 9-134. The additional benefit shall be included
10 in the calculation of the automatic annual increase in annuity,
11 and in the calculation of widow's annuity, where applicable.
12 However no additional benefits will be granted which produce a
13 total annuity greater than the applicable maximum established
14 for that type of annuity in this Article, and additional
15 benefits shall not apply to any benefit computed under Section
16 9-128.1.

17 (d) Refunds of additional optional contributions shall be
18 made on the same basis and under the same conditions as
19 provided under Sections 9-164, 9-166 and 9-167. Interest shall
20 be credited at the effective rate on the same basis and under
21 the same conditions as for other contributions.

22 (e) (Blank) ~~Optional contributions shall be accounted for~~
23 ~~in a separate Optional Contribution Reserve.~~

24 (f) The tax levy, computed under Section 9-169, shall be
25 based on employee contributions including the amount of
26 optional additional employee contributions.

1 (g) Service eligible under this Section may include only
2 service as an employee of the County as defined in Section
3 9-108, and subject to Sections 9-219 and 9-220. No service
4 granted under Section 9-121.1, 9-121.4 or 9-179.2 shall be
5 eligible for optional service credit. No optional service
6 credit may be established for any military service, or for any
7 service under any other Article of this Code. Optional service
8 credit may be established for any period of disability paid
9 from this fund, if the employee makes additional optional
10 contributions for such periods of disability.

11 (h) This plan of optional benefits and contributions shall
12 not apply to any former county employee receiving an annuity
13 from the fund, who re-enters service as a County employee,
14 unless he renders at least 3 years of additional service after
15 the date of re-entry.

16 (i) The effective date of the optional plan of additional
17 benefits and contributions shall be July 1, 1985, or the date
18 upon which approval is received from the Internal Revenue
19 Service, whichever is later.

20 (j) This plan of additional benefits and contributions
21 shall expire July 1, 2005. No additional contributions may be
22 made after that date, and no additional benefits will accrue
23 after that date.

24 (Source: P.A. 92-599, eff. 6-28-02.)

25 (40 ILCS 5/9-182) (from Ch. 108 1/2, par. 9-182)

1 Sec. 9-182. Contributions by county for prior service
2 annuities and pensions under former acts.

3 (a) The county, State or federal contributions authorized
4 in Section 9-169 shall be applied first for the purposes of
5 this Article 9 other than those stated in this Section.

6 The balance of the sum produced from such contributions
7 shall be applied for the following purposes:

8 1. "An Act to provide for the formation and
9 disbursement of a pension fund in counties having a
10 population of 150,000 or more inhabitants, for the benefit
11 of officers and employees in the service of such counties",
12 approved June 29, 1915, as amended;

13 2. Section 9-225 of this Article;

14 3. To meet such part of any minimum annuity as shall be
15 in excess of the age and service annuity and prior service
16 annuity, and to meet such part of any minimum widow's
17 annuity in excess of the amount of widow's annuity and
18 widow's prior service annuity also for the purpose of
19 providing the county cost of automatic increases in annuity
20 after retirement in accordance with Section 9-133 and for
21 any other purpose for which moneys are not otherwise
22 provided in this Article;

23 4. (Blank) ~~To provide a sufficient balance in the~~
24 ~~investment and interest reserve to permit a transfer from~~
25 ~~that reserve to other reserves of the fund;~~

26 5. (Blank) ~~To credit to the county contribution reserve~~

1 ~~such amounts required from the county but not contributed~~
2 ~~by it for age and service and prior service annuities, and~~
3 ~~widows' and widows' prior service annuities.~~

4 (b) (Blank) ~~All such contributions shall be credited to the~~
5 ~~prior service annuity reserve. When the balance of this reserve~~
6 ~~equals its liabilities (including in addition to all other~~
7 ~~liabilities, the present values of all annuities, present or~~
8 ~~prospective, according to the applicable mortality tables and~~
9 ~~rates of interest), the county shall cease to contribute the~~
10 ~~sum stated in this Section. Whenever the balance of the~~
11 ~~investment and interest reserve is not sufficient to permit a~~
12 ~~transfer from that reserve to any other reserve, the county~~
13 ~~shall contribute sums sufficient to make possible such~~
14 ~~transfer; provided, that if annexation of territory and the~~
15 ~~employment by the county of any county employee of any such~~
16 ~~territory at the time of annexation, after the county has~~
17 ~~ceased to contribute as herein provided results in additional~~
18 ~~liabilities for prior service annuity and widow's prior service~~
19 ~~annuity for any such employee, contributions by the county for~~
20 ~~such purposes shall be resumed.~~

21 (Source: P.A. 90-655, eff. 7-30-98.)

22 (40 ILCS 5/9-199) (from Ch. 108 1/2, par. 9-199)

23 Sec. 9-199. To submit an annual report.

24 To submit a report in July of each year to the county board
25 of the county as of the close of business on December 31st of

1 the preceding year. The report shall contain a detailed
2 statement of the affairs of the fund, its income and
3 expenditures, and assets and liabilities, ~~and the status of the~~
4 ~~several reserves~~. The county board shall have power to require
5 and compel the board to prepare and submit such reports.

6 (Source: Laws 1963, p. 161.)

7 (40 ILCS 5/9-204) (from Ch. 108 1/2, par. 9-204)

8 Sec. 9-204. Accounting.

9 An adequate system of accounts and records shall be
10 established to give effect to the requirements of this Article
11 and to report the financial condition of the fund. Such
12 additional data as is necessary for required calculations,
13 actuarial valuations, and operation of the fund shall be
14 maintained. The reserves designated in Sections 9-205 to
15 9-214, inclusive, shall be maintained. At the end of each year
16 and at any other time when necessary the amounts in such
17 reserves shall be improved by proper interest accretions.

18 (Source: Laws 1963, p. 161.)

19 (40 ILCS 5/10-104.5 new)

20 Sec. 10-104.5. Alternative retirement cancellation
21 payment.

22 (a) To be eligible for the alternative retirement
23 cancellation payment provided in this Section, a person must:

24 (1) be a member of this Fund who, on December 31, 2006,

1 was (i) in active payroll status as an employee and
2 continuously employed in a position on and after the
3 effective date of this Section and (ii) an active
4 contributor to this Fund with respect to that employment;

5 (2) have not previously received any retirement
6 annuity under this Article;

7 (3) file with the Board on or before 45 days after the
8 effective date of this Section, a written application
9 requesting the alternative retirement cancellation payment
10 provided in this Section; (4) terminate employment under
11 this Article no later than 60 days after the effective date
12 of this Section.

13 (4) if there is a QILDRO in effect against the person,
14 file with the Board the written consent of all alternate
15 payees under the QILDRO to the election of an alternative
16 retirement cancellation payment under this Section; and

17 (b) In lieu of any retirement annuity or other benefit
18 provided under this Article, a person who qualifies for and
19 elects to receive the alternative retirement cancellation
20 payment under this Section shall be entitled to receive a
21 one-time lump sum retirement cancellation payment equal to the
22 amount of his or her contributions to the Fund (including any
23 employee contributions for optional service credit and
24 including any employee contributions paid by the employer or
25 credited to the employee during disability) on the date of
26 termination, with regular interest, multiplied by 1.5.

1 (c) Notwithstanding any other provision of this Article, a
2 person who receives an alternative retirement cancellation
3 payment under this Section thereby forfeits the right to any
4 other retirement or disability benefit or refund under this
5 Article, and no widow's, survivor's, or death benefit deriving
6 from that person shall be payable under this Article. Upon
7 accepting an alternative retirement cancellation payment under
8 this Section, the person's creditable service and all other
9 rights in the Fund are terminated for all purposes.

10 (d) To the extent permitted by federal law, a person who
11 receives an alternative retirement cancellation payment under
12 this Section may direct the Fund to pay all or a portion of
13 that payment as a rollover into another retirement plan or
14 account qualified under the Internal Revenue Code of 1986, as
15 amended.

16 (e) Notwithstanding any other provision of this Article, a
17 person who has received an alternative retirement cancellation
18 payment under this Section and who reenters service under this
19 Article must first repay to the Fund the amount by which that
20 alternative retirement cancellation payment exceeded the
21 amount of his or her refundable employee contributions with
22 interest of 6% per annum. For the purposes of re-establishing
23 creditable service that was terminated upon election of the
24 alternative retirement cancellation payment, the portion of
25 the alternative retirement cancellation payment representing
26 refundable employee contributions shall be deemed a refund

1 repayable together with interest at the effective rate from the
2 application date of such refund to the date of repayment.

3 (f) No individual who receives an alternative retirement
4 cancellation payment under this Section may return to active
5 payroll status within 365 days after separation from service to
6 the employer.

7 (40 ILCS 5/15-106) (from Ch. 108 1/2, par. 15-106)

8 Sec. 15-106. Employer. "Employer": The University of
9 Illinois, Southern Illinois University, Chicago State
10 University, Eastern Illinois University, Governors State
11 University, Illinois State University, Northeastern Illinois
12 University, Northern Illinois University, Western Illinois
13 University, the State Board of Higher Education, the Illinois
14 Mathematics and Science Academy, the State Geological Survey
15 Division of the Department of Natural Resources, the State
16 Natural History Survey Division of the Department of Natural
17 Resources, the State Water Survey Division of the Department of
18 Natural Resources, the Waste Management and Research Center of
19 the Department of Natural Resources, the University Civil
20 Service Merit Board, the Board of Trustees of the State
21 Universities Retirement System, the Illinois Community College
22 Board, community college boards, any association of community
23 college boards organized under Section 3-55 of the Public
24 Community College Act, the Board of Examiners established under
25 the Illinois Public Accounting Act, and, only during the period

1 for which employer contributions required under Section 15-155
2 are paid, the following organizations: the alumni
3 associations, the foundations and the athletic associations
4 which are affiliated with the universities and colleges
5 included in this Section as employers.

6 A department as defined in Section 14-103.04 is an employer
7 for any person appointed by the Governor under the Civil
8 Administrative Code of Illinois who is a participating employee
9 as defined in Section 15-109. The Department of Central
10 Management Services is an employer with respect to persons
11 employed by the State Board of Higher Education in positions
12 with the Illinois Century Network as of June 30, 2004 who
13 remain continuously employed after that date by the Department
14 of Central Management Services in positions with the Illinois
15 Century Network, the Bureau of Communication and Computer
16 Services, or, if applicable, any successor bureau.

17 The cities of Champaign and Urbana shall be considered
18 employers, but only during the period for which contributions
19 are required to be made under subsection (b-1) of Section
20 15-155 and only with respect to individuals described in
21 subsection (h) of Section 15-107.

22 (Source: P.A. 93-839, eff. 7-30-04.)

23 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

24 Sec. 15-107. Employee.

25 (a) "Employee" means any member of the educational,

1 administrative, secretarial, clerical, mechanical, labor or
2 other staff of an employer whose employment is permanent and
3 continuous or who is employed in a position in which services
4 are expected to be rendered on a continuous basis for at least
5 4 months or one academic term, whichever is less, who (A)
6 receives payment for personal services on a warrant issued
7 pursuant to a payroll voucher certified by an employer and
8 drawn by the State Comptroller upon the State Treasurer or by
9 an employer upon trust, federal or other funds, or (B) is on a
10 leave of absence without pay. Employment which is irregular,
11 intermittent or temporary shall not be considered continuous
12 for purposes of this paragraph.

13 However, a person is not an "employee" if he or she:

14 (1) is a student enrolled in and regularly attending
15 classes in a college or university which is an employer,
16 and is employed on a temporary basis at less than full
17 time;

18 (2) is currently receiving a retirement annuity or a
19 disability retirement annuity under Section 15-153.2 from
20 this System;

21 (3) is on a military leave of absence;

22 (4) is eligible to participate in the Federal Civil
23 Service Retirement System and is currently making
24 contributions to that system based upon earnings paid by an
25 employer;

26 (5) is on leave of absence without pay for more than 60

1 days immediately following termination of disability
2 benefits under this Article;

3 (6) is hired after June 30, 1979 as a public service
4 employment program participant under the Federal
5 Comprehensive Employment and Training Act and receives
6 earnings in whole or in part from funds provided under that
7 Act; or

8 (7) is employed on or after July 1, 1991 to perform
9 services that are excluded by subdivision (a)(7)(f) or
10 (a)(19) of Section 210 of the federal Social Security Act
11 from the definition of employment given in that Section (42
12 U.S.C. 410).

13 (b) Any employer may, by filing a written notice with the
14 board, exclude from the definition of "employee" all persons
15 employed pursuant to a federally funded contract entered into
16 after July 1, 1982 with a federal military department in a
17 program providing training in military courses to federal
18 military personnel on a military site owned by the United
19 States Government, if this exclusion is not prohibited by the
20 federally funded contract or federal laws or rules governing
21 the administration of the contract.

22 (c) Any person appointed by the Governor under the Civil
23 Administrative Code of the State is an employee, if he or she
24 is a participant in this system on the effective date of the
25 appointment.

26 (d) A participant on lay-off status under civil service

1 rules is considered an employee for not more than 120 days from
2 the date of the lay-off.

3 (e) A participant is considered an employee during (1) the
4 first 60 days of disability leave, (2) the period, not to
5 exceed one year, in which his or her eligibility for disability
6 benefits is being considered by the board or reviewed by the
7 courts, and (3) the period he or she receives disability
8 benefits under the provisions of Section 15-152, workers'
9 compensation or occupational disease benefits, or disability
10 income under an insurance contract financed wholly or partially
11 by the employer.

12 (f) Absences without pay, other than formal leaves of
13 absence, of less than 30 calendar days, are not considered as
14 an interruption of a person's status as an employee. If such
15 absences during any period of 12 months exceed 30 work days,
16 the employee status of the person is considered as interrupted
17 as of the 31st work day.

18 (g) A staff member whose employment contract requires
19 services during an academic term is to be considered an
20 employee during the summer and other vacation periods, unless
21 he or she declines an employment contract for the succeeding
22 academic term or his or her employment status is otherwise
23 terminated, and he or she receives no earnings during these
24 periods.

25 (h) An individual who was a participating employee employed
26 in the fire department of the University of Illinois's

1 Champaign-Urbana campus immediately prior to the elimination
2 of that fire department and who immediately after the
3 elimination of that fire department became employed by the fire
4 department of the City of Urbana or the City of Champaign shall
5 continue to be considered as an employee for purposes of this
6 Article for so long as the individual remains employed as a
7 firefighter by the City of Urbana or the City of Champaign. The
8 individual shall cease to be considered an employee under this
9 subsection (h) upon the first termination of the individual's
10 employment as a firefighter by the City of Urbana or the City
11 of Champaign.

12 (i) An individual who is employed on a full-time basis as
13 an officer or employee of a statewide teacher organization that
14 serves System participants or an officer of a national teacher
15 organization that serves System participants may participate
16 in the System and shall be deemed an employee, provided that
17 (1) the individual has previously earned creditable service
18 under this Article, (2) the individual files with the System an
19 irrevocable election to become a participant, and (3) the
20 individual does not receive credit for that employment under
21 any other Article of this Code. An employee under this
22 subsection (i) is responsible for paying to the System both (A)
23 employee contributions based on the actual compensation
24 received for service with the teacher organization and (B)
25 employer contributions equal to the normal costs (as defined in
26 Section 15-155) resulting from that service; all or any part of

1 these contributions may be paid on the employee's behalf or
2 picked up for tax purposes (if authorized under federal law) by
3 the teacher organization.

4 A person who is an employee as defined in this subsection
5 (i) may establish service credit for similar employment prior
6 to becoming an employee under this subsection by paying to the
7 System for that employment the contributions specified in this
8 subsection, plus interest at the effective rate from the date
9 of service to the date of payment. However, credit shall not be
10 granted under this subsection for any such prior employment for
11 which the applicant received credit under any other provision
12 of this Code, or during which the applicant was on a leave of
13 absence under Section 15-113.2.

14 (j) A person employed by the State Board of Higher
15 Education in a position with the Illinois Century Network as of
16 June 30, 2004 shall be considered to be an employee for so long
17 as he or she remains continuously employed after that date by
18 the Department of Central Management Services in a position
19 with the Illinois Century Network, the Bureau of Communication
20 and Computer Services, or, if applicable, any successor bureau
21 and meets the requirements of subsection (a).

22 (Source: P.A. 93-347, eff. 7-24-03; 93-839, eff. 7-30-04.)

23 (40 ILCS 5/9-168 rep.)

24 (40 ILCS 5/9-205 rep.)

25 (40 ILCS 5/9-206 rep.)

1 (40 ILCS 5/9-207 rep.)

2 (40 ILCS 5/9-208 rep.)

3 (40 ILCS 5/9-209 rep.)

4 (40 ILCS 5/9-210 rep.)

5 (40 ILCS 5/9-211 rep.)

6 (40 ILCS 5/9-212 rep.)

7 (40 ILCS 5/9-213 rep.)

8 (40 ILCS 5/9-214 rep.)

9 (40 ILCS 5/9-215 rep.)

10 Section 10. The Illinois Pension Code is amended by
11 repealing Sections 9-168, 9-205, 9-206, 9-207, 9-208, 9-209,
12 9-210, 9-211, 9-212, 9-213, 9-214, and 9-215.

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.31 as follows:

15 (30 ILCS 805/8.31 new)

16 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
17 of this Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this amendatory Act of
19 the 95th General Assembly.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.