

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 State Finance Act is amended by changing
5 Section 15a as follows:

6 (30 ILCS 105/15a) (from Ch. 127, par. 151a)

7 Sec. 15a. Contractual services. The item "contractual
8 services", when used in an appropriation act, means and
9 includes:

10 (a) Expenditures incident to the current conduct
11 and operation of an office, department, board,
12 commission, institution or agency for postage and postal
13 charges, surety bond premiums, publications,
14 subscriptions, office conveniences and services,
15 exclusive of commodities as herein defined;

16 (b) Expenditures for rental of property or
17 equipment, repair or maintenance of property or equipment
18 including related supplies, equipment, materials,
19 services, replacement fixtures and repair parts, utility
20 services, professional or technical services, moving
21 expenses incident to a new State employment, and
22 transportation charges exclusive of "travel" as herein
23 defined;

24 (c) Expenditures for the rental of lodgings in
25 Springfield, Illinois and for the payment of utilities
26 used in connection with such lodgings for all elected
27 State officials, who are required by Section 1, Article V
28 of the Constitution of the State of Illinois to reside at
29 the seat of government during their term of office;

30 (d) Expenditures pursuant to multi-year lease,
31 lease-purchase or installment purchase contracts for

1 duplicating equipment authorized by Section 5.1 of the
2 Illinois Purchasing Act;

3 (e) Expenditures of \$5,000 or less per project for
4 improvements to real property which, except for the
5 operation of this Section, would be classified as
6 "permanent improvements" as defined in Section 21;

7 (f) Expenditures pursuant to multi-year lease,
8 lease-purchase or installment purchase contracts for
9 land, permanent improvements or fixtures.

10 The item "contractual services" does not, however,
11 include any expenditures included in "operation of automotive
12 equipment" as defined in Section 24.2.

13 The item "contractual services" does not include any
14 expenditures for professional, technical, or other services
15 performed for a State agency under a contract executed after
16 July 1, the-effective-date-of-this-amendatory-Act-of 1992 by
17 a person who was formerly employed by that agency and has
18 received any early retirement incentive under Section
19 14-108.3 or 16-133.3 of the Illinois Pension Code based on
20 retirement before 1993, unless the official or employee
21 executing the contract on behalf of the agency has certified
22 that the person performing the services either (i) possesses
23 unique expertise, or (ii) is essential to the operation of
24 the agency. This certification must be filed with the Office
25 of the Auditor General prior to the execution of the
26 contract, and shall be made available by that Office for
27 public inspection and copying. The item "contractual
28 services" does not include any expenditures for professional,
29 technical, or other services performed for a State agency
30 under a contract executed after the effective date of this
31 amendatory Act of the 92nd General Assembly by a person who
32 has received any early retirement incentive under Section
33 14-108.3 or 16-133.3 of the Illinois Pension Code based on
34 retirement in 2002 or later. A contract not payable from the

1 contractual services item because of this paragraph shall not
2 be payable from any other item of appropriation. For the
3 purposes of this paragraph, the term "agency" includes all
4 offices, boards, commissions, departments, agencies, and
5 institutions of State government.

6 (Source: P.A. 91-357, eff. 7-29-99.)

7 Section 10. The Illinois Pension Code is amended by
8 changing Sections 14-105, 14-108.3 and 16-133.3 as follows:

9 (40 ILCS 5/14-105) (from Ch. 108 1/2, par. 14-105)

10 Sec. 14-105. Service credit for which contributions are
11 not required.

12 (a) Each employee in service on December 31, 1943, or
13 then on leave of absence not in conflict with Civil Service
14 rules, if such leave had not extended for more than one year
15 continuously, or who is otherwise entitled to prior service
16 credit, who becomes a member shall file with the board on a
17 form supplied by it, a detailed statement of all service
18 rendered prior to January 1, 1944, for which credit is
19 claimed.

20 Upon verification thereof, the board shall issue a prior
21 service certificate certifying length of prior service. A
22 prior service certificate shall be conclusive so long as
23 membership continues, provided, that a member may, within one
24 year from the date of original issuance of the certificate or
25 modification thereof, request the board to modify or correct
26 the certificate.

27 When membership ceases, a prior service certificate shall
28 become void, and shall be revived only under the conditions
29 specified in this Article.

30 In the computation of prior service, the following
31 schedule shall govern: 9 months of service or more during any
32 fiscal year constitutes a year of service; 6 to 9 months, 3/4

1 of a year; 3 to 6 months, 1/2 year; less than 3 months shall
2 not be considered. Credit shall not be allowed for any
3 period of absence without compensation or for less than 15
4 days service in any month, nor shall more than one year of
5 service be creditable for all service rendered in any one
6 fiscal year.

7 (b) Any member shall receive credit for military service
8 provided all of the following conditions are met:

9 (1) the member was a State employee within 6 months
10 immediately prior to entry into military service;

11 (2) the member returns as a State employee within
12 15 months after his unconditional discharge other than by
13 dishonorable discharge; and

14 (3) the member establishes creditable service for
15 State employment immediately prior to and following the
16 military service.

17 The total amount of creditable military service for any
18 member during his entire term of service shall not exceed 5
19 years in the aggregate, except that any member who on July 1,
20 1963, had accrued more than 5 years of such credit shall be
21 entitled to the total amount of such accrued credit.

22 (c) Any active member of the System who (1) was earning
23 eligible creditable service under subdivision (b)(12) of
24 Section 14-110 on January 1, 1992, and (2) has at least 17
25 years of creditable service under Article 5, and (3) is
26 eligible to transfer that creditable service to this System
27 under subsection (c) of Section 5-236 of this Code, and (4)
28 applies in writing for transfer of that creditable service to
29 this System within 30 days after the effective date of this
30 amendatory Act of 1993, shall receive eligible creditable
31 service in this System for that creditable service upon
32 receipt by this System of the amounts transferred under
33 Section 5-236. No additional contributions shall be required
34 for the transferred service.

1 (d) Any active member of the system who (1) was earning
2 eligible creditable service under subdivision (b)(5) of
3 Section 14-110 on January 1, 1992, and (2) has no more than 7
4 years of creditable service as a municipal conservator of the
5 peace under Article 7, and (3) is eligible to transfer that
6 creditable service to this System under subsection (a) of
7 Section 7-139.7 of this Code, and (4) makes written
8 notification to this System by January 31, 1994, shall
9 receive eligible creditable service in this System for that
10 service upon receipt by this System of the amounts
11 transferred under Section 7-139.7. No additional
12 contributions shall be required for the transferred service.

13 (e) Any member may establish creditable service and
14 earnings credit for a period of voluntary or involuntary
15 furlough, not exceeding 5 days, beginning on or after
16 December 1, 2001 and ending before January 1, 2003, that is
17 utilized as a means of addressing a State fiscal emergency.
18 To receive this credit, the member must apply in writing to
19 the System or the member's employer before July 1, 2005. No
20 additional contribution is required for this credit.

21 (Source: P.A. 87-1265.)

22 (40 ILCS 5/14-108.3)

23 Sec. 14-108.3. Early retirement incentives.

24 (a) To be eligible for the benefits provided in this
25 Section, a person must:

26 (1) be a member of this System who, on any day
27 during June, 2002, is (i) in active payroll status in a
28 position of employment with a department and an active
29 contributor to this System with respect to that
30 employment, and terminates that employment before the
31 retirement annuity under this Article begins, or (ii) on
32 layoff status from such a position with a right of
33 re-employment or recall to service, or (iii) receiving

1 benefits under Section 14-123, 14-123.1 or 14-124, but
2 only if the member has not been receiving those benefits
3 for a continuous period of more than 2 years as of the
4 date of application;

5 (2) not have received any retirement annuity under
6 this Article beginning earlier than August 1, 2002;

7 (3) file with the Board on or before December 31,
8 2002 a written application requesting the benefits
9 provided in this Section;

10 (4) terminate employment under this Article no
11 later than December 31, 2002 (or the date established
12 under subsection (d), if applicable);

13 (5) by the date of termination of service, have at
14 least 8 years of creditable service under this Article,
15 without the use of any creditable service established
16 under this Section;

17 (6) by the date of termination of service, have at
18 least 5 years of membership service earned while an
19 employee under this Article, which may include military
20 service for which credit is established under Section
21 14-105(b), service during the qualifying period for which
22 credit is established under Section 14-104(a), and
23 service for which credit has been established by repaying
24 a refund under Section 14-130, but shall not include
25 service for which any other optional service credit has
26 been established; and

27 (7) not receive any early retirement benefit under
28 Section 16-133.3 of this Code.

29 (b) An eligible person may establish up to 5 years of
30 creditable service under this Article, in increments of one
31 month, by making the contributions specified in subsection
32 (c). In addition, for each month of creditable service
33 established under this Section, a person's age at retirement
34 shall be deemed to be one month older than it actually is.

1 The creditable service established under this Section may
2 be used for all purposes under this Article and the
3 Retirement Systems Reciprocal Act, except for the computation
4 of final average compensation under Section 14-103.12 or the
5 determination of compensation under this or any other Article
6 of this Code.

7 The age enhancement established under this Section may
8 not be used to enable any person to begin receiving a
9 retirement annuity calculated under Section 14-110 before
10 actually attaining age 50 (without any age enhancement under
11 this Section). The age enhancement established under this
12 Section may be used for all other purposes under this Article
13 (including calculation of a proportionate annuity payable by
14 this System under the Retirement Systems Reciprocal Act),
15 except for purposes of the level income option in Section
16 14-112, the reversionary annuity under Section 14-113, and
17 the required distributions under Section 14-121.1.

18 The age enhancement established under this Section may be
19 used in determining benefits payable under Article 16 of this
20 Code under the Retirement Systems Reciprocal Act, if the
21 person has at least 5 years of service credit in the Article
22 16 system that was earned while participating in that system
23 as a teacher (as defined in Section 16-106) employed by a
24 department (as defined in Section 14-103.04). Age
25 enhancement established under this Section shall not
26 otherwise be used in determining benefits payable under other
27 Articles of this Code under the Retirement Systems Reciprocal
28 Act.

29 (c) For all creditable service established under this
30 Section, a person must pay to the System an employee
31 contribution to be determined by the System, based on the
32 member's rate of compensation on June 1, 2002 (or the last
33 date before June 1, 2002 for which a rate can be determined)
34 and the retirement contribution rate in effect on June 1,

1 2002 for the member (or for members with the same social
2 security and alternative formula status as the member).

3 If the member receives a lump sum payment for accumulated
4 vacation, sick leave and personal leave upon withdrawal from
5 service, and the net amount of that lump sum payment is at
6 least as great as the amount of the contribution required
7 under this Section, the entire contribution must be paid by
8 the employee by payroll deduction. If there is no such lump
9 sum payment, or if it is less than the contribution required
10 under this Section, the member shall make an initial payment
11 by payroll deduction, equal to the net amount of the lump sum
12 payment for accumulated vacation, sick leave, and personal
13 leave, and have the remaining amount due treated as a
14 reduction from the retirement annuity in 24 equal monthly
15 installments beginning in the month in which the retirement
16 annuity takes effect. The required contribution may be paid
17 as a pre-tax deduction from earnings. For federal and
18 Illinois tax purposes, the monthly amount by which the
19 annuitant's benefit is reduced shall not be treated as a
20 contribution by the annuitant, but rather as a reduction of
21 the annuitant's monthly benefit.

22 (c-5) The reduction in retirement annuity provided in
23 subsection (c) of Section 14-108 does not apply to the
24 annuity of a person who retires under this Section. A person
25 who has received any age enhancement or creditable service
26 under this Section may begin to receive an unreduced
27 retirement annuity upon attainment of age 55 with at least 25
28 years of creditable service (including any age enhancement
29 and creditable service established under this Section).

30 (d) In order to ensure that the efficient operation of
31 State government is not jeopardized by the simultaneous
32 retirement of large numbers of key personnel, the director or
33 other head of a department may, for key employees of that
34 department, extend the December 31, 2002 deadline for

1 terminating employment under this Article established in
2 subdivision (a)(4) of this Section to a date not later than
3 April 30, 2003 by so notifying the System in writing by
4 December 31, 2002.

5 (e) Notwithstanding Section 14-111, a person who has
6 received any age enhancement or creditable service under this
7 Section and who reenters service under this Article (or as an
8 employee of a department under Article 16) other than as a
9 temporary employee thereby forfeits that age enhancement and
10 creditable service and is entitled to a refund of the
11 contributions made pursuant to this Section.

12 (f) The System shall determine the amount of the
13 increase in unfunded accrued liability resulting from the
14 granting of early retirement incentives under this Section
15 and shall report that amount to the Governor and the Pension
16 Laws Commission on or before November 15, 2003. The increase
17 in liability reported under this subsection (f) shall not be
18 included in the calculation of the required State
19 contribution under Section 14-131.

20 (g) The System shall determine the amount of the annual
21 State contribution necessary to amortize on a level
22 dollar-payment basis, over a period of 10 years at 8.5%
23 interest, compounded annually, an amount equal to the
24 increase in unfunded accrued liability determined under
25 subsection (f) minus \$70,000,000. The System shall certify
26 the amount of this annual State contribution to the Governor,
27 the State Comptroller, the Bureau of the Budget, and the
28 Pension Laws Commission on or before November 15, 2003.

29 In addition to the contributions otherwise required under
30 this Article, the State shall appropriate and pay to the
31 System (1) an amount equal to \$70,000,000 in State fiscal
32 year 2004 and (2) in each of State fiscal years 2005 through
33 2013, an amount equal to the annual State contribution
34 certified by the System under this subsection (g).

1 (h) The Pension Laws Commission shall determine and
 2 report to the General Assembly, on or before January 1, 2004
 3 and annually thereafter through the year 2013, its estimate
 4 of (1) the annual amount of payroll savings likely to be
 5 realized by the State as a result of the early retirement of
 6 persons receiving early retirement incentives under this
 7 Section and (2) the net annual savings or cost to the State
 8 from the program of early retirement incentives created under
 9 this Section.

10 The System, the Department of Central Management
 11 Services, the Bureau of the Budget, and all other departments
 12 shall provide to the Commission any assistance that the
 13 Commission may request with respect to its reports under this
 14 Section. The Commission may require departments to provide
 15 it with any information that it deems necessary or useful
 16 with respect to its reports under this Section, including
 17 without limitation information about (1) the final earnings
 18 of former department employees who elected to receive
 19 benefits under this Section, (2) the earnings of current
 20 department employees holding the positions vacated by persons
 21 who elected to receive benefits under this Section, and (3)
 22 positions vacated by persons who elected to receive benefits
 23 under this Section that have not yet been refilled.

24 (i) The changes made to this Section by this amendatory
 25 Act of the 92nd General Assembly do not apply to persons who
 26 retired under this Section on or before May 1, 1992.

27 ~~(a) To be eligible for the benefits provided in this~~
 28 ~~Section, a person must:~~

29 ~~(1) be a member of this System who, on any day~~
 30 ~~during May, 1991, is (i) in active payroll status in a~~
 31 ~~position of employment with a department, or (ii) on~~
 32 ~~layoff status from such a position with a right of~~
 33 ~~re-employment or recall to service, or (iii) on leave of~~
 34 ~~absence from such a position, but only if the member on~~

1 leave-has-not-been-receiving-benefits-under-Section
2 14-123,--14-123.1--or-14-124-for-a-continuous-period-of-2
3 years-or-more-as-of-the-date-of-application;

4 (2)--have-not-retired-under-this-Article;

5 (3)--file-with-the-Board-before-December-1,1991,--a
6 written-application-requesting-the-benefits-provided-in
7 this-Section;

8 (4)--establish-eligibility-to-receive--a--retirement
9 annuity--under--this--Article--(for-which-purpose-any-age
10 enhancement-or-creditable--service--received--under--this
11 Section--may-be-used)--and-elect-to-receive-the-retirement
12 annuity-beginning-not-earlier-than-the-first-day--of--the
13 month-following-the-month-in-which-this-amendatory-Act-of
14 1991-takes-effect,--and-not-later-than-January-1,1992--(or
15 the-date-established-under-subsection-(e)-if-applicable);

16 (5)--have--attained-age-50-or-accumulated-30-or-more
17 years-of-creditable-service--(without-the-use-of--any--age
18 enhancement--or--creditable--service--received-under-this
19 Section)--by-December-31,1991.

20 (b)--An-eligible-person-may-establish-up-to--5--years--of
21 creditable--service--under-this-Article,--in-increments-of-one
22 month,--by-making-the-contributions--specified--in--subsection
23 (c).--In--addition,--for--each--month--of-creditable-service
24 established-under-this-Section,--a-person's-age-at--retirement
25 shall-be-deemed-to-be-one-month-older-than-it-actually-is.

26 The-creditable-service-established-under-this-Section-may
27 be--used--for--all--purposes--under--this--Article--and--the
28 Retirement-Systems-Reciprocal-Act,--except-for-the-computation
29 of-final-average-compensation-under-Section-14-103.12,--or-the
30 determination-of-compensation-under-this-or-any-other-Article
31 of-this-Code.

32 The-age-enhancement-established-under-this-Section-may-be
33 used--for--all--purposes--under--this--Article--(including
34 calculation-of-a-proportionate-annuity-payable-by-this-System

1 under the Retirement Systems Reciprocal Act, except for
2 purposes of the level income option in Section 14-112, the
3 reversionary annuity under Section 14-113, and the required
4 distributions under Section 14-121.1. However, age
5 enhancement established under this Section shall not be used
6 in determining benefits payable under other Articles of this
7 Code under the Retirement Systems Reciprocal Act.

8 (c) For all creditable service established under this
9 Section, a person must pay to the System an employee
10 contribution to be determined by the System, based on the
11 member's final rate of compensation and one-half of the
12 retirement contribution rate in effect for the member on the
13 date of withdrawal.

14 If the member receives a lump sum payment for accumulated
15 vacation, sick leave and personal leave upon withdrawal from
16 service, and the net amount of that lump sum payment is at
17 least as great as the amount of the contribution required
18 under this Section, the entire contribution (or so much of it
19 as does not exceed the contribution limitations of Section
20 415 of the Internal Revenue Code of 1986) must be paid by the
21 employee before the retirement annuity may become payable.
22 If there is no such lump sum payment, or if it is less than
23 the contribution required under this Section the member may
24 either pay the entire contribution before the retirement
25 annuity becomes payable, or may instead make an initial
26 payment before the retirement annuity becomes payable, equal
27 to the net amount of the lump sum payment for accumulated
28 vacation, sick leave and personal leave (or so much of it as
29 does not exceed the contribution limitations of Section 415
30 of the Internal Revenue Code of 1986), and have the remaining
31 amount due deducted from the retirement annuity in 24 equal
32 monthly installments beginning in January of 1992 or in the
33 month in which the retirement annuity takes effect, whichever
34 is later.

1 However, if the net amount of the lump sum payment for
 2 accumulated vacation, sick leave and personal leave equals or
 3 exceeds the contribution required under this Section, but the
 4 required contribution exceeds an applicable contribution
 5 limitation contained in Section 415 of the Internal Revenue
 6 Code of 1986, then the amount of the contribution in excess
 7 of the Section 415 limitation shall instead be paid by the
 8 annuitant in January of 1992 or in the month in which the
 9 retirement annuity takes effect, whichever is later. If this
 10 additional amount is not paid as required, the retirement
 11 annuity shall be suspended until the required contribution is
 12 received.

13 (d) In the event that the age enhancement or creditable
 14 service received under this Section result in a retirement
 15 benefit that exceeds any applicable benefit limitation
 16 contained in Section 415 of the Internal Revenue Code of
 17 1986, the amount of the retirement benefit that exceeds the
 18 Section 415 limitation shall not be paid for any period to
 19 which the limitation is applicable. If no contributions are
 20 otherwise due in 1992 and 1993 under subsection (c) from an
 21 annuitant whose retirement benefits are subject to limitation
 22 under this subsection, then 10% of the contribution otherwise
 23 required under subsection (c) to be paid before the
 24 retirement annuity becomes payable shall instead be
 25 contributed to the System by the annuitant in January of
 26 1993.

27 (e) In order to ensure that the public health and safety
 28 are not jeopardized by the simultaneous retirement of large
 29 numbers of critical personnel, the Director of State Police
 30 (for State police officers under the Department of State
 31 Police) and the Director of Corrections (for security staff
 32 at adult and juvenile institutions under the Department of
 33 Corrections) may extend the January 1, 1992 deadline for the
 34 effective date of a retirement annuity established in

1 subdivision--(a)(4)--of-this-Section-to-a-date-not-later-than
2 May-17-19927-by-so-notifying-the-System-in-writing--no--later
3 than-December-317-1991.

4 In--order--to--ensure-that-the-efficient-operation-of-the
5 courts-of-this-State-is-not-jeopardized-by--the--simultaneous
6 retirement--of--large--numbers--of-court-reporters7-the-Chief
7 Justice-of-the-Illinois-Supreme-Court-may7-for-official-court
8 reporters-employed-in-the-courts-of-this--State7--extend--the
9 January--17--1992--deadline--for--the--effective--date--of--a
10 retirement--annuity-established-in-subdivision-(a)(4)-of-this
11 Section-to-a-date-not-later-than-May-17-19927-by-so-notifying
12 the-System-in-writing-no-later-than-December-317-1991.

13 (f)--Notwithstanding-Section-14-1117-an-annuitant-who-has
14 received-any-age-enhancement-or-creditable-service-under-this
15 Section-and-who-reenters-service--under--this--Article--other
16 than--as--a-temporary-employee-shall-thereby-forfeit-such-age
17 enhancement-and-creditable-service7-and-become-entitled-to--a
18 refund-of-the-contributions-made-pursuant-to-this-Section.

19 (Source: P.A. 87-14.)

20 (40 ILCS 5/16-133.3) (from Ch. 108 1/2, par. 16-133.3)
21 Sec. 16-133.3. Early retirement incentives for State
22 employees.

23 (a) To be eligible for the benefits provided in this
24 Section, a person must:

25 (1) be a member of this System who, on any day
26 during June, 2002, is (i) in active payroll status as a
27 full-time teacher employed by a department and an active
28 contributor to this System with respect to that
29 employment, or (ii) on layoff status from such a position
30 with a right of re-employment or recall to service, or
31 (iii) receiving a disability benefit under Section 16-149
32 or 16-149.1, but only if the member has not been
33 receiving that benefit for a continuous period of more

1 than 2 years as of the date of application;

2 (2) not have received any retirement annuity under
3 this Article beginning earlier than August 1, 2002;

4 (3) file with the Board on or before December 31,
5 2002 a written application requesting the benefits
6 provided in this Section;

7 (4) terminate employment under this Article no
8 later than December 31, 2002 (or the date established
9 under subsection (d), if applicable);

10 (5) by the date of termination of service, have at
11 least 8 years of creditable service under this Article,
12 without the use of any creditable service established
13 under this Section;

14 (6) by the date of termination of service, have at
15 least 5 years of service credit earned while
16 participating in the System as a teacher employed by a
17 department; and

18 (7) not receive any early retirement benefit under
19 Section 14-108.3 of this Code.

20 For the purposes of this Section, "department" means a
21 department as defined in Section 14-103.04 that employs a
22 teacher as defined in this Article.

23 (b) An eligible person may establish up to 5 years of
24 creditable service under this Article by making the
25 contributions specified in subsection (c). In addition, for
26 each period of creditable service established under this
27 Section, a person's age at retirement shall be deemed to be
28 enhanced by an equivalent period.

29 The creditable service established under this Section may
30 be used for all purposes under this Article and the
31 Retirement Systems Reciprocal Act, except for the computation
32 of final average salary, the determination of salary or
33 compensation under this Article or any other Article of this
34 Code, or the determination of eligibility for or the

1 computation of benefits under Section 16-133.2.

2 The age enhancement established under this Section may be
3 used for all purposes under this Article (including
4 calculation of a proportionate annuity payable by this System
5 under the Retirement Systems Reciprocal Act), except for
6 purposes of a retirement annuity under Section 16-133(a)(A),
7 a reversionary annuity under Section 16-136, the required
8 distributions under Section 16-142.3, and the determination
9 of eligibility for or the computation of benefits under
10 Section 16-133.2. Age enhancement established under this
11 Section may be used in determining benefits payable under
12 Article 14 of this Code under the Retirement Systems
13 Reciprocal Act (subject to the limitations on the use of age
14 enhancement provided in Section 14-108.3); age enhancement
15 established under this Section shall not be used in
16 determining benefits payable under other Articles of this
17 Code under the Retirement Systems Reciprocal Act.

18 (c) For all creditable service established under this
19 Section, a person must pay to the System an employee
20 contribution to be determined by the System, equal to 9.0% of
21 the member's highest annual salary rate that would be used in
22 the determination of the average salary for retirement
23 annuity purposes if the member retired immediately after
24 withdrawal, for each year of creditable service established
25 under this Section.

26 If the member receives a lump sum payment for accumulated
27 vacation, sick leave, and personal leave upon withdrawal from
28 service, and the net amount of that lump sum payment is at
29 least as great as the amount of the contribution required
30 under this Section, the entire contribution must be paid by
31 the employee by payroll deduction. If there is no such lump
32 sum payment, or if it is less than the contribution required
33 under this Section, the member shall make an initial payment
34 by payroll deduction, equal to the net amount of the lump sum

1 payment for accumulated vacation, sick leave, and personal
 2 leave, and have the remaining amount due treated as a
 3 reduction from the retirement annuity in 24 equal monthly
 4 installments beginning in the month in which the retirement
 5 annuity takes effect. The required contribution may be paid
 6 as a pre-tax deduction from earnings.

7 (d) In order to ensure that the efficient operation of
 8 State government is not jeopardized by the simultaneous
 9 retirement of large numbers of key personnel, the director or
 10 other head of a department may, for key employees of that
 11 department, extend the December 31, 2002 deadline for
 12 terminating employment under this Article established in
 13 subdivision (a)(4) of this Section to a date not later than
 14 April 30, 2003 by so notifying the System in writing by
 15 December 31, 2002.

16 (e) A person who has received any age enhancement or
 17 creditable service under this Section and who reenters
 18 contributing service under this Article or Article 14 shall
 19 thereby forfeit that age enhancement and creditable service,
 20 and become entitled to a refund of the contributions made
 21 pursuant to this Section.

22 (f) The System shall determine the amount of the
 23 increase in unfunded accrued liability resulting from the
 24 granting of early retirement incentives under this Section
 25 and shall report that amount to the Governor and the Pension
 26 Laws Commission on or before November 15, 2003. The increase
 27 in liability reported under this subsection (f) shall not be
 28 included in the calculation of the required State
 29 contribution under Section 16-158.

30 (g) The System shall determine the amount of the annual
 31 State contribution necessary to amortize on a level
 32 dollar-payment basis, over a period of 10 years at 8.5%
 33 interest, compounded annually, an amount equal to the
 34 increase in unfunded accrued liability determined under

1 subsection (f) minus \$1,000,000. The System shall certify
2 the amount of this annual State contribution to the Governor,
3 the State Comptroller, the Bureau of the Budget, and the
4 Pension Laws Commission on or before November 15, 2003.

5 In addition to the contributions otherwise required under
6 this Article, the State shall appropriate and pay to the
7 System (1) an amount equal to \$1,000,000 in State fiscal year
8 2004 and (2) in each of State fiscal years 2005 through 2013,
9 an amount equal to the annual State contribution certified by
10 the System under this subsection (g).

11 (h) The Pension Laws Commission shall determine and
12 report to the General Assembly, on or before January 1, 2004
13 and annually thereafter through the year 2013, its estimate
14 of (1) the annual amount of payroll savings likely to be
15 realized by the State as a result of the early retirement of
16 persons receiving early retirement incentives under this
17 Section and (2) the net annual savings or cost to the State
18 from the program of early retirement incentives created under
19 this Section.

20 The System, the Department of Central Management
21 Services, the Bureau of the Budget, and all other departments
22 shall provide to the Commission any assistance that the
23 Commission may request with respect to its reports under this
24 Section. The Commission may require departments to provide
25 it with any information that it deems necessary or useful
26 with respect to its reports under this Section, including
27 without limitation information about (1) the final earnings
28 of former department employees who elected to receive
29 benefits under this Section, (2) the earnings of current
30 department employees holding the positions vacated by persons
31 who elected to receive benefits under this Section, and (3)
32 positions vacated by persons who elected to receive benefits
33 under this Section that have not yet been refilled.

34 (i) The changes made to this Section by this amendatory

1 Act of the 92nd General Assembly do not apply to persons who
2 retired under this Section on or before May 1, 1992.

3 (a) -- To be eligible for the benefits provided in this
4 Section, a member must:

5 (1) -- be a member of this System who, on any day
6 during May, 1991, is (i) in active payroll status as a
7 full-time teacher employed by the Department of
8 Rehabilitation Services, the Department of Corrections,
9 the Department of Mental Health and Developmental
10 Disabilities, the Teachers' Retirement System of the
11 State of Illinois, the State Board of Education, or the
12 Illinois Purchased Care Review Board, or (ii) on layoff
13 status from such a position with a right of re-employment
14 or recall to service, or (iii) on a leave of absence from
15 such a position, but only if the member on leave has not
16 been receiving benefits under Section 16-149 or 16-149.1
17 for a continuous period of 2 years or more as of the date
18 of application;

19 (2) -- have never previously received a retirement
20 annuity under this Article or Article 14, 15 or 17;

21 (3) -- file with the Board before December 1, 1991, a
22 written application requesting the benefits provided in
23 this Section;

24 (4) -- be eligible no later than January 1, 1992, to
25 receive a retirement annuity under this Article (for
26 which purpose any age enhancement or creditable service
27 received under this Section may be used) and elect to
28 receive the retirement annuity beginning not earlier than
29 the first day of the month following the month in which
30 this amendatory Act of 1991 takes effect, and not later
31 than January 1, 1992;

32 (5) -- have attained age 50 (without the use of any
33 age enhancement received under this Section) by December
34 31, 1991;

1 (6) -- have -- at -- least -- 5 -- years -- of -- creditable -- service
2 under -- this -- System -- or -- any -- of -- the -- participating -- systems
3 under -- the -- Retirement -- Systems -- Reciprocal -- Act -- (without -- the
4 use -- of -- any -- creditable -- service -- received -- under -- this
5 Section) -- by -- the -- effective -- date -- of -- the -- retirement -- annuity;
6 and

7 (7) -- have -- paid -- all -- applicable -- contributions -- as
8 required -- by -- this -- Section; -- however, -- the -- date -- such
9 contributions -- are -- received -- by -- the -- System -- shall -- not -- be
10 considered -- in -- determining -- the -- effective -- date -- of
11 retirement.

12 (b) -- An -- eligible -- person -- may -- establish -- up -- to -- 5 -- years -- of
13 creditable -- service -- under -- this -- Article -- by -- making -- the
14 contributions -- specified -- in -- subsection -- (c). -- In -- addition, -- for
15 each -- period -- of -- creditable -- service -- established -- under -- this
16 Section -- a -- person -- shall -- have -- his -- or -- her -- age -- at -- retirement
17 deemed -- enhanced -- by -- an -- equivalent -- period.

18 The -- creditable -- service -- established -- under -- this -- Section -- may
19 be -- used -- for -- all -- purposes -- under -- this -- Article -- and -- the
20 Retirement -- Systems -- Reciprocal -- Act, -- except -- for -- the -- computation
21 of -- final -- average -- salary, -- the -- determination -- of -- salary -- or
22 compensation -- under -- this -- or -- any -- other -- Article -- of -- the -- Code, -- or
23 the -- determination -- of -- eligibility -- for -- and -- the -- computation -- of
24 benefits -- under -- Section -- 16 -- 133.2 -- of -- this -- Article.

25 The -- age -- enhancement -- established -- under -- this -- Section -- may -- be
26 used -- for -- all -- purposes -- under -- this -- Article -- (including
27 calculation -- of -- a -- proportionate -- annuity -- payable -- by -- this -- System
28 under -- the -- Retirement -- Systems -- Reciprocal -- Act), -- except -- for
29 purposes -- of -- a -- reversionary -- annuity -- under -- Section -- 16 -- 136, -- the
30 retirement -- annuity -- under -- Section -- 16 -- 133(a)(A), -- the -- required
31 distributions -- under -- Section -- 16 -- 142.3, -- and -- the -- determination
32 of -- eligibility -- for -- and -- the -- computation -- of -- benefits -- under
33 Section -- 16 -- 133.2 -- of -- this -- Article. -- However, -- age -- enhancement
34 established -- under -- this -- Section -- shall -- not -- be -- used -- in

1 determining-benefits-payable-under--other--Articles--of--this
2 Code-under-the-Retirement-Systems-Reciprocal-Act.

3 (c)--For--all--creditable--service-established-under-this
4 Section,--a--member--must--pay--to--the--System--an--employee
5 contribution-consisting-of-4%-of-the-member's-highest--annual
6 salary--rate--used-in-the-determination-of-the-average-salary
7 for-retirement-annuity--purposes--for--each--year--creditable
8 service-has-been-increased-under-this-Section.

9 If-the-member-receives-a-lump-sum-payment-for-accumulated
10 vacation,--sick-leave-and-personal-leave-upon-withdrawal-from
11 service,--and-the-net-amount-of-that-lump-sum--payment--is--at
12 least--as--great--as--the-amount-of-the-contribution-required
13 under-this-Section,--the-entire-contribution-must-be--paid--by
14 the--employee--before--the--retirement--annuity--may--become
15 payable.--If-there-is-no-such-lump-sum-payment,--or-if--it--is
16 less--than--the-contribution-required-under-this-Section,--the
17 member-may-either-pay--the--entire--contribution--before--the
18 retirement--annuity--becomes--payable,--or-may-instead-make-an
19 initial--payment--before--the--retirement--annuity--becomes
20 payable,--equal-to-the-net-amount-of-the-lump-sum-payment-for
21 accumulated-vacation,--sick-leave-and-personal-leave,--and-have
22 the-remaining-amount-due-deducted-from-the-retirement-annuity
23 in-24-equal-monthly--installments--beginning--in--January--of
24 1992.

25 (d)--An-annuitant-who-has-received-any-age-enhancement-or
26 creditable--service--under--this--Section--and--who-re-enters
27 contributing-service-under-this-Article-or-Article-14,--15--or
28 17,--shall-thereby-forfeit-such-age-enhancement-and-creditable
29 service,--and--upon--re-retirement--the--annuity--shall--be
30 recomputed.--Upon-forfeiting-creditable--service--under--this
31 subsection,--a--person--shall--be-entitled-to-a-refund-of-the
32 contribution-paid-under-this-Section.

33 (Source: P.A. 89-21, eff. 7-1-95.)

1 Section 15. The State Pension Funds Continuing
2 Appropriation Act is amended by adding Section 1.6 as
3 follows:

4 (40 ILCS 15/1.6 new)

5 Sec. 1.6. Appropriations for early retirement programs.

6 (a) There is hereby appropriated from the General
7 Revenue Fund to the State Employees' Retirement System of
8 Illinois, on a continuing annual basis in each of State
9 fiscal years 2004 through 2013, the amount, if any, by which
10 the total available amount of all other appropriations to
11 that retirement system for the payment of State contributions
12 under subsection (g) of Section 14-108.3 of the Illinois
13 Pension Code in that fiscal year is less than the total
14 amount of State contributions required for that fiscal year
15 under that subsection (g).

16 (b) There is hereby appropriated from the General
17 Revenue Fund to the Teachers' Retirement System of the State
18 of Illinois, on a continuing annual basis in each of State
19 fiscal years 2004 through 2013, the amount, if any, by which
20 the total available amount of all other appropriations to
21 that retirement system for the payment of State contributions
22 under subsection (g) of Section 16-133.3 of the Illinois
23 Pension Code in that fiscal year is less than the total
24 amount of State contributions required for that fiscal year
25 under that subsection (g).

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.