

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  
5 changing Section 17-119.1 as follows:

6 (40 ILCS 5/17-119.1)

7 Sec. 17-119.1. Optional increase in retirement annuity.

8 (a) A member of the Fund may qualify for the augmented  
9 rate under subdivision (b)(3) of Section 17-116 for all years  
10 of creditable service earned before July 1, 1998 by making  
11 the optional contribution specified in subsection (b); except  
12 that a member who retires on or after July 1, 1998 with at  
13 least 30 years of creditable service at retirement qualifies  
14 for the augmented rate without making any contribution under  
15 subsection (b). Any member who retires on or after July 1,  
16 1998 and before the effective date of this amendatory Act of  
17 the 92nd General Assembly with at least 30 years of  
18 creditable service shall be paid a lump sum equal to the  
19 amount he or she would have received under the augmented rate  
20 minus the amount he or she actually received. A member may  
21 not elect to qualify for the augmented rate for only a  
22 portion of his or her creditable service earned before July  
23 1, 1998.

24 (b) The contribution shall be an amount equal to 1.0% of  
25 the member's highest salary rate in the 4 consecutive school  
26 years immediately prior to but not including the school year  
27 in which the application occurs, multiplied by the number of  
28 years of creditable service earned by the member before July  
29 1, 1998 or 20, whichever is less. This contribution shall be  
30 reduced by 1.0% of that salary rate for every 3 full years of  
31 creditable service earned by the member after June 30, 1998.

1 The contribution shall be further reduced at the rate of 25%  
2 of the contribution (as reduced for service after June 30,  
3 1998) for each year of the member's total creditable service  
4 in excess of 34 years. The contribution shall not in any  
5 event exceed 20% of that salary rate.

6 The member shall pay to the Fund the amount of the  
7 contribution as calculated at the time of application under  
8 this Section. The amount of the contribution determined  
9 under this subsection shall be recalculated at the time of  
10 retirement, and if the Fund determines that the amount paid  
11 by the member exceeds the recalculated amount, the Fund shall  
12 refund the difference to the member with regular interest  
13 from the date of payment to the date of refund.

14 The contribution required by this subsection shall be  
15 paid in one of the following ways or in a combination of the  
16 following ways that does not extend over more than 5 years:

17 (i) in a lump sum on or before the date of  
18 retirement;

19 (ii) in substantially equal installments over a  
20 period of time not to exceed 5 years, as a deduction from  
21 salary in accordance with Section 17-130.2;

22 (iii) if the member becomes an annuitant before  
23 June 30, 2003, in substantially equal monthly  
24 installments over a 24-month period, by a deduction from  
25 the annuitant's monthly benefit.

26 (c) If the member fails to make the full contribution  
27 under this Section in a timely fashion, the payments made  
28 under this Section shall be refunded to the member, without  
29 interest. If the member or annuitant dies before making the  
30 full contribution, the payments made under this Section shall  
31 be refunded to the member's designated beneficiary if there  
32 is no survivor's or children's pension benefit payable. If  
33 there is a survivor's or children's benefit payable, then all  
34 payments made under this Section shall be retained by the

1 Fund and all such survivor's or children's benefits payable  
2 shall be calculated as if all contributions required under  
3 this Section have been paid in full.

4 (d) For purposes of this Section and subsection (b) of  
5 Section 17-116, optional creditable service established by a  
6 member shall be deemed to have been earned at the time of the  
7 employment or other qualifying event upon which the service  
8 is based, rather than at the time the credit was established  
9 in this Fund.

10 (e) The contributions required under this Section are  
11 the responsibility of the teacher and not the teacher's  
12 employer. However, an employer of teachers may say, after  
13 the effective date of this amendatory Act of 1998,  
14 specifically agree, through collective bargaining or  
15 otherwise, to make the contributions required by this Section  
16 on behalf of those teachers.

17 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01;  
18 revised 10-4-01.)

19 Section 90. The State Mandates Act is amended by adding  
20 Section 8.26 as follows:

21 (30 ILCS 805/8.26 new)

22 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6  
23 and 8 of this Act, no reimbursement by the State is required  
24 for the implementation of any mandate created by this  
25 amendatory Act of the 92nd General Assembly.

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