

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 16-127 and 16-128 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

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

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

16 (1) Prior service as a teacher.

17 (2) Service in a capacity essentially similar or
18 equivalent to that of a teacher, in the public common
19 schools in school districts in this State not included
20 within the provisions of this System, or of any other
21 State, territory, dependency or possession of the United
22 States, or in schools operated by or under the auspices of
23 the United States, or under the auspices of any agency or

1 department of any other State, and service during any
2 period of professional speech correction or special
3 education experience for a public agency within this State
4 or any other State, territory, dependency or possession of
5 the United States, and service prior to February 1, 1951 as
6 a recreation worker for the Illinois Department of Public
7 Safety, for a period not exceeding the lesser of 2/5 of the
8 total creditable service of the member or 10 years. The
9 maximum service of 10 years which is allowable under this
10 paragraph shall be reduced by the service credit which is
11 validated by other retirement systems under paragraph (i)
12 of Section 15-113 and paragraph 1 of Section 17-133. Credit
13 granted under this paragraph may not be used in
14 determination of a retirement annuity or disability
15 benefits unless the member has at least 5 years of
16 creditable service earned subsequent to this employment
17 with one or more of the following systems: Teachers'
18 Retirement System of the State of Illinois, State
19 Universities Retirement System, and the Public School
20 Teachers' Pension and Retirement Fund of Chicago. Whenever
21 such service credit exceeds the maximum allowed for all
22 purposes of this Article, the first service rendered in
23 point of time shall be considered. The changes to this
24 subdivision (b)(2) made by Public Act 86-272 shall apply
25 not only to persons who on or after its effective date
26 (August 23, 1989) are in service as a teacher under the

1 System, but also to persons whose status as such a teacher
2 terminated prior to such effective date, whether or not
3 such person is an annuitant on that date.

4 (3) Any periods immediately following teaching
5 service, under this System or under Article 17, (or
6 immediately following service prior to February 1, 1951 as
7 a recreation worker for the Illinois Department of Public
8 Safety) spent in active service with the military forces of
9 the United States; periods spent in educational programs
10 that prepare for return to teaching sponsored by the
11 federal government following such active military service;
12 if a teacher returns to teaching service within one
13 calendar year after discharge or after the completion of
14 the educational program, a further period, not exceeding
15 one calendar year, between time spent in military service
16 or in such educational programs and the return to
17 employment as a teacher under this System; and a period of
18 up to 2 years of active military service not immediately
19 following employment as a teacher.

20 The changes to this Section and Section 16-128 relating
21 to military service made by P.A. 87-794 shall apply not
22 only to persons who on or after its effective date are in
23 service as a teacher under the System, but also to persons
24 whose status as a teacher terminated prior to that date,
25 whether or not the person is an annuitant on that date. In
26 the case of an annuitant who applies for credit allowable

1 under this Section for a period of military service that
2 did not immediately follow employment, and who has made the
3 required contributions for such credit, the annuity shall
4 be recalculated to include the additional service credit,
5 with the increase taking effect on the date the System
6 received written notification of the annuitant's intent to
7 purchase the credit, if payment of all the required
8 contributions is made within 60 days of such notice, or
9 else on the first annuity payment date following the date
10 of payment of the required contributions. In calculating
11 the automatic annual increase for an annuity that has been
12 recalculated under this Section, the increase attributable
13 to the additional service allowable under P.A. 87-794 shall
14 be included in the calculation of automatic annual
15 increases accruing after the effective date of the
16 recalculation.

17 Credit for military service shall be determined as
18 follows: if entry occurs during the months of July, August,
19 or September and the member was a teacher at the end of the
20 immediately preceding school term, credit shall be granted
21 from July 1 of the year in which he or she entered service;
22 if entry occurs during the school term and the teacher was
23 in teaching service at the beginning of the school term,
24 credit shall be granted from July 1 of such year. In all
25 other cases where credit for military service is allowed,
26 credit shall be granted from the date of entry into the

1 service.

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

17 (4) Any periods served as a member of the General
18 Assembly.

19 (5) (i) Any periods for which a teacher, as defined in
20 Section 16-106, is granted a leave of absence, provided he
21 or she returns to teaching service creditable under this
22 System or the State Universities Retirement System
23 following the leave; (ii) periods during which a teacher is
24 involuntarily laid off from teaching, provided he or she
25 returns to teaching following the lay-off; (iii) periods
26 prior to July 1, 1983 during which a teacher ceased covered

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

18 Any qualified member or annuitant may apply for credit
19 under item (iii) or (iv) of this paragraph (5) without
20 regard to whether service was terminated before the
21 effective date of this amendatory Act of 1997. In the case
22 of an annuitant who establishes credit under item (iii) or
23 (iv), the annuity shall be recalculated to include the
24 additional service credit. The increase in annuity shall
25 take effect on the date the System receives written
26 notification of the annuitant's intent to purchase the

1 credit, if the required evidence is submitted and the
2 required contribution paid within 60 days of that
3 notification, otherwise on the first annuity payment date
4 following the System's receipt of the required evidence and
5 contribution. The increase in an annuity recalculated
6 under this provision shall be included in the calculation
7 of automatic annual increases in the annuity accruing after
8 the effective date of the recalculation.

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

23 The change in this paragraph made by Public Act 86-273
24 shall be applicable to teachers who retire after June 1,
25 1989, as well as to teachers who are in service on that
26 date.

1 (6) Any days of unused and uncompensated accumulated
2 sick leave earned by a teacher. The service credit granted
3 under this paragraph shall be the ratio of the number of
4 unused and uncompensated accumulated sick leave days to 170
5 days, subject to a maximum of 2 years of service credit.
6 Prior to the member's retirement, each former employer
7 shall certify to the System the number of unused and
8 uncompensated accumulated sick leave days credited to the
9 member at the time of termination of service. The period of
10 unused sick leave shall not be considered in determining
11 the effective date of retirement. A member is not required
12 to make contributions in order to obtain service credit for
13 unused sick leave.

14 Credit for sick leave shall, at retirement, be granted
15 by the System for any retiring regional or assistant
16 regional superintendent of schools at the rate of 6 days
17 per year of creditable service or portion thereof
18 established while serving as such superintendent or
19 assistant superintendent.

20 (7) Periods prior to February 1, 1987 served as an
21 employee of the Illinois Mathematics and Science Academy
22 for which credit has not been terminated under Section
23 15-113.9 of this Code.

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

26 (9) Service as a part-time teacher for work performed

1 prior to July 1, 1990.

2 (10) Up to 2 years of employment with Southern Illinois
3 University - Carbondale from September 1, 1959 to August
4 31, 1961, or with Governors State University from September
5 1, 1972 to August 31, 1974, for which the teacher has no
6 credit under Article 15. To receive credit under this item
7 (10), a teacher must apply in writing to the Board and pay
8 the required contributions before May 1, 1993 and have at
9 least 12 years of service credit under this Article.

10 (b-1) A member may establish optional credit for up to 2
11 years of service as a teacher or administrator employed by a
12 private school recognized by the Illinois State Board of
13 Education, provided that the teacher (i) was certified under
14 the law governing the certification of teachers at the time the
15 service was rendered, (ii) applies in writing on or after
16 August 1, 2009 ~~June 1, 2002~~ and on or before August 1, 2012
17 ~~June 1, 2005~~, (iii) supplies satisfactory evidence of the
18 employment, (iv) completes at least 10 years of contributing
19 service as a teacher as defined in Section 16-106, and (v) pays
20 the contribution required in subsection (d-5) of Section
21 16-128. The member may apply for credit under this subsection
22 and pay the required contribution before completing the 10
23 years of contributing service required under item (iv), but the
24 credit may not be used until the item (iv) contributing service
25 requirement has been met.

26 (c) The service credits specified in this Section shall be

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

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

10 Credit may not be granted under this Section covering any
11 period for which an age retirement or disability retirement
12 allowance has been paid.

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

14 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

15 Sec. 16-128. Creditable service - required contributions.

16 (a) In order to receive the creditable service specified
17 under subsection (b) of Section 16-127, a member is required to
18 make the following contributions: (i) an amount equal to the
19 contributions which would have been required had such service
20 been rendered as a member under this System; (ii) for military
21 service not immediately following employment and for service
22 established under subdivision (b)(10) of Section 16-127, an
23 amount determined by the Board to be equal to the employer's
24 normal cost of the benefits accrued for such service; and (iii)
25 interest from the date the contributions would have been due

1 (or, in the case of a person establishing credit for military
2 service under subdivision (b) (3) of Section 16-127, the date of
3 first membership in the System, if that date is later) to the
4 date of payment, at the following rate of interest, compounded
5 annually: for periods prior to July 1, 1965, regular interest;
6 from July 1, 1965 to June 30, 1977, 4% per year; on and after
7 July 1, 1977, regular interest.

8 (b) In order to receive creditable service under paragraph
9 (2) of subsection (b) of Section 16-127 for those who were not
10 members on June 30, 1963, the minimum required contribution
11 shall be \$420 per year of service together with interest at 4%
12 per year compounded annually from July 1, preceding the date of
13 membership until June 30, 1977 and at regular interest
14 compounded annually thereafter to the date of payment.

15 (c) In determining the contribution required in order to
16 receive creditable service under paragraph (3) of subsection
17 (b) of Section 16-127, the salary rate for the remainder of the
18 school term in which a member enters military service shall be
19 assumed to be equal to the member's salary rate at the time of
20 entering military service. However, for military service not
21 immediately following employment, the salary rate on the last
22 date as a participating teacher prior to such military service,
23 or on the first date as a participating teacher after such
24 military service, whichever is greater, shall be assumed to be
25 equal to the member's salary rate at the time of entering
26 military service. For each school term thereafter, the member's

1 salary rate shall be assumed to be 5% higher than the salary
2 rate in the previous school term.

3 (d) In determining the contribution required in order to
4 receive creditable service under paragraph (5) of subsection
5 (b) of Section 16-127, a member's salary rate during the period
6 for which credit is being established shall be assumed to be
7 equal to the member's last salary rate immediately preceding
8 that period.

9 (d-5) For each year of service credit to be established
10 under subsection (b-1) of Section 16-127, a member is required
11 to contribute to the System (i) the employee and employer
12 contribution that would have been required had such service
13 been rendered as a member based on the annual salary rate
14 during the first year of full-time employment as a teacher
15 under this Article following the private or parochial school
16 service, plus (ii) interest thereon at the actuarially assumed
17 rate from the date of first full-time employment as a teacher
18 under this Article following the private or parochial school
19 service to the date of payment, compounded annually, at a rate
20 determined by the Board ~~(i) 16.5% of the annual salary rate~~
21 ~~during the first year of full-time employment as a teacher~~
22 ~~under this Article following the private school service, plus~~
23 ~~(ii) interest thereon from the date of first full-time~~
24 ~~employment as a teacher under this Article following the~~
25 ~~private school service to the date of payment, compounded~~
26 ~~annually, at the rate of 8.5% per year for periods before the~~

1 ~~effective date of this amendatory Act of the 92nd General~~
2 ~~Assembly, and for subsequent periods at a rate equal to the~~
3 ~~System's actuarially assumed rate of return on investments.~~

4 (d-10) For service credit established under paragraph (6)
5 of subsection (b) of Section 16-127 for days granted by an
6 employer in excess of the member's normal annual sick leave
7 allotment, the employer is required to pay the normal cost of
8 benefits based upon such service credit. This subsection (d-10)
9 does not apply to sick leave granted to teachers under
10 contracts or collective bargaining agreements entered into,
11 amended, or renewed before June 1, 2005 (the effective date of
12 Public Act 94-4). The employer contributions required under
13 this subsection (d-10) shall be paid in the form of a lump sum
14 within 30 days after receipt of the bill after the teacher
15 begins receiving benefits under this Article.

16 (e) Except for contributions under subsection (d-10), the
17 contributions required under this Section may be made from the
18 date the statement for such creditable service is issued until
19 retirement date. All such required contributions must be made
20 before any retirement annuity is granted.

21 (Source: P.A. 94-4, eff. 6-1-05; 94-1057, eff. 7-31-06.)

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