AN ACT in relation to public employee benefits.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Pension Code is amended by changing Sections 1-113, 13-213, 13-302, 13-306, and 13-308 as follows:

(40 ILCS 5/1-113) (from Ch. 108 1/2, par. 1-113)

Sec. 1-113. Investment authority of certain pension funds, not including those established under Article 3 or 4. The investment authority of a board of trustees of a retirement system or pension fund established under this Code shall, if so provided in the Article establishing such retirement system or pension fund, embrace the following investments:

(1) Bonds, notes and other direct obligations of the United States Government; bonds, notes and other obligations of any United States Government agency or instrumentality, whether or not guaranteed; and obligations the principal and interest of which are guaranteed unconditionally by the United States Government or by an agency or instrumentality thereof.

(2) Obligations of the Inter-American Development Bank, the International Bank for Reconstruction and Development, the African Development Bank, the International Finance Corporation, and the Asian Development Bank.

(3) Obligations of any state, or of any political subdivision in Illinois, or of any county or city in any other state having a population as shown by the last federal census of not less than 30,000 inhabitants provided that such political subdivision is not permitted by law to become indebted in excess of 10% of the assessed valuation of

property therein and has not defaulted for a period longer than 30 days in the payment of interest and principal on any of its general obligations or indebtedness during a period of 10 calendar years immediately preceding such investment.

(4) Nonconvertible bonds, debentures, notes and other corporate obligations of any corporation created or existing under the laws of the United States or any state, district or territory thereof, provided there has been no default on the obligations of the corporation or its predecessor(s) during the 5 calendar years immediately preceding the purchase. Up to 5% of the assets of a pension fund established under Article 9 of this Code may be invested in nonconvertible bonds, debentures, notes, and other corporate obligations of corporations created or existing under the laws of a foreign country, provided there has been no default on the obligations of the corporation or its predecessors during the 5 calendar years immediately preceding the date of purchase.

(5) Obligations guaranteed by the Government of Canada, or by any Province of Canada, or by any Canadian city with a population of not less than 150,000 inhabitants, provided (a) they are payable in United States currency and are exempt from any Canadian withholding tax; (b) the investment in any one issue of bonds shall not exceed 10% of the amount outstanding; and (c) the total investments at book value in Canadian securities shall be limited to 5% of the total investment account of the board at book value.

(5.1) Direct obligations of the State of Israel for the payment of money, or obligations for the payment of money which are guaranteed as to the payment of principal and interest by the State of Israel, or common or preferred stock or notes issued by a bank owned or controlled in whole or in part by the State of Israel, on the following conditions:

(a) The total investments in such obligations shall not exceed 5% of the book value of the aggregate investments owned by the board;

(b) The State of Israel shall not be in default in the payment of principal or interest on any of its direct general obligations on the date of such investment;

(c) The bonds, stock or notes, and interest thereon shall be payable in currency of the United States;

(d) The bonds shall (1) contain an option for the redemption thereof after 90 days from date of purchase or (2) either become due 5 years from the date of their purchase or be subject to redemption 120 days after the date of notice for redemption;

(e) The investment in these obligations has been approved in writing by investment counsel employed by the board, which counsel shall be a national or state bank or trust company authorized to do a trust business in the State of Illinois, or an investment advisor qualified under the Federal Investment Advisors Act of 1940 and registered under the Illinois Securities Act of 1953;

(f) The fund or system making the investment shall have at least $5,000,000 of net present assets.

(6) Notes secured by mortgages under Sections 203, 207, 220 and 221 of the National Housing Act which are insured by the Federal Housing Commissioner, or his successor assigns, or debentures issued by such Commissioner, which are guaranteed as to principal and interest by the Federal Housing Administration, or agency of the United States Government, provided the aggregate investment shall not exceed 20% of the total investment account of the board at book value, and provided further that the investment in such notes under Sections 220 and 221 shall in no event exceed one-half of the maximum investment in notes under this paragraph.

(7) Loans to veterans guaranteed in whole or part by the United States Government pursuant to Title III of the Act of

Congress known as the "Servicemen's Readjustment Act of 1944," 58 Stat. 284, 38 U.S.C. 693, as amended or supplemented from time to time, provided such guaranteed loans are liens upon real estate.

(8) Common and preferred stocks and convertible debt securities authorized for investment of trust funds under the laws of the State of Illinois, provided:

(a) the common stocks, except as provided in subparagraph (g), are listed on a national securities exchange or board of trade, as defined in the federal Securities Exchange Act of 1934, or quoted in the National Association of Securities Dealers Automated Quotation System (NASDAQ);

(b) the securities are of a corporation created or existing under the laws of the United States or any state, district or territory thereof, except that up to 5% of the assets of a pension fund established under Article 9 of this Code may be invested in securities issued by corporations created or existing under the laws of a foreign country, if those securities are otherwise in conformance with this paragraph (8);

(c) the corporation is not in arrears on payment of dividends on its preferred stock;

(d) the total book value of all stocks and convertible debt owned by any pension fund or retirement system shall not exceed 40% of the aggregate book value of all investments of such pension fund or retirement system, except for a pension fund or retirement system governed by Article 9~~, 13,~~ or 17, where the total of all stocks and convertible debt shall not exceed 50% of the aggregate book value of all fund investments, and except for a pension fund or retirement system governed by Article 13, where the total market value of all stocks and convertible debt shall not exceed 65% of the aggregate market value of all fund investments;

(e) the book value of stock and convertible debt investments in any one corporation shall not exceed 5% of the total investment account at book value in which such securities are held, determined as of the date of the investment, and the investments in the stock of any one corporation shall not exceed 5% of the total outstanding stock of such corporation, and the investments in the convertible debt of any one corporation shall not exceed 5% of the total amount of such debt that may be outstanding;

(f) the straight preferred stocks or convertible preferred stocks and convertible debt securities are issued or guaranteed by a corporation whose common stock qualifies for investment by the board; and

(g) that any common stocks not listed or quoted as provided in subdivision 8(a) above be limited to the following types of institutions: (a) any bank which is a member of the Federal Deposit Insurance Corporation having capital funds represented by capital stock, surplus and undivided profits of at least $20,000,000; (b) any life insurance company having capital funds represented by capital stock, special surplus funds and unassigned surplus totalling at least $50,000,000; and (c) any fire or casualty insurance company, or a combination thereof, having capital funds represented by capital stock, net surplus and voluntary reserves of at least $50,000,000.

(9) Withdrawable accounts of State chartered and federal chartered savings and loan associations insured by the Federal Savings and Loan Insurance Corporation; deposits or certificates of deposit in State and national banks insured by the Federal Deposit Insurance Corporation; and share accounts or share certificate accounts in a State or federal

credit union, the accounts of which are insured as required by the Illinois Credit Union Act or the Federal Credit Union Act, as applicable.

No bank or savings and loan association shall receive investment funds as permitted by this subsection (9), unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act.

(10) Trading, purchase or sale of listed options on underlying securities owned by the board.

(11) Contracts and agreements supplemental thereto providing for investments in the general account of a life insurance company authorized to do business in Illinois.

(12) Conventional mortgage pass-through securities which are evidenced by interests in Illinois owner-occupied residential mortgages, having not less than an "A" rating from at least one national securities rating service. Such mortgages may have loan-to-value ratios up to 95%, provided that any amount over 80% is insured by private mortgage insurance. The pool of such mortgages shall be insured by mortgage guaranty or equivalent insurance, in accordance with industry standards.

(13) Pooled or commingled funds managed by a national or State bank which is authorized to do a trust business in the State of Illinois, shares of registered investment companies as defined in the federal Investment Company Act of 1940 which are registered under that Act, and separate accounts of a life insurance company authorized to do business in Illinois, where such pooled or commingled funds, shares, or separate accounts are comprised of common or preferred stocks, bonds, or money market instruments.

(14) Pooled or commingled funds managed by a national or state bank which is authorized to do a trust business in the State of Illinois, separate accounts managed by a life insurance company authorized to do business in Illinois, and

commingled group trusts managed by an investment adviser registered under the federal Investment Advisors Act of 1940 (15 U.S.C. 80b-1 et seq.) and under the Illinois Securities Law of 1953, where such pooled or commingled funds, separate accounts or commingled group trusts are comprised of real estate or loans upon real estate secured by first or second mortgages. The total investment in such pooled or commingled funds, commingled group trusts and separate accounts shall not exceed 10% of the aggregate book value of all investments owned by the fund.

(15) Investment companies which (a) are registered as such under the Investment Company Act of 1940, (b) are diversified, open-end management investment companies and (c) invest only in money market instruments.

(16) Up to 10% of the assets of the fund may be invested in investments not included in paragraphs (1) through (15) of this Section, provided that such investments comply with the requirements and restrictions set forth in Sections 1-109, 1-109.1, 1-109.2, 1-110 and 1-111 of this Code.

The board shall have the authority to enter into such agreements and to execute such documents as it determines to be necessary to complete any investment transaction.

Any limitations herein set forth shall be applicable only at the time of purchase and shall not require the liquidation of any investment at any time.

All investments shall be clearly held and accounted for to indicate ownership by such board. Such board may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

Investments shall be carried at cost or at a value determined in accordance with generally accepted accounting

principles and accounting procedures approved by such board.
(Source: P.A. 90-12, eff. 6-13-97; 90-507, eff. 8-22-97; 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

(40 ILCS 5/13-213) (from Ch. 108 1/2, par. 13-213)

Sec. 13-213. "Contributions": Any moneys paid or payable to ~~into~~ the Fund by the District or by any employee, or any salary deduction hereunder.
(Source: P.A. 87-794.)

(40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)

Sec. 13-302. Computation of retirement annuity.

(a) Computation of annuity. An employee who withdraws from service on or after July 1, 1989 and who has met the age and service requirements and other conditions for eligibility set forth in Section 13-301 of this Article is entitled to receive a retirement annuity for life equal to 2.2% of average final salary for each of the first 20 years of service, and 2.4% of average final salary for each year of service in excess of 20. The retirement annuity shall not exceed 80% of average final salary.

(b) Early retirement discount. If an employee retires prior to attainment of age 60 with less than 30 years of service, the annuity computed above shall be reduced by 1/2 of 1% for each full month between the date the annuity begins and attainment of age 60, or each full month by which the employee's service is less than 30 years, whichever is less. However, where the employee first enters service after June 13, 1997 ~~the effective date of this amendatory Act of 1997~~ and does not have at least 10 years of service exclusive of credit under Article 20, the annuity computed above shall be reduced by 1/2 of 1% for each full month between the date the annuity begins and attainment of age 60.

(c) (Blank). ~~Early retirement without discount. An~~

~~employee--who--has-attained-age-50-and-retires-after-December 31,-1987-and-before-June-30,-1997,-and-who-retires--within--6 months--of--the--last--day-for-which-retirement-contributions were-required,-may-elect-at-the-time-of-application-to-make-a one-time-employee-contribution-to-the-Fund-and-thereby--avoid the--early--retirement-reduction-specified-in-subsection-(b). The-exercise-of-the-election-shall-also-obligate-the-employer to-make-a-one-time-nonrefundable-contribution-to-the-Fund.~~

~~The-one-time-employee-and-employer-contributions-shall-be a-percentage-of-the-retiring-employee's-last-full-time-annual salary,-calculated-as-the-total-amount-paid-during--the--last 260-work-days-immediately-prior-to-the-date-of-withdrawal,-or if--not-full-time-then-the-full-time-equivalent,-and-based-on the-employee's-age-and-service-at-retirement.---The--employee contribution-rate-shall-be-7%-multiplied-by-the-lesser-of-the following--2--numbers:--(1)--the--number-of-years,-or-portion thereof,-that-the-employee-is-less-than-age-60;--or--(2)--the number--of--years,--or--portion--thereof,-that-the-employee's service-is-less-than-30--years.---The--employer--contribution shall--be--at--the--rate--of--20%--for--each-year,-or-portion thereof,-that-the-participant-is-less-than-age-60.~~

~~Upon--receipt--of--the--application,--the---Board---shall determine----the----corresponding---employee---and---employer contributions.--The-annuity-shall-not-be-payable--under--this subsection--until--both--the-required-contributions-have-been received-by-the-Fund.--However,-the--date--the--contributions are--received--shall--not--be--considered--in-determining-the effective-date-of-retirement.~~

~~The-number-of-employees-who-may-retire-under-this-Section in-any-year-may-be-limited-at-the-option-of-the-District-to-a specified-percentage-of-those-eligible,-not-lower--than--30%, with--the--right--to--participate-to-be-allocated-among-those applying-on-the-basis-of-seniority--in--the--service--of--the employer.~~

~~An---employee---who---has---terminated---employment---and subsequently-re-enters-service-shall-not-be-entitled-to-early retirement--without-discount-under-this-subsection-unless-the employee-continues-in-service-for--at--least--4--years--after re-entry.~~

(c-1) Early retirement without discount; retirement after June 29, 1997. An employee who (i) has attained age 55 (age 50 if the employee first entered service before June 13, 1997) ~~the-effective-date-of-this--amendatory--Act--of--1997)~~, (ii) has at least 10 years of service exclusive of credit under Article 20, (iii) retires after June 29, 1997 and before January 1, 2003, and (iv) retires within 6 months of the last day for which retirement contributions were required, may elect at the time of application to make a one-time employee contribution to the Fund and thereby avoid the early retirement reduction specified in subsection (b). The exercise of the election shall also obligate the employer to make a one-time nonrefundable contribution to the Fund.

The one-time employee and employer contributions shall be a percentage of the retiring employee's highest full-time annual salary, calculated as the total amount of salary included in the highest 26 consecutive pay periods as used in the average final salary calculation, and based on the employee's age and service at retirement. The employee rate shall be 7% multiplied by the lesser of the following 2 numbers: (1) the number of years, or portion thereof, that the employee is less than age 60; or (2) the number of years, or portion thereof, that the employee's service is less than 30 years. The employer contribution shall be at the rate of 20% for each year, or portion thereof, that the participant is less than age 60.

Upon receipt of the application, the Board shall determine the corresponding employee and employer contributions. The annuity shall not be payable under this subsection until both the required contributions have been received by the Fund. However, the date the contributions are received shall not be considered in determining the effective date of retirement.

The number of employees who may retire under this Section in any year may be limited at the option of the District to a specified percentage of those eligible, not lower than 30%, with the right to participate to be allocated among those applying on the basis of seniority in the service of the employer.

An employee who has terminated employment and subsequently re-enters service shall not be entitled to early retirement without discount under this subsection unless the employee continues in service for at least 4 years after re-entry.

(d) Annual increase. Except for employees retiring and receiving a term annuity, an employee who retires on or after July 1, 1985 <u>but before the effective date of this amendatory Act of the 92nd General Assembly</u> shall, upon the first payment date following the first anniversary of the date of retirement, have the monthly annuity increased by 3% of the amount of the monthly annuity fixed at the date of retirement. <u>Except for employees retiring and receiving a term annuity, an employee who retires on or after the effective date of this amendatory Act of the 92nd General Assembly shall, on the first day of the month in which the first anniversary of the date of retirement occurs, have the monthly annuity increased by 3% of the amount of the monthly annuity fixed at the date of retirement.</u> The monthly annuity shall be increased by an additional 3% on the same date each year thereafter. Beginning January 1, 1993, all annual increases payable under this subsection (or any predecessor provision, regardless of the date of retirement) shall be calculated at the rate of 3% of the monthly annuity payable at the time of the increase, including any increases previously granted under this Article.

Any employee who (i) retired before July 1, 1985 with at least 10 years of creditable service, (ii) is receiving a retirement annuity under this Article, other than a term annuity, and (iii) has not received any annual increase under this subsection, shall begin receiving the annual increases provided under this subsection (d) beginning on the next annuity payment date following the effective date of this amendatory Act of 1997.

(e) Minimum retirement annuity. Beginning January 1, 1993, the minimum monthly retirement annuity shall be $500 for any annuitant having at least 10 years of service under this Article, other than a term annuitant or an annuitant who began receiving the annuity before attaining age 60. Any such annuitant who is receiving a monthly annuity of less than $500 shall have the annuity increased to $500 on that date.

Beginning January 1, 1993, the minimum monthly retirement annuity shall be $250 for any annuitant (other than a term or reciprocal annuitant or an annuitant under subsection (d) of Section 13-301) having less than 10 years of service under this Article, and for any annuitant (other than a term annuitant) having at least 10 years of service under this Article who began receiving the annuity before attaining age 60. Any such annuitant who is receiving a monthly annuity of less than $250 shall have the annuity increased to $250 on that date.

<u>Beginning on the first day of the month following the month in which this amendatory Act of the 92nd General Assembly takes effect (and without regard to whether the annuitant was in service on or after that effective date), the minimum monthly retirement annuity for any annuitant having at least 10 years of service, other than an annuitant</u>

whose annuity is subject to an early retirement discount, shall be $500 plus $25 for each year of service in excess of 10, not to exceed $750 for an annuitant with 20 or more years of service. In the case of a reciprocal annuity, this minimum shall apply only if the annuitant has at least 10 years of service under this Article, and the amount of the minimum annuity shall be reduced by the sum of all the reciprocal annuities payable to the annuitant by other participating systems under Article 20 of this Code.

Notwithstanding any other provision of this subsection, beginning on the first annuity payment date following the effective date of this amendatory Act of the 92nd General Assembly, an employee who retired before August 23, 1989 with at least 10 years of service under this Article but before attaining age 60 (regardless of whether the retirement annuity was subject to an early retirement discount) shall be entitled to the same minimum monthly retirement annuity under this subsection as an employee who retired with at least 10 years of service under this Article and after attaining age 60.

(Source: P.A. 90-12, eff. 6-13-97.)

(40 ILCS 5/13-306) (from Ch. 108 1/2, par. 13-306)

Sec. 13-306. Computation of surviving spouse's annuity.

(a) Computation of the annuity. The surviving spouse's annuity shall be equal to 60% of the retirement annuity earned and accrued to the credit of the deceased employee, whether death occurs while in service or after withdrawal, plus 1% for each year of total service of the employee to a maximum of 85%; provided, however, that if the employee's death arises out of and in the course of the employee's service to the employer and is compensable under either the Illinois Workers' Compensation Act or Illinois Workers' Occupational Diseases Act, the surviving spouse's annuity is payable regardless of the employee's length of service and shall be not less than 50% of the employee's salary at the date of death.

For any death in service the early retirement discount required under Section 13-302(b) shall not be applied in computing the retirement annuity upon which is based the surviving spouse's annuity.

(b) Reciprocal service. For any employee or annuitant who retires on or after July 1, 1985 and whose death occurs after January 1, 1991, having at least 15 years of service with the employer under this Article, and who was eligible at the time of death or elected at the time of retirement to have his or her retirement annuity calculated as provided in Section 20-131 of this Code, the surviving spouse benefit shall be calculated as of the date of the employee's death as indicated in subsection (a) as a percentage of the employee's total benefit as if all service had been with the employer. That benefit shall then be reduced by the amounts payable by each of the reciprocal funds as of the date of death so that the total surviving spouse benefit at that date will be equal to the benefit which would have been payable had all service been with the employer under this Article.

(c) Discount for age differential. The annuity for a surviving spouse shall be discounted by 0.25% for each full month that the spouse is younger than the employee as of the date of withdrawal from service or death in service to a maximum discount of 60% of the surviving spouse annuity as calculated under subsections (a), (b), and (e) of this Section. The discount shall be reduced by 10% for each full year the marriage has been in continuous effect as of the date of withdrawal or death in service. There shall be no discount if the marriage has been in continuous effect for 10 full years or more at the time of withdrawal or death in service.

(d) Annual increase. On the first day of each calendar month in which there occurs an anniversary of the employee's date of retirement or date of death, whichever occurred first, the surviving spouse's annuity, other than a term annuity under Section 13-307, shall be increased by an amount equal to 3% of the amount of the annuity. Beginning January 1, 1993, all annual increases payable under this subsection (or any predecessor provision of this Article) shall be calculated at the rate of 3% of the monthly annuity payable at the time of the increase, including any increases previously granted under this Article.

Beginning January 1, 1993, surviving spouse annuitants whose deceased spouse died, retired or withdrew from service before August 23, 1989 with at least 10 years of service under this Article shall be eligible for the annual increases provided under this subsection.

(e) Minimum surviving spouse's annuity.

(1) Beginning January 1, 1993, the minimum monthly surviving spouse's annuity shall be $500 for any annuitant whose deceased spouse had at least 10 years of service under this Article, other than a surviving spouse who is a term annuitant or whose deceased spouse began receiving a retirement annuity under this Article before attainment of age 60. Any such surviving spouse annuitant who is receiving a monthly annuity of less than $500 shall have the annuity increased to $500 on that date.

Beginning January 1, 1993, the minimum monthly surviving spouse's annuity shall be $250 for any annuitant (other than a term or reciprocal annuitant or an annuitant survivor under subsection (d) of Section 13-301) whose deceased spouse had less than 10 years of service under this Article, and for any annuitant (other than a term annuitant) whose deceased spouse had at least 10 years of service under this Article and began receiving a retirement annuity under this Article before attainment of age 60. Any such surviving spouse annuitant who is receiving a monthly annuity of less than $250 shall have the annuity increased to $250 on that date.

(2) Beginning on the first day of the month following the month in which this amendatory Act of the 92nd General Assembly takes effect (and without regard to whether the deceased spouse was in service on or after that effective date), the minimum monthly surviving spouse's annuity for any annuitant whose deceased spouse had at least 10 years of service shall be the greater of the following:

(A) An amount equal to $500, plus $25 for each year of the deceased spouse's service in excess of 10, not to exceed $750 for an annuitant whose deceased spouse had 20 or more years of service. This subdivision (A) is not applicable if the deceased spouse received a retirement annuity that was subject to an early retirement discount.

(B) An amount equal to (i) 50% of the retirement annuity earned and accrued to the credit of the deceased spouse at the time of death, plus (ii) the amount of any annual increases applicable to the surviving spouse's annuity (including the amount of any reversionary annuity) under subsection (d) before the effective date of this amendatory Act of the 92nd General Assembly. In any case in which a refund of excess contributions for the surviving spouse annuity has been paid by the Fund and the surviving spouse annuity is increased due to the application of this subdivision (B), the amount of that refund shall be recovered by the Fund as an offset against the amount of the increase in annuity arising from the application of this subdivision (B).

In the case of a reciprocal annuity, the minimum annuity calculated under this subdivision (e)(2) shall apply only if the deceased spouse of the annuitant had at least 10 years of service under this Article, and the amount of the minimum

<u>annuity shall be reduced by the sum of all the reciprocal annuities payable to the annuitant by other participating systems under Article 20 of this Code.</u>

<u>The minimum annuity calculated under this subdivision (e)(2) is in addition to the amount of any reversionary annuity that may be payable.</u>

<u>(3) Beginning on the first day of the month following the month in which this amendatory Act of the 92nd General Assembly takes effect (and without regard to whether the deceased spouse was in service on or after that effective date), any surviving spouse who is receiving a term annuity under Section 13-307 or any predecessor provision of this Article may have that term annuity recalculated and converted to a minimum surviving spouse annuity under this subsection (e).</u>

<u>(4) Notwithstanding any other provision of this subsection, beginning on the first annuity payment date following the effective date of this amendatory Act of the 92nd General Assembly, an annuitant whose deceased spouse retired before August 23, 1989 with at least 10 years of service under this Article but before attaining age 60 (regardless of whether the retirement annuity was subject to an early retirement discount) shall be entitled to the same minimum monthly surviving spouse's annuity under this subsection as an annuitant whose deceased spouse retired with at least 10 years of service under this Article and after attaining age 60.</u>

<u>(5)</u> The minimum annuity provided under this subsection (e) shall be subject to the age discount provided under subsection (c) of this Section.

(Source: P.A. 90-12, eff. 6-13-97.)

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

Sec. 13-308. Child's annuity.

(a) Eligibility. A child's annuity shall be provided for each unmarried child under the age of 18 years whose employee parent dies while in service, or whose deceased parent is an annuitant or former employee with at least 10 years of creditable service who did not take a refund of employee contributions.

For purposes of this Section, "employee" includes a former employee, and "child" means the issue of an employee, or a child adopted by an employee if the proceedings for adoption were instituted at least one year prior to the employee's death.

Payments shall cease when a child attains the age of 18 years or marries, whichever first occurs. The annuity shall not be payable unless the employee has been employed as an employee for at least 36 months from the date of the employee's original entry into service (at least 24 months in the case of an employee who first entered service before the effective date of this amendatory Act of 1997) and at least 12 months from the date of the employee's latest re-entry into service; provided, however, that if death arises out of and in the course of service to the employer and is compensable under either the Illinois Workers' Compensation Act or Illinois Workers' Occupational Diseases Act, the annuity is payable regardless of the employee's length of service.

(b) Amount. A child's annuity shall be $500 ~~$250~~ per month for one child and $350 per month for each additional child, up to a maximum of $2,500 per month for all children of the employee, as provided in this Section~~,~~ if a parent of the child is living. The child's annuity shall be $1,000 per month for one child~~,~~ and $500 ~~$350~~ per month for each additional child, up to a maximum of $2,500 for all children of the employee, when neither parent is alive. The total amount payable to all children of the employee shall be divided equally among those children. Any child's annuity which commenced prior to the effective date of this amendatory Act of the 92nd General Assembly ~~1991~~ shall be increased upon the first day of the month following the month in which that the effective date occurs, to the amount set forth herein.

(c) Payment. A child's annuity shall be paid to the child's parent or other person who shall be providing for the child without requiring formal letters of guardianship, unless another person shall be appointed by a court of law as guardian.

(Source: P.A. 90-12, eff. 6-13-97.)

Section 90. The State Mandates Act is amended by adding Section 8.25 as follows:

(30 ILCS 805/8.25 new)

Sec. 8.25. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 92nd General Assembly.

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