

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 13-303, 13-308, 13-309, 13-314, and 13-601 as follows:

6 (40 ILCS 5/13-303) (from Ch. 108 1/2, par. 13-303)

7 Sec. 13-303. Reversionary annuity.

8 (a) An employee, prior to retirement on annuity, may elect
9 a lesser amount of annuity and provide, with the actuarial
10 value of the amount by which his annuity is reduced, a
11 reversionary annuity for a wife, husband, parents, children,
12 brothers or sisters. The election may be exercised by filing a
13 written designation with the Board prior to retirement, and may
14 be revoked by the employee at any time before retirement. The
15 death of the employee prior to retirement shall automatically
16 void the election.

17 (b) The death of the designated reversionary annuitant
18 prior to the employee's retirement shall automatically void the
19 election, but, if death of the designated reversionary
20 annuitant occurs after retirement, the reduced annuity being
21 paid to the retired employee annuitant shall remain unchanged
22 and no reversionary annuity shall be payable.

23 No reversionary annuity shall be paid if the employee dies

1 before the expiration of 730 days from the date the written
2 designation was filed with the board, even though the employee
3 retired and was receiving a reduced annuity.

4 (c) An employee exercising this option shall not reduce the
5 annuity by more than 25%, nor elect to provide a reversionary
6 annuity of less than \$100 per month. No such option shall be
7 permitted if the reversionary annuity for a surviving spouse,
8 when added to the surviving spouse's annuity payable under this
9 Article, exceeds 85% of the reduced annuity payable to the
10 employee.

11 (d) A reversionary annuity shall begin on the day following
12 the death of the annuitant, with the first payment due and
13 payable one month later, and shall continue monthly thereafter
14 until the death of the reversionary annuitant. Beginning on the
15 first day of the month following the month in which this
16 amendatory Act of the 96th General Assembly takes effect, a
17 reversionary annuity shall begin on the first of the month
18 following the annuitant's death and is payable for the full
19 month if the reversionary annuitant is alive on the first day
20 of the month.

21 (e) The increases in annuity provided in Section 13-302(d)
22 shall, as to an employee so electing a reduced annuity, relate
23 to the amount of reduced annuity, and such lesser amount shall
24 constitute the annuity on which such increases shall be based.

25 (f) For determining the actuarial value under this option
26 of the employee's annuity and the reversionary annuity, the

1 Fund shall use an actuarial table recommended by the Fund's
2 actuarial consultant and approved by the Board of Trustees.

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

4 (40 ILCS 5/13-308) (from Ch. 108 1/2, par. 13-308)

5 Sec. 13-308. Child's annuity.

6 (a) Eligibility. A child's annuity shall be provided for
7 each unmarried child under the age of 18 years (under the age
8 of 23 years in the case of a full-time student) whose employee
9 parent dies while in service, or whose deceased parent is an
10 annuitant or former employee with at least 10 years of
11 creditable service who did not take a refund of employee
12 contributions. Eligibility for benefits to unmarried children
13 over the age of 18 but under the age of 23 begins no earlier
14 than September 1, 2005 ~~the first day of the month following the~~
15 ~~month in which this amendatory Act of the 94th General Assembly~~
16 ~~takes effect.~~

17 For purposes of this Section, "employee" includes a former
18 employee, and "child" means the issue of an employee or a child
19 adopted by an employee.

20 Payments shall cease when a child attains the age of 18
21 years (age of 23 years in the case of a full-time student) or
22 marries, whichever first occurs. The annuity shall not be
23 payable unless the employee has been employed as an employee
24 for at least 36 months from the date of the employee's original
25 entry into service (at least 24 months in the case of an

1 employee who first entered service before June 13, 1997) and at
2 least 12 months from the date of the employee's latest re-entry
3 into service; provided, however, that if death arises out of
4 and in the course of service to the employer and is compensable
5 under either the Illinois Workers' Compensation Act or Illinois
6 Workers' Occupational Diseases Act, the annuity is payable
7 regardless of the employee's length of service.

8 (b) Amount. Beginning on the first day of the month
9 following the month in which this amendatory Act of the 96th
10 General Assembly takes effect, a ~~A~~ child's annuity shall be
11 \$500 per month for each ~~one~~ child ~~and \$350 per month for each~~
12 ~~additional child~~, up to a maximum of \$5,000 ~~\$2,500~~ per month
13 for all children of the employee, as provided in this Section,
14 if a parent of the child is living. The child's annuity shall
15 be \$1,000 per month for each ~~one~~ child ~~and \$500 per month for~~
16 ~~each additional child~~, up to a maximum of \$5,000 ~~\$2,500~~ for all
17 children of the employee, when neither parent is alive. The
18 total amount payable to all children of the employee shall be
19 divided equally among those children. ~~Any child's annuity which~~
20 ~~commenced prior to July 12, 2001 shall be increased upon the~~
21 ~~first day of the month following the month in which that~~
22 ~~effective date occurs, to the amount set forth herein.~~

23 (c) Payment. Until a child attains the age of 18 years, a
24 child's annuity shall be paid to the child's parent or other
25 person who shall be providing for the child without requiring
26 formal letters of guardianship, unless another person shall be

1 appointed by a court of law as guardian. Beginning on the first
2 day of the month following the month in which this amendatory
3 Act of the 96th General Assembly takes effect, benefits shall
4 begin on the first of the month following the employee's or
5 annuitant's date of death and are payable for the full month if
6 the annuitant was alive on the first day of the month.

7 (Source: P.A. 94-621, eff. 8-18-05; 95-279, eff. 1-1-08.)

8 (40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

9 Sec. 13-309. Duty disability benefit.

10 (a) Any employee who becomes disabled, which disability is
11 the result of an injury or illness compensable under the
12 Illinois Workers' Compensation Act or the Illinois Workers'
13 Occupational Diseases Act, is entitled to a duty disability
14 benefit during the period of disability for which the employee
15 does not receive any part of salary, or any part of a
16 retirement annuity under this Article; except that in the case
17 of an employee who first enters service on or after June 13,
18 1997 and becomes disabled before August 18, 2005 (the effective
19 date of Public Act 94-621) ~~this amendatory Act of the 94th~~
20 ~~General Assembly~~, a duty disability benefit is not payable for
21 the first 3 days of disability that would otherwise be payable
22 under this Section if the disability does not continue for at
23 least 11 additional days. The changes made to this Section by
24 Public Act 94-621 ~~this amendatory Act of the 94th General~~
25 ~~Assembly~~ are prospective only and do not entitle an employee to

1 a duty disability benefit for the first 3 days of any
2 disability that occurred before that effective date and did not
3 continue for at least 11 additional days. This benefit shall be
4 75% of salary at the date disability begins. However, if the
5 disability in any measure resulted from any physical defect or
6 disease which existed at the time such injury was sustained or
7 such illness commenced, the duty disability benefit shall be
8 50% of salary.

9 Unless the employer acknowledges that the disability is a
10 result of injury or illness compensable under the Workers'
11 Compensation Act or the Workers' Occupational Diseases Act, the
12 duty disability benefit shall not be payable until the issue of
13 compensability under those Acts is finally adjudicated. The
14 period of disability shall be as determined by the Illinois
15 Workers' Compensation Commission or acknowledged by the
16 employer.

17 An employee in service before June 13, 1997 shall also
18 receive a child's disability benefit during the period of
19 disability of \$10 per month for each unmarried natural or
20 adopted child of the employee under 18 years of age.

21 The first payment shall be made not later than one month
22 after the benefit is granted, and subsequent payments shall be
23 made at least monthly. The Board shall by rule prescribe for
24 the payment of such benefits on the basis of the amount of
25 salary lost during the period of disability.

26 (b) The benefit shall be allowed only if all of the

1 following requirements are met by the employee:

2 (1) Application is made to the Board, ~~within 90 days~~
3 ~~from the date disability begins;~~

4 (2) A medical report is submitted by at least one
5 licensed and practicing physician as part of the employee's
6 application, ~~and~~

7 (3) The employee is examined by at least one licensed
8 and practicing physician appointed by the Board and found
9 to be in a disabled physical condition, and shall be
10 re-examined at least annually thereafter during the
11 continuance of disability. The employee need not be
12 examined ~~re-examined~~ by a licensed and practicing
13 physician appointed by the Board if the attorney for the
14 district certifies in writing that the employee is entitled
15 to receive compensation under the Workers' Compensation
16 Act or the Workers' Occupational Diseases Act. The Board
17 may require other evidence of disability.

18 (c) The benefit shall terminate when:

19 (1) The employee returns to work or receives a
20 retirement annuity paid wholly or in part under this
21 Article;

22 (2) The disability ceases;

23 (3) The employee attains age 65, but if the employee
24 becomes disabled at age 60 or later, benefits may be
25 extended for a period of no more than 5 years after
26 disablement;

1 (4) The employee (i) refuses to submit to reasonable
2 examinations by physicians or other health professionals
3 appointed by the Board, (ii) fails or refuses to consent to
4 and sign an authorization allowing the Board to receive
5 copies of or to examine the employee's medical and hospital
6 records, or (iii) fails or refuses to provide complete
7 information regarding any other employment for
8 compensation he or she has received since becoming
9 disabled; or

10 (5) The employee willfully and continuously refuses to
11 follow medical advice and treatment to enable the employee
12 to return to work. However this provision does not apply to
13 an employee who relies in good faith on treatment by prayer
14 through spiritual means alone in accordance with the tenets
15 and practice of a recognized church or religious
16 denomination, by a duly accredited practitioner thereof.

17 In the case of a duty disability recipient who returns to
18 work, the employee must make application to the Retirement
19 Board within 2 years from the date the employee last received
20 duty disability benefits in order to become again entitled to
21 duty disability benefits based on the injury for which a duty
22 disability benefit was theretofore paid.

23 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

24 (40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

25 Sec. 13-314. Alternative provisions for Water Reclamation

1 District commissioners.

2 (a) Transfer of credits. Any Water Reclamation District
3 commissioner elected by vote of the people and who has elected
4 to participate in this Fund may transfer to this Fund credits
5 and creditable service accumulated under any other pension fund
6 or retirement system established under Articles 2 through 18 of
7 this Code, upon payment to the Fund of (1) the amount by which
8 the employer and employee contributions that would have been
9 required if he had participated in this Fund during the period
10 for which credit is being transferred, plus interest, exceeds
11 the amounts actually transferred from such other fund or system
12 to this Fund, plus (2) interest thereon at 6% per year
13 compounded annually from the date of transfer to the date of
14 payment.

15 (b) Alternative annuity. Any participant commissioner may
16 elect to establish alternative credits for an alternative
17 annuity by electing in writing to make additional optional
18 contributions in accordance with this Section and procedures
19 established by the Board. Unless and until such time as the
20 U.S. Internal Revenue Service or the federal courts provide a
21 favorable ruling as described in Section 13-502(f), a
22 commissioner may discontinue making the additional optional
23 contributions by notifying the Fund in writing in accordance
24 with this Section and procedures established by the Board.

25 Additional optional contributions for the alternative
26 annuity shall be as follows:

1 (1) For service after the option is elected, an
2 additional contribution of 3% of salary shall be
3 contributed to the Fund on the same basis and under the
4 same conditions as contributions required under Section
5 13-502.

6 (2) For contributions on past service, the additional
7 contribution shall be 3% of the salary for the applicable
8 period of service, plus interest at the annual rate from
9 time to time as determined by the Board, compounded
10 annually from the date of service to the date of payment.
11 Contributions for service before the option is elected may
12 be made in a lump sum payment to the Fund or by
13 contributing to the Fund on the same basis and under the
14 same conditions as contributions required under Section
15 13-502. All payments for past service must be paid in full
16 before credit is given. No additional optional
17 contributions may be made for any period of service for
18 which credit has been previously forfeited by acceptance of
19 a refund, unless the refund is repaid in full with interest
20 at the rate specified in Section 13-603, from the date of
21 refund to the date of repayment.

22 In lieu of the retirement annuity otherwise payable under
23 this Article, any commissioner who has elected to participate
24 in the Fund and make additional optional contributions in
25 accordance with this Section, has attained age 55, and has at
26 least 6 years of service credit, may elect to have the

1 retirement annuity computed as follows: 3% of the participant's
2 average final salary as a commissioner for each of the first 8
3 years of service credit, plus 4% of such salary for each of the
4 next 4 years of service credit, plus 5% of such salary for each
5 year of service credit in excess of 12 years, subject to a
6 maximum of 80% of such salary. To the extent such commissioner
7 has made additional optional contributions with respect to only
8 a portion of years of service credit, the retirement annuity
9 will first be determined in accordance with this Section to the
10 extent such additional optional contributions were made, and
11 then in accordance with the remaining Sections of this Article
12 to the extent of years of service credit with respect to which
13 additional optional contributions were not made. The change in
14 minimum retirement age (from 60 to 55) made by Public Act
15 87-1265 ~~this amendatory Act of 1993~~ applies to persons who
16 begin receiving a retirement annuity under this Section on or
17 after January 25, 1993 (the effective date of Public Act
18 87-1265) ~~this amendatory Act~~, without regard to whether they
19 are in service on or after that date.

20 (c) Disability benefits. In lieu of the disability benefits
21 otherwise payable under this Article, any commissioner who (1)
22 has elected to participate in the Fund, and (2) has become
23 permanently disabled and as a consequence is unable to perform
24 the duties of office, and (3) was making optional contributions
25 in accordance with this Section at the time the disability was
26 incurred, may elect to receive a disability annuity calculated

1 in accordance with the formula in subsection (b). For the
2 purposes of this subsection, such commissioner shall be
3 considered permanently disabled only if: (i) disability occurs
4 while in service as a commissioner and is of such a nature as
5 to prevent the reasonable performance of the duties of office
6 at the time; and (ii) the Board has received a written
7 certification by at least 2 licensed physicians appointed by it
8 stating that such commissioner is disabled and that the
9 disability is likely to be permanent.

10 (d) Alternative survivor's benefits. In lieu of the
11 survivor's benefits otherwise payable under this Article, the
12 spouse or eligible child of any deceased commissioner who (1)
13 had elected to participate in the Fund, and (2) was either
14 making (or had already made) additional optional contributions
15 on the date of death, or was receiving an annuity calculated
16 under this Section at the time of death, may elect to receive
17 an annuity beginning on the date of the commissioner's death,
18 provided that the spouse and commissioner must have been
19 married on the date of the last termination of a service as
20 commissioner and for a continuous period of at least one year
21 immediately preceding death.

22 The annuity shall be payable beginning on the date of the
23 commissioner's death if the spouse is then age 50 or over, or
24 beginning at age 50 if the age of the spouse is less than 50
25 years. If a minor unmarried child or children of the
26 commissioner, under age 18 (age 23 in the case of a full-time

1 student), also survive, and the child or children are under the
2 care of the eligible spouse, the annuity shall begin as of the
3 date of death of the commissioner without regard to the
4 spouse's age. Beginning on the first day of the month following
5 the month in which this amendatory Act of the 96th General
6 Assembly takes effect, benefits shall begin on the first of the
7 month following the commissioner's date of death if the spouse
8 is then age 50 or over or, if a minor unmarried child or
9 children of the commissioner, under age 18 (age 23 in the case
10 of a full time student), also survive, and the child or
11 children are under the care of the eligible spouse. The benefit
12 is payable for the full month if the annuitant was alive on the
13 first day of the month.

14 The annuity to a spouse shall be the greater of (i) 66 2/3%
15 of the amount of retirement annuity earned by the commissioner
16 on the date of death, subject to a minimum payment of 10% of
17 salary, provided that if an eligible spouse, regardless of age,
18 has in his or her care at the date of death of the commissioner
19 any unmarried child or children of the commissioner under age
20 18, the minimum annuity shall be 30% of the commissioner's
21 salary, plus 10% of salary on account of each minor child of
22 the commissioner, subject to a combined total payment on
23 account of a spouse and minor children not to exceed 50% of the
24 deceased commissioner's salary or (ii) for the spouse of a
25 commissioner whose death occurs on or after August 18, 2005
26 (the effective date of Public Act 94-621) ~~this amendatory Act~~

1 ~~of the 94th General Assembly,~~ the surviving spouse annuity
2 shall be computed in the same manner as described in Section
3 13-306(a). The number of total service years used to calculate
4 the commissioner's annuity shall be the number of service years
5 used to calculate the annuity for that commissioner's surviving
6 spouse. In the event there shall be no spouse of the
7 commissioner surviving, or should a spouse die while eligible
8 minor children still survive the commissioner, each such child
9 shall be entitled to an annuity equal to 20% of salary of the
10 commissioner subject to a combined total payment on account of
11 all such children not to exceed 50% of salary of the
12 commissioner. The salary to be used in the calculation of these
13 benefits shall be the same as that prescribed for determining a
14 retirement annuity as provided in subsection (b) of this
15 Section.

16 Upon the death of a commissioner occurring after
17 termination of a service or while in receipt of a retirement
18 annuity, the combined total payment to a spouse and minor
19 children, or to minor children alone if no eligible spouse
20 survives, shall be limited to 85% of the amount of retirement
21 annuity earned by the commissioner.

22 Marriage of a child or attainment of age 18 (age 23 in the
23 case of a full-time student), whichever first occurs, shall
24 render the child ineligible for further consideration in the
25 payment of annuity to a spouse or in the increase in the amount
26 thereof. Upon attainment of ineligibility of the youngest minor

1 child of the commissioner, the annuity shall immediately revert
2 to the amount payable upon death of a commissioner leaving no
3 minor children surviving. If the spouse is under age 50 at such
4 time, the annuity as revised shall be deferred until such age
5 is attained.

6 (e) Refunds. Refunds of additional optional contributions
7 shall be made on the same basis and under the same conditions
8 as provided under Section 13-601. Interest shall be credited on
9 the same basis and under the same conditions as for other
10 contributions.

11 Optional contributions shall be accounted for in a separate
12 Commission's Optional Contribution Reserve. Optional
13 contributions under this Section shall be included in the
14 amount of employee contributions used to compute the tax levy
15 under Section 13-503.

16 (f) Effective date. The effective date of this plan of
17 optional alternative benefits and contributions shall be the
18 date upon which approval was received from the U.S. Internal
19 Revenue Service. The plan of optional alternative benefits and
20 contributions shall not be available to any former employee
21 receiving an annuity from the Fund on the effective date,
22 unless said former employee re-enters service and renders at
23 least 3 years of additional service after the date of re-entry
24 as a commissioner.

25 (Source: P.A. 94-621, eff. 8-18-05; 95-279, eff. 1-1-08.)

1 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

2 Sec. 13-601. Refunds.

3 (a) Withdrawal from service. Upon withdrawal from service,
4 an employee under age 55 (age 50 if the employee first entered
5 service before June 13, 1997), or an employee age 55 (age 50 if
6 the employee first entered service before June 13, 1997) or
7 over but less than 60 having less than 20 years of service, or
8 an employee age 60 or over having less than 5 years of service
9 shall be entitled, upon application, to a refund of total
10 contributions from salary deductions or amounts otherwise paid
11 under this Article by the employee. The refund shall not
12 include interest credited to the contributions. The Board may,
13 in its discretion, withhold payment of a refund for a period
14 not to exceed one year from the date of filing an application
15 for refund.

16 (b) Surviving spouse's annuity contributions. A refund of
17 all amounts deducted from salary or otherwise contributed by an
18 employee for the surviving spouse's annuity shall be paid upon
19 retirement to any employee who on the date of retirement is
20 either not married or is married but whose spouse is not
21 eligible for a surviving spouse's annuity paid wholly or in
22 part under this Article. The refund shall include interest on
23 each contribution at the rate of 3% per annum compounded
24 annually from the date of the contribution to the date of the
25 refund.

26 (c) Payment of Refunds After Death. Whenever any refund is

1 payable after the death of the employee or annuitant as
2 provided for in this Article, the refund shall be paid as
3 follows: to the employee's surviving spouse, but if there is no
4 surviving spouse then in accordance with the employee's written
5 designation of beneficiary filed with the Board on the
6 prescribed form before the employee's death. If there is no
7 such designation of beneficiary, then to the employee's
8 surviving children in equal parts to each. If there are no such
9 children, the refund shall be paid to the heirs of the employee
10 according to the law of descent and distribution of the State
11 of Illinois.

12 If a personal representative of the estate has not been
13 appointed within 90 days from the date on which a refund became
14 payable, the refund may be applied, in the discretion of the
15 Board, toward the payment of the employee's or the surviving
16 spouse's burial expenses. Any remaining balance shall be paid
17 to the heirs of the employee according to the law of descent
18 and distribution of the State of Illinois.

19 Whenever the total accumulations to the account of an
20 employee from employee contributions other than the
21 contribution for the cost of living increase, including
22 interest to the employee's date of withdrawal, have not been
23 paid to the employee and surviving spouse as a retirement or
24 spouse's annuity before the death of the employee and spouse, a
25 refund shall be paid as follows: an amount equal to the excess
26 of such amounts over the amounts paid on such annuities without

1 interest on either such amount.

2 If a reversionary annuity becomes payable under Section
3 13-303, the refund provided in this section shall not be paid
4 until the death of the reversionary annuitant and the refund
5 otherwise payable under this section shall be then further
6 reduced by the amount of the reversionary annuity paid.

7 (d) In lieu of annuity. Notwithstanding the provisions set
8 forth in subsection (a) of this section, whenever an employee's
9 or surviving spouse's annuity will be less than \$200 per month,
10 the employee or surviving spouse, as the case may be, may elect
11 to receive a refund of accumulated employee contributions;
12 provided, however, that if the election is made by a surviving
13 spouse the refund shall be reduced by any amounts theretofore
14 paid to the employee in the form of an annuity.

15 (e) Forfeiture of rights. An employee or surviving spouse
16 who receives a refund forfeits the right to receive an annuity
17 or any other benefit payable under this Article except that if
18 the refund is to a surviving spouse, any child or children of
19 the employee shall not be deprived of the right to receive a
20 child's annuity as provided in Section 13-308 of this Article,
21 and the payment of a child's annuity shall not reduce the
22 amount refundable to the surviving spouse.

23 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.33 as follows:

1 (30 ILCS 805/8.33 new)

2 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 96th General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.