

1 AN ACT in relation to 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 2-121, 3-109, 4-109.1, 7-141.1, and 14-104 as follows:

6 (40 ILCS 5/2-121) (from Ch. 108 1/2, par. 2-121)

7 Sec. 2-121. Survivor's annuity - conditions for payment.

8 (a) A survivor's annuity shall be payable to a surviving  
9 spouse or eligible child (1) upon the death in service of a  
10 participant with at least 2 years of service credit, or (2)  
11 upon the death of an annuitant in receipt of a retirement  
12 annuity, or (3) upon the death of a participant who terminated  
13 service with at least 4 years of service credit.

14 The change in this subsection (a) made by this amendatory  
15 Act of 1995 applies to survivors of participants who die on or  
16 after December 1, 1994, without regard to whether or not the  
17 participant was in service on or after the effective date of  
18 this amendatory Act of 1995.

19 (b) To be eligible for the survivor's annuity, the spouse  
20 and the participant or annuitant must have been married for a  
21 continuous period of at least one year immediately preceding  
22 the date of death, but need not have been married on the day of  
23 the participant's last termination of service, regardless of

1 whether such termination occurred prior to the effective date  
2 of this amendatory Act of 1985.

3 (c) The annuity shall be payable beginning on the date of a  
4 participant's death, or the first of the month following an  
5 annuitant's death, if the spouse is then age 50 or over, or  
6 beginning at age 50 if the spouse is then under age 50. If an  
7 eligible child or children of the participant or annuitant (or  
8 a child or children of the eligible spouse meeting the criteria  
9 of item (1), (2), or (3) of subsection (d) of this Section)  
10 also survive, and the child or children are under the care of  
11 the eligible spouse, the annuity shall begin as of the date of  
12 a participant's death, or the first of the month following an  
13 annuitant's death, without regard to the spouse's age.

14 The change to this subsection made by this amendatory Act  
15 of 1998 (relating to children of an eligible spouse) applies to  
16 the eligible spouse of a participant or annuitant who dies on  
17 or after the effective date of this amendatory Act, without  
18 regard to whether the participant or annuitant is in service on  
19 or after that effective date.

20 (c-5) Upon the death in service of a participant during the  
21 90th General Assembly, the survivor's annuity shall be payable  
22 prior to age 50, notwithstanding subsection (c) of this  
23 Section, provided that the deceased participant had at least 6  
24 years of service. This subsection (c-5) applies to the eligible  
25 spouse of a deceased participant without regard to whether the  
26 deceased participant was in service on or after the effective

1 date of this amendatory Act of the 96th General Assembly, and  
2 retroactive benefits may be paid for periods of eligibility  
3 after February 28, 2009.

4 (d) For the purposes of this Section and Section 2-121.1,  
5 "eligible child" means a child of the deceased participant or  
6 annuitant who is at least one of the following:

7 (1) unmarried and under the age of 18;

8 (2) unmarried, a full-time student, and under the age  
9 of 22;

10 (3) dependent by reason of physical or mental  
11 disability.

12 The inclusion of unmarried students under age 22 in the  
13 calculation of survivor's annuities by this amendatory Act of  
14 1991 shall apply to all eligible students beginning January 1,  
15 1992, without regard to whether the deceased participant or  
16 annuitant was in service on or after the effective date of this  
17 amendatory Act of 1991.

18 (e) Remarriage of a surviving spouse prior to attainment of  
19 age 55 shall disqualify the surviving spouse from the receipt  
20 of a survivor's annuity, if the remarriage occurs before the  
21 effective date of this amendatory Act of the 91st General  
22 Assembly.

23 The changes made to this subsection by this amendatory Act  
24 of the 91st General Assembly (pertaining to remarriage prior to  
25 age 55) apply without regard to whether the deceased  
26 participant or annuitant was in service on or after the

1 effective date of this amendatory Act.

2 (Source: P.A. 95-279, eff. 1-1-08.)

3 (40 ILCS 5/3-109) (from Ch. 108 1/2, par. 3-109)

4 Sec. 3-109. Persons excluded.

5 (a) The following persons shall not be eligible to  
6 participate in a fund created under this Article:

7 (1) part-time police officers, special police  
8 officers, night watchmen, temporary employees, traffic  
9 guards or so-called auxiliary police officers specially  
10 appointed to aid or direct traffic at or near schools or  
11 public functions, or to aid in civil defense, municipal  
12 parking lot attendants, clerks or other civilian employees  
13 of a police department who perform clerical duties  
14 exclusively;

15 (2) any police officer who fails to pay the  
16 contributions required under Section 3-125.1, computed (i)  
17 for funds established prior to August 5, 1963, from the  
18 date the municipality established the fund or the date of a  
19 police officer's first appointment (including an  
20 appointment on probation), whichever is later, or (ii) for  
21 funds established after August 5, 1963, from the date, as  
22 determined from the statistics or census provided in  
23 Section 3-103, the municipality became subject to this  
24 Article by attaining the minimum population or by  
25 referendum, or the date of a police officer's first

1 appointment (including an appointment on probation),  
2 whichever is later, and continuing during his or her entire  
3 service as a police officer; and

4 (3) any person who has elected under Section 3-109.1 to  
5 participate in the Illinois Municipal Retirement Fund  
6 rather than in a fund established under this Article,  
7 without regard to whether the person continues to be  
8 employed as chief of police or is employed in some other  
9 rank or capacity within the police department, unless the  
10 person has lawfully rescinded that election.

11 (b) A police officer who is reappointed shall, before being  
12 declared eligible to participate in the pension fund, repay to  
13 the fund as required by Section 3-124 any refund received  
14 thereunder.

15 (c) Any person otherwise qualified to participate who was  
16 excluded from participation by reason of the age restriction  
17 removed by Public Act 79-1165 may elect to participate by  
18 making a written application to the Board before January 1,  
19 1990. Persons so electing shall begin participation on the  
20 first day of the month following the date of application. Such  
21 persons may also elect to establish creditable service for  
22 periods of employment as a police officer during which they did  
23 not participate by paying into the police pension fund, before  
24 January 1, 1990, the amount that the person would have  
25 contributed had deductions from salary been made for such  
26 purpose at the time such service was rendered, together with

1 interest thereon at 6% per annum from the time such service was  
2 rendered until the date the payment is made.

3 (d) A person otherwise qualified to participate who was  
4 excluded from participation by reason of the fitness  
5 requirement removed by this amendatory Act of 1995 may elect to  
6 participate by making a written application to the Board before  
7 July 1, 1996. Persons so electing shall begin participation on  
8 the first day of the month following the month in which the  
9 application is received by the Board. These persons may also  
10 elect to establish creditable service for periods of employment  
11 as a police officer during which they did not participate by  
12 paying into the police pension fund, before January 1, 1997,  
13 the amount that the person would have contributed had  
14 deductions from salary been made for this purpose at the time  
15 the service was rendered, together with interest thereon at 6%  
16 per annum, compounded annually, from the time the service was  
17 rendered until the date of payment.

18 (e) A person employed by the Village of Shiloh who is  
19 otherwise qualified to participate and was excluded from  
20 participation by reason of his or her failure to make written  
21 application to the Board within 3 months after receiving his or  
22 her first appointment or reappointment as required under  
23 Section 3-106 may elect to participate by making a written  
24 application to the Board before July 1, 2008. Persons so  
25 electing shall begin participation on the first day of the  
26 month following the month in which the application is received

1 by the Board. These persons may also elect to establish  
2 creditable service for periods of employment as a police  
3 officer during which they did not participate by paying into  
4 the police pension fund, before January 1, 2009, the amount  
5 that the person would have contributed had deductions from  
6 salary been made for this purpose at the time the service was  
7 rendered, together with interest thereon at 6% per annum,  
8 compounded annually, from the time the service was rendered  
9 until the date of payment. The Village of Shiloh must pay to  
10 the System the corresponding employer contributions, plus  
11 interest.

12 (f) A person who has entered into a personal services  
13 contract to perform police duties for the Village of  
14 Bartonville on or before the effective date of this amendatory  
15 Act of the 96th General Assembly may be appointed as an officer  
16 in the Village of Bartonville within 6 months after the  
17 effective date of this amendatory Act, but shall be excluded  
18 from participating under this Article.

19 (Source: P.A. 95-483, eff. 8-28-07.)

20 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

21 Sec. 4-109.1. Increase in pension.

22 (a) Except as provided in subsection (e), the monthly  
23 pension of a firefighter who retires after July 1, 1971 and  
24 prior to January 1, 1986, shall, upon either the first of the  
25 month following the first anniversary of the date of retirement

1 if 60 years of age or over at retirement date, or upon the  
2 first day of the month following attainment of age 60 if it  
3 occurs after the first anniversary of retirement, be increased  
4 by 2% of the originally granted monthly pension and by an  
5 additional 2% in each January thereafter. Effective January  
6 1976, the rate of the annual increase shall be 3% of the  
7 originally granted monthly pension.

8 (b) The monthly pension of a firefighter who retired from  
9 service with 20 or more years of service, on or before July 1,  
10 1971, shall be increased, in January of the year following the  
11 year of attaining age 65 or in January 1972, if then over age  
12 65, by 2% of the originally granted monthly pension, for each  
13 year the firefighter received pension payments. In each January  
14 thereafter, he or she shall receive an additional increase of  
15 2% of the original monthly pension. Effective January 1976, the  
16 rate of the annual increase shall be 3%.

17 (c) The monthly pension of a firefighter who is receiving a  
18 disability pension under this Article shall be increased, in  
19 January of the year following the year the firefighter attains  
20 age 60, or in January 1974, if then over age 60, by 2% of the  
21 originally granted monthly pension for each year he or she  
22 received pension payments. In each January thereafter, the  
23 firefighter shall receive an additional increase of 2% of the  
24 original monthly pension. Effective January 1976, the rate of  
25 the annual increase shall be 3%.

26 (c-1) On January 1, 1998, every child's disability benefit



1 payable on that date under Section 4-110 or 4-110.1 shall be  
2 increased by an amount equal to 1/12 of 3% of the amount of the  
3 benefit, multiplied by the number of months for which the  
4 benefit has been payable. On each January 1 thereafter, every  
5 child's disability benefit payable under Section 4-110 or  
6 4-110.1 shall be increased by 3% of the amount of the benefit  
7 then being paid, including any previous increases received  
8 under this Article. These increases are not subject to any  
9 limitation on the maximum benefit amount included in Section  
10 4-110 or 4-110.1.

11 (c-2) On July 1, 2004, every pension payable to or on  
12 behalf of a minor or disabled surviving child that is payable  
13 on that date under Section 4-114 shall be increased by an  
14 amount equal to 1/12 of 3% of the amount of the pension,  
15 multiplied by the number of months for which the benefit has  
16 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and  
17 July 1, 2008, every pension payable to or on behalf of a minor  
18 or disabled surviving child that is payable under Section 4-114  
19 shall be increased by 3% of the amount of the pension then  
20 being paid, including any previous increases received under  
21 this Article. These increases are not subject to any limitation  
22 on the maximum benefit amount included in Section 4-114.

23 (d) The monthly pension of a firefighter who retires after  
24 January 1, 1986, shall, upon either the first of the month  
25 following the first anniversary of the date of retirement if 55  
26 years of age or over, or upon the first day of the month

1 following attainment of age 55 if it occurs after the first  
2 anniversary of retirement, be increased by 1/12 of 3% of the  
3 originally granted monthly pension for each full month that has  
4 elapsed since the pension began, and by an additional 3% in  
5 each January thereafter.

6 The changes made to this subsection (d) by this amendatory  
7 Act of the 91st General Assembly apply to all initial increases  
8 that become payable under this subsection on or after January  
9 1, 1999. All initial increases that became payable under this  
10 subsection on or after January 1, 1999 and before the effective  
11 date of this amendatory Act shall be recalculated and the  
12 additional amount accruing for that period, if any, shall be  
13 payable to the pensioner in a lump sum.

14 (e) Notwithstanding the provisions of subsection (a), upon  
15 the first day of the month following (1) the first anniversary  
16 of the date of retirement, or (2) the attainment of age 55, or  
17 (3) July 1, 1987, whichever occurs latest, the monthly pension  
18 of a firefighter who retired on or after January 1, 1977 and on  
19 or before January 1, 1986 and did not receive an increase under  
20 subsection (a) before July 1, 1987, shall be increased by 3% of  
21 the originally granted monthly pension for each full year that  
22 has elapsed since the pension began, and by an additional 3% in  
23 each January thereafter. The increases provided under this  
24 subsection are in lieu of the increases provided in subsection  
25 (a).

26 (f) In July 2009, the monthly pension of a firefighter who

1 retired before July 1, 1977 shall be recalculated and increased  
2 to reflect the amount that the firefighter would have received  
3 in July 2009 had the firefighter been receiving a 3% compounded  
4 increase for each year he or she received pension payments  
5 after January 1, 1986, plus any increases in pension received  
6 for each year prior to January 1, 1986. In each January  
7 thereafter, he or she shall receive an additional increase of  
8 3% of the amount of the pension then being paid. The changes  
9 made to this Section by this amendatory Act of the 96th General  
10 Assembly apply without regard to whether the firefighter was in  
11 service on or after its effective date.

12 (Source: P.A. 93-689, eff. 7-1-04.)

13 (40 ILCS 5/7-141.1)

14 Sec. 7-141.1. Early retirement incentive.

15 (a) The General Assembly finds and declares that:

16 (1) Units of local government across the State have  
17 been functioning under a financial crisis.

18 (2) This financial crisis is expected to continue.

19 (3) Units of local government must depend on additional  
20 sources of revenue and, when those sources are not  
21 forthcoming, must establish cost-saving programs.

22 (4) An early retirement incentive designed  
23 specifically to target highly-paid senior employees could  
24 result in significant annual cost savings.

25 (5) The early retirement incentive should be made

1 available only to those units of local government that  
2 determine that an early retirement incentive is in their  
3 best interest.

4 (6) A unit of local government adopting a program of  
5 early retirement incentives under this Section is  
6 encouraged to implement personnel procedures to prohibit,  
7 for at least 5 years, the rehiring (whether on payroll or  
8 by independent contract) of employees who receive early  
9 retirement incentives.

10 (7) A unit of local government adopting a program of  
11 early retirement incentives under this Section is also  
12 encouraged to replace as few of the participating employees  
13 as possible and to hire replacement employees for salaries  
14 totaling no more than 80% of the total salaries formerly  
15 paid to the employees who participate in the early  
16 retirement program.

17 It is the primary purpose of this Section to encourage  
18 units of local government that can realize true cost savings,  
19 or have determined that an early retirement program is in their  
20 best interest, to implement an early retirement program.

21 (b) Until the effective date of this amendatory Act of  
22 1997, this Section does not apply to any employer that is a  
23 city, village, or incorporated town, nor to the employees of  
24 any such employer. Beginning on the effective date of this  
25 amendatory Act of 1997, any employer under this Article,  
26 including an employer that is a city, village, or incorporated

1 town, may establish an early retirement incentive program for  
2 its employees under this Section. The decision of a city,  
3 village, or incorporated town to consider or establish an early  
4 retirement program is at the sole discretion of that city,  
5 village, or incorporated town, and nothing in this amendatory  
6 Act of 1997 limits or otherwise diminishes this discretion.  
7 Nothing contained in this Section shall be construed to require  
8 a city, village, or incorporated town to establish an early  
9 retirement program and no city, village, or incorporated town  
10 may be compelled to implement such a program.

11 The benefits provided in this Section are available only to  
12 members employed by a participating employer that has filed  
13 with the Board of the Fund a resolution or ordinance expressly  
14 providing for the creation of an early retirement incentive  
15 program under this Section for its employees and specifying the  
16 effective date of the early retirement incentive program.  
17 Subject to the limitation in subsection (h), an employer may  
18 adopt a resolution or ordinance providing a program of early  
19 retirement incentives under this Section at any time.

20 The resolution or ordinance shall be in substantially the  
21 following form:

22 RESOLUTION (ORDINANCE) NO. ....  
23 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY  
24 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES  
25 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

1           WHEREAS, Section 7-141.1 of the Illinois Pension Code  
2 provides that a participating employer may elect to adopt an  
3 early retirement incentive program offered by the Illinois  
4 Municipal Retirement Fund by adopting a resolution or  
5 ordinance; and

6           WHEREAS, The goal of adopting an early retirement program  
7 is to realize a substantial savings in personnel costs by  
8 offering early retirement incentives to employees who have  
9 accumulated many years of service credit; and

10          WHEREAS, Implementation of the early retirement program  
11 will provide a budgeting tool to aid in controlling payroll  
12 costs; and

13          WHEREAS, The (name of governing body) has determined that  
14 the adoption of an early retirement incentive program is in the  
15 best interests of the (name of participating employer);  
16 therefore be it

17          RESOLVED (ORDAINED) by the (name of governing body) of  
18 (name of participating employer) that:

19           (1) The (name of participating employer) does hereby adopt  
20 the Illinois Municipal Retirement Fund early retirement  
21 incentive program as provided in Section 7-141.1 of the  
22 Illinois Pension Code. The early retirement incentive program  
23 shall take effect on (date).

24           (2) In order to help achieve a true cost savings, a person  
25 who retires under the early retirement incentive program shall  
26 lose those incentives if he or she later accepts employment

1 with any IMRF employer in a position for which participation in  
2 IMRF is required or is elected by the employee.

3 (3) In order to utilize an early retirement incentive as a  
4 budgeting tool, the (name of participating employer) will use  
5 its best efforts either to limit the number of employees who  
6 replace the employees who retire under the early retirement  
7 program or to limit the salaries paid to the employees who  
8 replace the employees who retire under the early retirement  
9 program.

10 (4) The effective date of each employee's retirement under  
11 this early retirement program shall be set by (name of  
12 employer) and shall be no earlier than the effective date of  
13 the program and no later than one year after that effective  
14 date; except that the employee may require that the retirement  
15 date set by the employer be no later than the June 30 next  
16 occurring after the effective date of the program and no  
17 earlier than the date upon which the employee qualifies for  
18 retirement.

19 (5) To be eligible for the early retirement incentive under  
20 this Section, the employee must have attained age 50 and have  
21 at least 20 years of creditable service by his or her  
22 retirement date.

23 (6) The (clerk or secretary) shall promptly file a  
24 certified copy of this resolution (ordinance) with the Board of  
25 Trustees of the Illinois Municipal Retirement Fund.

26 CERTIFICATION

1 I, (name), the (clerk or secretary) of the (name of  
2 participating employer) of the County of (name), State of  
3 Illinois, do hereby certify that I am the keeper of the books  
4 and records of the (name of employer) and that the foregoing is  
5 a true and correct copy of a resolution (ordinance) duly  
6 adopted by the (governing body) at a meeting duly convened and  
7 held on (date).

8 SEAL

9 (Signature of clerk or secretary)

10 (c) To be eligible for the benefits provided under an early  
11 retirement incentive program adopted under this Section, a  
12 member must:

13 (1) be a participating employee of this Fund who, on  
14 the effective date of the program, (i) is in active payroll  
15 status as an employee of a participating employer that has  
16 filed the required ordinance or resolution with the Board,  
17 (ii) is on layoff status from such a position with a right  
18 of re-employment or recall to service, (iii) is on a leave  
19 of absence from such a position, or (iv) is on disability  
20 but has not been receiving benefits under Section 7-146 or  
21 7-150 for a period of more than 2 years from the date of  
22 application;

23 (2) have never previously received a retirement  
24 annuity under this Article or under the Retirement Systems  
25 Reciprocal Act using service credit established under this



1 Article;

2 (3) (blank);

3 (4) have at least 20 years of creditable service in the  
4 Fund by the date of retirement, without the use of any  
5 creditable service established under this Section;

6 (5) have attained age 50 by the date of retirement,  
7 without the use of any age enhancement received under this  
8 Section; and

9 (6) be eligible to receive a retirement annuity under  
10 this Article by the date of retirement, for which purpose  
11 the age enhancement and creditable service established  
12 under this Section may be considered.

13 (d) The employer shall determine the retirement date for  
14 each employee participating in the early retirement program  
15 adopted under this Section. The retirement date shall be no  
16 earlier than the effective date of the program and no later  
17 than one year after that effective date, except that the  
18 employee may require that the retirement date set by the  
19 employer be no later than the June 30 next occurring after the  
20 effective date of the program and no earlier than the date upon  
21 which the employee qualifies for retirement. The employer shall  
22 give each employee participating in the early retirement  
23 program at least 30 days written notice of the employee's  
24 designated retirement date, unless the employee waives this  
25 notice requirement.

26 (e) An eligible person may establish up to 5 years of

1     creditable service under this Section. In addition, for each  
2     period of creditable service established under this Section, a  
3     person shall have his or her age at retirement deemed enhanced  
4     by an equivalent period.

5             The creditable service established under this Section may  
6     be used for all purposes under this Article and the Retirement  
7     Systems Reciprocal Act, except for the computation of final  
8     rate of earnings and the determination of earnings, salary, or  
9     compensation under this or any other Article of the Code.

10            The age enhancement established under this Section may be  
11    used for all purposes under this Article (including calculation  
12    of the reduction imposed under subdivision (a)1b(iv) of Section  
13    7-142), except for purposes of a reversionary annuity under  
14    Section 7-145 and any distributions required because of age.  
15    The age enhancement established under this Section may be used  
16    in calculating a proportionate annuity payable by this Fund  
17    under the Retirement Systems Reciprocal Act, but shall not be  
18    used in determining benefits payable under other Articles of  
19    this Code under the Retirement Systems Reciprocal Act.

20            (f) For all creditable service established under this  
21    Section, the member must pay to the Fund an employee  
22    contribution consisting of 4.5% of the member's highest annual  
23    salary rate used in the determination of the final rate of  
24    earnings for retirement annuity purposes for each year of  
25    creditable service granted under this Section. For creditable  
26    service established under this Section by a person who is a

1 sheriff's law enforcement employee to be deemed service as a  
2 sheriff's law enforcement employee, the employee contribution  
3 shall be at the rate of 6.5% of highest annual salary per year  
4 of creditable service granted. Contributions for fractions of a  
5 year of service shall be prorated. Any amounts that are  
6 disregarded in determining the final rate of earnings under  
7 subdivision (d) (5) of Section 7-116 (the 125% rule) shall also  
8 be disregarded in determining the required contribution under  
9 this subsection (f).

10 The employee contribution shall be paid to the Fund as  
11 follows: If the member is entitled to a lump sum payment for  
12 accumulated vacation, sick leave, or personal leave upon  
13 withdrawal from service, the employer shall deduct the employee  
14 contribution from that lump sum and pay the deducted amount  
15 directly to the Fund. If there is no such lump sum payment or  
16 the required employee contribution exceeds the net amount of  
17 the lump sum payment, then the remaining amount due, at the  
18 option of the employee, may either be paid to the Fund before  
19 the annuity commences or deducted from the retirement annuity  
20 in 24 equal monthly installments.

21 (g) An annuitant who has received any age enhancement or  
22 creditable service under this Section and thereafter accepts  
23 employment with or enters into a personal services contract  
24 with an employer under this Article thereby forfeits that age  
25 enhancement and creditable service; except that this  
26 restriction does not apply to (1) service in an elective

1 office, so long as the annuitant does not participate in this  
2 Fund with respect to that office and (2) a person appointed as  
3 an officer under subsection (f) of Section 3-109 of this Code.

4 A person forfeiting early retirement incentives under this  
5 subsection (i) must repay to the Fund that portion of the  
6 retirement annuity already received which is attributable to  
7 the early retirement incentives that are being forfeited, (ii)  
8 shall not be eligible to participate in any future early  
9 retirement program adopted under this Section, and (iii) is  
10 entitled to a refund of the employee contribution paid under  
11 subsection (f). The Board shall deduct the required repayment  
12 from the refund and may impose a reasonable payment schedule  
13 for repaying the amount, if any, by which the required  
14 repayment exceeds the refund amount.

15 (h) The additional unfunded liability accruing as a result  
16 of the adoption of a program of early retirement incentives  
17 under this Section by an employer shall be amortized over a  
18 period of 10 years beginning on January 1 of the second  
19 calendar year following the calendar year in which the latest  
20 date for beginning to receive a retirement annuity under the  
21 program (as determined by the employer under subsection (d) of  
22 this Section) occurs; except that the employer may provide for  
23 a shorter amortization period (of no less than 5 years) by  
24 adopting an ordinance or resolution specifying the length of  
25 the amortization period and submitting a certified copy of the  
26 ordinance or resolution to the Fund no later than 6 months

1 after the effective date of the program. An employer, at its  
2 discretion, may accelerate payments to the Fund.

3 An employer may provide more than one early retirement  
4 incentive program for its employees under this Section.  
5 However, an employer that has provided an early retirement  
6 incentive program for its employees under this Section may not  
7 provide another early retirement incentive program under this  
8 Section until the liability arising from the earlier program  
9 has been fully paid to the Fund.

10 (Source: P.A. 94-456, eff. 8-4-05.)

11 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

12 Sec. 14-104. Service for which contributions permitted.  
13 Contributions provided for in this Section shall cover the  
14 period of service granted. Except as otherwise provided in this  
15 Section, the contributions shall be based upon the employee's  
16 compensation and contribution rate in effect on the date he  
17 last became a member of the System; provided that for all  
18 employment prior to January 1, 1969 the contribution rate shall  
19 be that in effect for a noncovered employee on the date he last  
20 became a member of the System. Except as otherwise provided in  
21 this Section, contributions permitted under this Section shall  
22 include regular interest from the date an employee last became  
23 a member of the System to the date of payment.

24 These contributions must be paid in full before retirement  
25 either in a lump sum or in installment payments in accordance

1 with such rules as may be adopted by the board.

2 (a) Any member may make contributions as required in this  
3 Section for any period of service, subsequent to the date of  
4 establishment, but prior to the date of membership.

5 (b) Any employee who had been previously excluded from  
6 membership because of age at entry and subsequently became  
7 eligible may elect to make contributions as required in this  
8 Section for the period of service during which he was  
9 ineligible.

10 (c) An employee of the Department of Insurance who, after  
11 January 1, 1944 but prior to becoming eligible for membership,  
12 received salary from funds of insurance companies in the  
13 process of rehabilitation, liquidation, conservation or  
14 dissolution, may elect to make contributions as required in  
15 this Section for such service.

16 (d) Any employee who rendered service in a State office to  
17 which he was elected, or rendered service in the elective  
18 office of Clerk of the Appellate Court prior to the date he  
19 became a member, may make contributions for such service as  
20 required in this Section. Any member who served by appointment  
21 of the Governor under the Civil Administrative Code of Illinois  
22 and did not participate in this System may make contributions  
23 as required in this Section for such service.

24 (e) Any person employed by the United States government or  
25 any instrumentality or agency thereof from January 1, 1942  
26 through November 15, 1946 as the result of a transfer from

1 State service by executive order of the President of the United  
2 States shall be entitled to prior service credit covering the  
3 period from January 1, 1942 through December 31, 1943 as  
4 provided for in this Article and to membership service credit  
5 for the period from January 1, 1944 through November 15, 1946  
6 by making the contributions required in this Section. A person  
7 so employed on January 1, 1944 but whose employment began after  
8 January 1, 1942 may qualify for prior service and membership  
9 service credit under the same conditions.

10 (f) An employee of the Department of Labor of the State of  
11 Illinois who performed services for and under the supervision  
12 of that Department prior to January 1, 1944 but who was  
13 compensated for those services directly by federal funds and  
14 not by a warrant of the Auditor of Public Accounts paid by the  
15 State Treasurer may establish credit for such employment by  
16 making the contributions required in this Section. An employee  
17 of the Department of Agriculture of the State of Illinois, who  
18 performed services for and under the supervision of that  
19 Department prior to June 1, 1963, but was compensated for those  
20 services directly by federal funds and not paid by a warrant of  
21 the Auditor of Public Accounts paid by the State Treasurer, and  
22 who did not contribute to any other public employee retirement  
23 system for such service, may establish credit for such  
24 employment by making the contributions required in this  
25 Section.

26 (g) Any employee who executed a waiver of membership within

1 60 days prior to January 1, 1944 may, at any time while in the  
2 service of a department, file with the board a rescission of  
3 such waiver. Upon making the contributions required by this  
4 Section, the member shall be granted the creditable service  
5 that would have been received if the waiver had not been  
6 executed.

7 (h) Until May 1, 1990, an employee who was employed on a  
8 full-time basis by a regional planning commission for at least  
9 5 continuous years may establish creditable service for such  
10 employment by making the contributions required under this  
11 Section, provided that any credits earned by the employee in  
12 the commission's retirement plan have been terminated.

13 (i) Any person who rendered full time contractual services  
14 to the General Assembly as a member of a legislative staff may  
15 establish service credit for up to 8 years of such services by  
16 making the contributions required under this Section, provided  
17 that application therefor is made not later than July 1, 1991.

18 (j) By paying the contributions otherwise required under  
19 this Section, plus an amount determined by the Board to be  
20 equal to the employer's normal cost of the benefit plus  
21 interest, but with all of the interest calculated from the date  
22 the employee last became a member of the System or November 19,  
23 1991, whichever is later, to the date of payment, an employee  
24 may establish service credit for a period of up to 4 years  
25 spent in active military service for which he does not qualify  
26 for credit under Section 14-105, provided that (1) he was not



1 dishonorably discharged from such military service, and (2) the  
2 amount of service credit established by a member under this  
3 subsection (j), when added to the amount of military service  
4 credit granted to the member under subsection (b) of Section  
5 14-105, shall not exceed 5 years. The change in the manner of  
6 calculating interest under this subsection (j) made by this  
7 amendatory Act of the 92nd General Assembly applies to credit  
8 purchased by an employee on or after its effective date and  
9 does not entitle any person to a refund of contributions or  
10 interest already paid. In compliance with Section 14-152.1 of  
11 this Act concerning new benefit increases, any new benefit  
12 increase as a result of the changes to this subsection (j) made  
13 by Public Act 95-483 is funded through the employee  
14 contributions provided for in this subsection (j). Any new  
15 benefit increase as a result of the changes made to this  
16 subsection (j) by Public Act 95-483 is exempt from the  
17 provisions of subsection (d) of Section 14-152.1.

18 (k) An employee who was employed on a full-time basis by  
19 the Illinois State's Attorneys Association Statewide Appellate  
20 Assistance Service LEAA-ILEC grant project prior to the time  
21 that project became the State's Attorneys Appellate Service  
22 Commission, now the Office of the State's Attorneys Appellate  
23 Prosecutor, an agency of State government, may establish  
24 creditable service for not more than 60 months service for such  
25 employment by making contributions required under this  
26 Section.

1           (1) By paying the contributions otherwise required under  
2 this Section, plus an amount determined by the Board to be  
3 equal to the employer's normal cost of the benefit plus  
4 interest, a member may establish service credit for periods of  
5 less than one year spent on authorized leave of absence from  
6 service, provided that (1) the period of leave began on or  
7 after January 1, 1982 and (2) any credit established by the  
8 member for the period of leave in any other public employee  
9 retirement system has been terminated. A member may establish  
10 service credit under this subsection for more than one period  
11 of authorized leave, and in that case the total period of  
12 service credit established by the member under this subsection  
13 may exceed one year. In determining the contributions required  
14 for establishing service credit under this subsection, the  
15 interest shall be calculated from the beginning of the leave of  
16 absence to the date of payment.

17           (1-5) By paying the contributions otherwise required under  
18 this Section, plus an amount determined by the Board to be  
19 equal to the employer's normal cost of the benefit plus  
20 interest, a member may establish service credit for periods of  
21 up to 2 years spent on authorized leave of absence from  
22 service, provided that during that leave the member represented  
23 or was employed as an officer or employee of a statewide labor  
24 organization that represents members of this System. In  
25 determining the contributions required for establishing  
26 service credit under this subsection, the interest shall be

1 calculated from the beginning of the leave of absence to the  
2 date of payment.

3 (m) Any person who rendered contractual services to a  
4 member of the General Assembly as a worker in the member's  
5 district office may establish creditable service for up to 3  
6 years of those contractual services by making the contributions  
7 required under this Section. The System shall determine a  
8 full-time salary equivalent for the purpose of calculating the  
9 required contribution. To establish credit under this  
10 subsection, the applicant must apply to the System by March 1,  
11 1998.

12 (n) Any person who rendered contractual services to a  
13 member of the General Assembly as a worker providing  
14 constituent services to persons in the member's district may  
15 establish creditable service for up to 8 years of those  
16 contractual services by making the contributions required  
17 under this Section. The System shall determine a full-time  
18 salary equivalent for the purpose of calculating the required  
19 contribution. To establish credit under this subsection, the  
20 applicant must apply to the System by March 1, 1998.

21 (o) A member who participated in the Illinois Legislative  
22 Staff Internship Program may establish creditable service for  
23 up to one year of that participation by making the contribution  
24 required under this Section. The System shall determine a  
25 full-time salary equivalent for the purpose of calculating the  
26 required contribution. Credit may not be established under this

1 subsection for any period for which service credit is  
2 established under any other provision of this Code.

3 (p) By paying the contributions otherwise required under  
4 this Section, plus an amount determined by the Board to be  
5 equal to the employer's normal cost of the benefit plus  
6 interest, a member may establish service credit for a period of  
7 up to 8 years during which he or she was employed by the  
8 Visually Handicapped Managers of Illinois in a vending program  
9 operated under a contractual agreement with the Department of  
10 Rehabilitation Services or its successor agency.

11 This subsection (p) applies without regard to whether the  
12 person was in service on or after the effective date of this  
13 amendatory Act of the 94th General Assembly. In the case of a  
14 person who is receiving a retirement annuity on that effective  
15 date, the increase, if any, shall begin to accrue on the first  
16 annuity payment date following receipt by the System of the  
17 contributions required under this subsection (p).

18 (q) By paying the required contributions under this  
19 Section, plus an amount determined by the Board to be equal to  
20 the employer's normal cost of the benefit plus interest, an  
21 employee who was laid off but returned to State employment  
22 under circumstances in which the employee is considered to have  
23 been in continuous service for purposes of determining  
24 seniority may establish creditable service for the period of  
25 the layoff, provided that (1) the applicant applies for the  
26 creditable service under this subsection (q) within 6 months

1 after the effective date of this amendatory Act of the 94th  
2 General Assembly, (2) the applicant does not receive credit for  
3 that period under any other provision of this Code, (3) at the  
4 time of the layoff, the applicant is not in an initial  
5 probationary status consistent with the rules of the Department  
6 of Central Management Services, and (4) the total amount of  
7 creditable service established by the applicant under this  
8 subsection (q) does not exceed 3 years. For service established  
9 under this subsection (q), the required employee contribution  
10 shall be based on the rate of compensation earned by the  
11 employee on the date of returning to employment after the  
12 layoff and the contribution rate then in effect, and the  
13 required interest shall be calculated from the date of  
14 returning to employment after the layoff to the date of  
15 payment.

16 (r) A member who participated in the University of Illinois  
17 Government Public Service Internship Program (GPSI) may  
18 establish creditable service for up to 2 years of that  
19 participation by making the contribution required under this  
20 Section, plus an amount determined by the Board to be equal to  
21 the employer's normal cost of the benefit plus interest. The  
22 System shall determine a full-time salary equivalent for the  
23 purpose of calculating the required contribution. Credit may  
24 not be established under this subsection for any period for  
25 which service credit is established under any other provision  
26 of this Code.

1           (s) A member who worked as a nurse under a contractual  
2 agreement for the Department of Public Aid, or its successor  
3 agency, the Department of Human Services, in the Client  
4 Assessment Unit and was subsequently determined to be a State  
5 employee by the United States Internal Revenue Service and the  
6 Illinois Labor Relations Board may establish creditable  
7 service for those contractual services by making the  
8 contributions required under this Section. To establish credit  
9 under this subsection, the applicant must apply to the System  
10 by July 1, 2008.

11           The Department of Human Services shall pay an employer  
12 contribution based upon an amount determined by the Board to be  
13 equal to the employer's normal cost of the benefit, plus  
14 interest.

15           In compliance with Section 14-152.1 added by Public Act  
16 94-4, the cost of the benefits provided by Public Act 95-583  
17 are offset by the required employee and employer contributions.

18           (t) Any person who rendered contractual services on a  
19 full-time basis to the Illinois Institute of Natural Resources  
20 and the Illinois Department of Energy and Natural Resources may  
21 establish creditable service for up to 4 years of those  
22 contractual services by making the contributions required  
23 under this Section, plus an amount determined by the Board to  
24 be equal to the employer's normal cost of the benefit plus  
25 interest at the actuarially assumed rate from the first day of  
26 the service for which credit is being established to the date

1 of payment. To establish credit under this subsection (t), the  
2 applicant must apply to the System within 6 months after the  
3 effective date of this amendatory Act of the 96th General  
4 Assembly.

5 (Source: P.A. 94-612, eff. 8-18-05; 94-1111, eff. 2-27-07;  
6 95-483, eff. 8-28-07; 95-583, eff. 8-31-07; 95-652, eff.  
7 10-11-07; 95-876, eff. 8-21-08.)

8 Section 90. The State Mandates Act is amended by adding  
9 Section 8.33 as follows:

10 (30 ILCS 805/8.33 new)

11 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8  
12 of this Act, no reimbursement by the State is required for the  
13 implementation of any mandate created by this amendatory Act of  
14 the 96th General Assembly.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.