

AN ACT concerning 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 7-139, 7-139.2, 7-142.1, 7-145.1, and 7-169 as follows:

(40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 7-139. Credits and creditable service to employees.

(a) Each participating employee shall be granted credits and creditable service, for purposes of determining the amount of any annuity or benefit to which he or a beneficiary is entitled, as follows:

1. For prior service: Each participating employee who is an employee of a participating municipality or participating instrumentality on the effective date shall be granted creditable service, but no credits under paragraph 2 of this subsection (a), for periods of prior service for which credit has not been received under any other pension fund or retirement system established under this Code, as follows:

If the effective date of participation for the

participating municipality or participating instrumentality is on or before January 1, 1998, creditable service shall be granted for the entire period of prior service with that employer without any employee contribution.

If the effective date of participation for the participating municipality or participating instrumentality is after January 1, 1998, creditable service shall be granted for the last 20% of the period of prior service with that employer, but no more than 5 years, without any employee contribution. A participating employee may establish creditable service for the remainder of the period of prior service with that employer by making an application in writing, accompanied by payment of an employee contribution in an amount determined by the Fund, based on the employee contribution rates in effect at the time of application for the creditable service and the employee's salary rate on the effective date of participation for that employer, plus interest at the effective rate from the date of the prior service to the date of payment. Application for this creditable service may be made at any time while the employee is still in service.

A municipality that (i) has at least 35 employees; (ii) is located in a county with at least 2,000,000 inhabitants; and (iii) maintains an independent defined benefit pension

plan for the benefit of its eligible employees may restrict creditable service in whole or in part for periods of prior service with the employer if the governing body of the municipality adopts an irrevocable resolution to restrict that creditable service and files the resolution with the board before the municipality's effective date of participation.

Any person who has withdrawn from the service of a participating municipality or participating instrumentality prior to the effective date, who reenters the service of the same municipality or participating instrumentality after the effective date and becomes a participating employee is entitled to creditable service for prior service as otherwise provided in this subdivision (a) (1) only if he or she renders 2 years of service as a participating employee after the effective date. Application for such service must be made while in a participating status. The salary rate to be used in the calculation of the required employee contribution, if any, shall be the employee's salary rate at the time of first reentering service with the employer after the employer's effective date of participation.

2. For current service, each participating employee shall be credited with:

a. Additional credits of amounts equal to each payment of additional contributions received from him

under Section 7-173, as of the date the corresponding payment of earnings is payable to him.

b. Normal credits of amounts equal to each payment of normal contributions received from him, as of the date the corresponding payment of earnings is payable to him, and normal contributions made for the purpose of establishing out-of-state service credits as permitted under the conditions set forth in paragraph 6 of this subsection (a).

c. Municipality credits in an amount equal to 1.4 times the normal credits, except those established by out-of-state service credits, as of the date of computation of any benefit if these credits would increase the benefit.

d. Survivor credits equal to each payment of survivor contributions received from the participating employee as of the date the corresponding payment of earnings is payable, and survivor contributions made for the purpose of establishing out-of-state service credits.

3. For periods of temporary and total and permanent disability benefits, each employee receiving disability benefits shall be granted creditable service for the period during which disability benefits are payable. Normal and survivor credits, based upon the rate of earnings applied for disability benefits, shall also be granted if such

credits would result in a higher benefit to any such employee or his beneficiary.

4. For authorized leave of absence without pay: A participating employee shall be granted credits and creditable service for periods of authorized leave of absence without pay under the following conditions:

a. An application for credits and creditable service is submitted to the board while the employee is in a status of active employment.

b. Not more than 12 complete months of creditable service for authorized leave of absence without pay shall be counted for purposes of determining any benefits payable under this Article.

c. Credits and creditable service shall be granted for leave of absence only if such leave is approved by the governing body of the municipality, including approval of the estimated cost thereof to the municipality as determined by the fund, and employee contributions, plus interest at the effective rate applicable for each year from the end of the period of leave to date of payment, have been paid to the fund in accordance with Section 7-173. The contributions shall be computed upon the assumption earnings continued during the period of leave at the rate in effect when the leave began.

d. Benefits under the provisions of Sections

7-141, 7-146, 7-150 and 7-163 shall become payable to employees on authorized leave of absence, or their designated beneficiary, only if such leave of absence is creditable hereunder, and if the employee has at least one year of creditable service other than the service granted for leave of absence. Any employee contributions due may be deducted from any benefits payable.

e. No credits or creditable service shall be allowed for leave of absence without pay during any period of prior service.

5. For military service: The governing body of a municipality or participating instrumentality may elect to allow creditable service to participating employees who leave their employment to serve in the armed forces of the United States for all periods of such service, provided that the person returns to active employment within 90 days after completion of full time active duty, but no creditable service shall be allowed such person for any period that can be used in the computation of a pension or any other pay or benefit, other than pay for active duty, for service in any branch of the armed forces of the United States. If necessary to the computation of any benefit, the board shall establish municipality credits for participating employees under this paragraph on the assumption that the employee received earnings at the rate

received at the time he left the employment to enter the armed forces. A participating employee in the armed forces shall not be considered an employee during such period of service and no additional death and no disability benefits are payable for death or disability during such period.

Any participating employee who left his employment with a municipality or participating instrumentality to serve in the armed forces of the United States and who again became a participating employee within 90 days after completion of full time active duty by entering the service of a different municipality or participating instrumentality, which has elected to allow creditable service for periods of military service under the preceding paragraph, shall also be allowed creditable service for his period of military service on the same terms that would apply if he had been employed, before entering military service, by the municipality or instrumentality which employed him after he left the military service and the employer costs arising in relation to such grant of creditable service shall be charged to and paid by that municipality or instrumentality.

Notwithstanding the foregoing, any participating employee shall be entitled to creditable service as required by any federal law relating to re-employment rights of persons who served in the United States Armed Services. Such creditable service shall be granted upon

payment by the member of an amount equal to the employee contributions which would have been required had the employee continued in service at the same rate of earnings during the military leave period, plus interest at the effective rate.

5.1. In addition to any creditable service established under paragraph 5 of this subsection (a), creditable service may be granted for up to 48 months of service in the armed forces of the United States.

In order to receive creditable service for military service under this paragraph 5.1, a participating employee must (1) apply to the Fund in writing and provide evidence of the military service that is satisfactory to the Board; (2) obtain the written approval of the current employer; and (3) make contributions to the Fund equal to (i) the employee contributions that would have been required had the service been rendered as a member, plus (ii) an amount determined by the board to be equal to the employer's normal cost of the benefits accrued for that military service, plus (iii) interest on items (i) and (ii) from the date of first membership in the Fund to the date of payment. The required interest shall be calculated at the regular interest rate.

The changes made to this paragraph 5.1 by Public Acts 95-483 and 95-486 apply only to participating employees in service on or after August 28, 2007 (the effective date of

those Public Acts).

6. For out-of-state service: Creditable service shall be granted for service rendered to an out-of-state local governmental body under the following conditions: The employee had participated and has irrevocably forfeited all rights to benefits in the out-of-state public employees pension system; the governing body of his participating municipality or instrumentality authorizes the employee to establish such service; the employee has 2 years current service with this municipality or participating instrumentality; the employee makes a payment of contributions, which shall be computed at 8% (normal) plus 2% (survivor) times length of service purchased times the average rate of earnings for the first 2 years of service with the municipality or participating instrumentality whose governing body authorizes the service established plus interest at the effective rate on the date such credits are established, payable from the date the employee completes the required 2 years of current service to date of payment. In no case shall more than 120 months of creditable service be granted under this provision.

7. For retroactive service: Any employee who could have but did not elect to become a participating employee, or who should have been a participant in the Municipal Public Utilities Annuity and Benefit Fund before that fund was superseded, may receive creditable service for the period

of service not to exceed 50 months; however, a current or former elected or appointed official of a participating municipality may establish credit under this paragraph 7 for more than 50 months of service as an official of that municipality, if the excess over 50 months is approved by resolution of the governing body of the affected municipality filed with the Fund before January 1, 2002.

Any employee who is a participating employee on or after September 24, 1981 and who was excluded from participation by the age restrictions removed by Public Act 82-596 may receive creditable service for the period, on or after January 1, 1979, excluded by the age restriction and, in addition, if the governing body of the participating municipality or participating instrumentality elects to allow creditable service for all employees excluded by the age restriction prior to January 1, 1979, for service during the period prior to that date excluded by the age restriction. Any employee who was excluded from participation by the age restriction removed by Public Act 82-596 and who is not a participating employee on or after September 24, 1981 may receive creditable service for service after January 1, 1979. Creditable service under this paragraph shall be granted upon payment of the employee contributions which would have been required had he participated, with interest at the effective rate for each year from the end of the period of service established

to date of payment.

8. For accumulated unused sick leave: A participating employee who is applying for a retirement annuity shall be entitled to creditable service for that portion of the employee's accumulated unused sick leave for which payment is not received, as follows:

a. Sick leave days shall be limited to those accumulated under a sick leave plan established by a participating municipality or participating instrumentality which is available to all employees or a class of employees.

b. Except as provided in item b-1, only sick leave days accumulated with a participating municipality or participating instrumentality with which the employee was in service within 60 days of the effective date of his retirement annuity shall be credited; If the employee was in service with more than one employer during this period only the sick leave days with the employer with which the employee has the greatest number of unpaid sick leave days shall be considered.

b-1. If the employee was in the service of more than one employer as defined in item (2) of paragraph (a) of subsection (A) of Section 7-132, then the sick leave days from all such employers shall be credited, as long as the creditable service attributed to those sick leave days does not exceed the limitation in item

f of this paragraph 8. In calculating the creditable service under this item b-1, the sick leave days from the last employer shall be considered first, then the remaining sick leave days shall be considered until there are no more days or the maximum creditable sick leave threshold under item f of this paragraph 8 has been reached.

c. The creditable service granted shall be considered solely for the purpose of computing the amount of the retirement annuity and shall not be used to establish any minimum service period required by any provision of the Illinois Pension Code, the effective date of the retirement annuity, or the final rate of earnings.

d. The creditable service shall be at the rate of 1/20 of a month for each full sick day, provided that no more than 12 months may be credited under this subdivision 8.

e. Employee contributions shall not be required for creditable service under this subdivision 8.

f. Each participating municipality and participating instrumentality with which an employee has service within 60 days of the effective date of his retirement annuity shall certify to the board the number of accumulated unpaid sick leave days credited to the employee at the time of termination of service.

9. For service transferred from another system: Credits and creditable service shall be granted for service under Article 4, 5, 8, 14, or 16 of this Act, to any active member of this Fund, and to any inactive member who has been a county sheriff, upon transfer of such credits pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or 16-131.4, and payment by the member of the amount by which (1) the employer and employee contributions that would have been required if he had participated in this Fund as a sheriff's law enforcement employee during the period for which credit is being transferred, plus interest thereon at the effective rate for each year, compounded annually, from the date of termination of the service for which credit is being transferred to the date of payment, exceeds (2) the amount actually transferred to the Fund. Such transferred service shall be deemed to be service as a sheriff's law enforcement employee for the purposes of Section 7-142.1.

10. (Blank).

11. For service transferred from an Article 3 system under Section 3-110.3: Credits and creditable service shall be granted for service under Article 3 of this Act as provided in Section 3-110.3, to any active member of this Fund, upon transfer of such credits pursuant to Section 3-110.3. If the board determines that the amount transferred is less than the true cost to the Fund of allowing that creditable service to be established, then in

order to establish that creditable service, the member must pay to the Fund an additional contribution equal to the difference, as determined by the board in accordance with the rules and procedures adopted under this paragraph. If the member does not make the full additional payment as required by this paragraph prior to termination of his participation with that employer, then his or her creditable service shall be reduced by an amount equal to the difference between the amount transferred under Section 3-110.3, including any payments made by the member under this paragraph prior to termination, and the true cost to the Fund of allowing that creditable service to be established, as determined by the board in accordance with the rules and procedures adopted under this paragraph.

The board shall establish by rule the manner of making the calculation required under this paragraph 11, taking into account the appropriate actuarial assumptions; the member's service, age, and salary history, and any other factors that the board determines to be relevant.

12. For omitted service: Any employee who was employed by a participating employer in a position that required participation, but who was not enrolled in the Fund, may establish such credits under the following conditions:

a. Application for such credits is received by the Board while the employee is an active participant of the Fund or a reciprocal retirement system.

b. Eligibility for participation and earnings are verified by the Authorized Agent of the participating employer for which the service was rendered.

Creditable service under this paragraph shall be granted upon payment of the employee contributions that would have been required had he participated, which shall be calculated by the Fund using the member contribution rate in effect during the period that the service was rendered.

(b) Creditable service - amount:

1. One month of creditable service shall be allowed for each month for which a participating employee made contributions as required under Section 7-173, or for which creditable service is otherwise granted hereunder. Not more than 1 month of service shall be credited and counted for 1 calendar month, and not more than 1 year of service shall be credited and counted for any calendar year. A calendar month means a nominal month beginning on the first day thereof, and a calendar year means a year beginning January 1 and ending December 31.

2. A seasonal employee shall be given 12 months of creditable service if he renders the number of months of service normally required by the position in a 12-month period and he remains in service for the entire 12-month period. Otherwise a fractional year of service in the number of months of service rendered shall be credited.

3. An intermittent employee shall be given creditable service for only those months in which a contribution is made under Section 7-173.

(c) No application for correction of credits or creditable service shall be considered unless the board receives an application for correction while (1) the applicant is a participating employee and in active employment with a participating municipality or instrumentality, or (2) while the applicant is actively participating in a pension fund or retirement system which is a participating system under the Retirement Systems Reciprocal Act. A participating employee or other applicant shall not be entitled to credits or creditable service unless the required employee contributions are made in a lump sum or in installments made in accordance with board rule. Payments made to establish service credit under paragraph 1, 4, 5, 5.1, 6, 7, or 12 of subsection (a) of this Section must be received by the Board while the applicant is an active participant in the Fund or a reciprocal retirement system, except that an applicant may make one payment after termination of active participation in the Fund or a reciprocal retirement system.

(d) Upon the granting of a retirement, surviving spouse or child annuity, a death benefit or a separation benefit, on account of any employee, all individual accumulated credits shall thereupon terminate. Upon the withdrawal of additional contributions, the credits applicable thereto shall thereupon

terminate. Terminated credits shall not be applied to increase the benefits any remaining employee would otherwise receive under this Article.

(Source: P.A. 97-415, eff. 8-16-11; 98-439, eff. 8-16-13; 98-932, eff. 8-15-14.)

(40 ILCS 5/7-139.2) (from Ch. 108 1/2, par. 7-139.2)

Sec. 7-139.2. Validation of service credits. An active member of the General Assembly having no service credits or creditable service in the Fund, may establish service credit and creditable service for periods during which he was an employee of a municipality in an elective office and could have elected to participate in the Fund but did not so elect. Service credits and creditable service may be established by payment to the Fund of an amount equal to the contributions he would have made if he had elected to participate plus interest to the date of payment, together with the applicable municipality credits including interest, but the total period of such creditable service that may be validated shall not exceed 8 years. Payments made to establish such service credit must be received by the Board while the member is an active participant in the General Assembly Retirement System, except that one payment will be permitted after the member terminates such service.

(Source: P.A. 81-1536.)

(40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

Sec. 7-142.1. Sheriff's law enforcement employees.

(a) In lieu of the retirement annuity provided by subparagraph 1 of paragraph (a) of Section 7-142:

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service prior to January 1, 1988 shall be entitled at his option to receive a monthly retirement annuity for his service as a sheriff's law enforcement employee computed by multiplying 2% for each year of such service up to 10 years, 2 1/4% for each year of such service above 10 years and up to 20 years, and 2 1/2% for each year of such service above 20 years, by his annual final rate of earnings and dividing by 12.

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service on or after January 1, 1988 and before July 1, 2004 shall be entitled at his option to receive a monthly retirement annuity for his service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service up to 20 years, 2% for each year of such service above 20 years and up to 30 years, and 1% for each year of such service above 30 years, by his annual final rate of earnings and dividing by 12.

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service on or after July 1, 2004 shall be entitled at his or her option to

receive a monthly retirement annuity for service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service by his annual final rate of earnings and dividing by 12.

If a sheriff's law enforcement employee has service in any other capacity, his retirement annuity for service as a sheriff's law enforcement employee may be computed under this Section and the retirement annuity for his other service under Section 7-142.

In no case shall the total monthly retirement annuity for persons who retire before July 1, 2004 exceed 75% of the monthly final rate of earnings. In no case shall the total monthly retirement annuity for persons who retire on or after July 1, 2004 exceed 80% of the monthly final rate of earnings.

(b) Whenever continued group insurance coverage is elected in accordance with the provisions of Section 367h of the Illinois Insurance Code, as now or hereafter amended, the total monthly premium for such continued group insurance coverage or such portion thereof as is not paid by the municipality shall, upon request of the person electing such continued group insurance coverage, be deducted from any monthly pension benefit otherwise payable to such person pursuant to this Section, to be remitted by the Fund to the insurance company or other entity providing the group insurance coverage.

(c) A sheriff's law enforcement employee who began service in that capacity prior to the effective date of this amendatory

Act of the 97th General Assembly and who has service in any other capacity may convert up to 10 years of that service into service as a sheriff's law enforcement employee by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 7-173.1, plus (2) the additional employer contribution required under Section 7-172, plus (3) interest on items (1) and (2) at the prescribed rate from the date of the service to the date of payment. Application must be received by the Board while the employee is an active participant in the Fund. Payment must be received while the member is an active participant, except that one payment will be permitted after termination of participation.

(d) The changes to subsections (a) and (b) of this Section made by this amendatory Act of the 94th General Assembly apply only to persons in service on or after July 1, 2004. In the case of such a person who begins to receive a retirement annuity before the effective date of this amendatory Act of the 94th General Assembly, the annuity shall be recalculated prospectively to reflect those changes, with the resulting increase beginning to accrue on the first annuity payment date following the effective date of this amendatory Act.

(e) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the

effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(f) Notwithstanding any other provision of this Article, the provisions of this subsection (f) apply to a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011.

A sheriff's law enforcement employee age 55 or more who has 10 or more years of service in that capacity shall be entitled at his option to receive a monthly retirement annuity for his or her service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service by his or her final rate of earnings.

The retirement annuity of a sheriff's law enforcement employee who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the sheriff's law enforcement employee's age is under age 55.

The maximum retirement annuity under this subsection (f) shall be 75% of final rate of earnings.

For the purposes of this subsection (f), "final rate of earnings" means the average monthly earnings obtained by

dividing the total salary of the sheriff's law enforcement employee during the 96 consecutive months of service within the last 120 months of service in which the total earnings was the highest by the number of months of service in that period.

Notwithstanding any other provision of this Article, beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings of a sheriff's law enforcement employee to whom this Section applies shall not include overtime and shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

(g) Notwithstanding any other provision of this Article, the monthly annuity of a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011 shall be increased on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the

originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the annuity shall not be increased.

(h) Notwithstanding any other provision of this Article, for a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011, the annuity to which the surviving spouse, children, or parents are entitled under this subsection (h) shall be in the amount of $66\frac{2}{3}\%$ of the sheriff's law enforcement employee's earned annuity at the date of death.

(i) Notwithstanding any other provision of this Article, the monthly annuity of a survivor of a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011 shall be increased on the January 1 after attainment of age 60 by the recipient of the survivor's annuity and each January 1 thereafter by 3% or one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted pension. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the annuity shall not be increased.

(j) For the purposes of this Section, "consumer price

index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the pension funds.

(Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11; 97-272, eff. 8-8-11; 97-609, eff. 8-26-11.)

(40 ILCS 5/7-145.1)

Sec. 7-145.1. Alternative annuity for county officers.

(a) The benefits provided in this Section and Section 7-145.2 are available only if, prior to the effective date of this amendatory Act of the 97th General Assembly, the county board has filed with the Board of the Fund a resolution or ordinance expressly consenting to the availability of these benefits for its elected county officers. The county board's consent is irrevocable with respect to persons participating in the program, but may be revoked at any time with respect to persons who have not paid an additional optional contribution under this Section before the date of revocation.

An elected county officer may elect to establish alternative credits for an alternative annuity by electing in writing before the effective date of this amendatory Act of the

97th General Assembly to make additional optional contributions in accordance with this Section and procedures established by the board. These alternative credits are available only for periods of service as an elected county officer. The elected county officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service as an elected county officer after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Section 7-173.

(2) For service as an elected county officer before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment, plus any additional amount required by the county board under paragraph (3). All payments for past service must be paid in full before credit is given. Payment must be received by the Board while the member is an active participant, except that one payment will be permitted after termination of participation.

(3) With respect to service as an elected county

officer before the option is elected, if payment is made after the county board has filed with the Board of the Fund a resolution or ordinance requiring an additional contribution under this paragraph, then the contribution required under paragraph (2) shall include an amount to be determined by the Fund, equal to the actuarial present value of the additional employer cost that would otherwise result from the alternative credits being established for that service. A county board's resolution or ordinance requiring additional contributions under this paragraph (3) is irrevocable. Payment must be received by the Board while the member is an active participant, except that one payment will be permitted after termination of participation.

No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(b) In lieu of the retirement annuity otherwise payable under this Article, an elected county officer who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, (2) has held and made additional optional contributions with respect to the same elected county office for at least 8 years, and (3) has attained age 55 with at least 8 years of service credit (or has

attained age 50 with at least 20 years of service as a sheriff's law enforcement employee) may elect to have his retirement annuity computed as follows: 3% of the participant's salary for each of the first 8 years of service credit, plus 4% of that salary for each of the next 4 years of service credit, plus 5% of that salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of that salary.

This formula applies only to service in an elected county office that the officer held for at least 8 years, and only to service for which additional optional contributions have been paid under this Section. If an elected county officer qualifies to have this formula applied to service in more than one elected county office, the qualifying service shall be accumulated for purposes of determining the applicable accrual percentages, but the salary used for each office shall be the separate salary calculated for that office, as defined in subsection (g).

To the extent that the elected county officer has service credit that does not qualify for this formula, his retirement annuity will first be determined in accordance with this formula with respect to the service to which this formula applies, and then in accordance with the remaining Sections of this Article with respect to the service to which this formula does not apply.

(c) In lieu of the disability benefits otherwise payable under this Article, an elected county officer who (1) has

elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, an elected county officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected county officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that the officer is disabled and that the disability is likely to be permanent.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 7-166, 7-167 and 7-168. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions.

If an elected county officer fails to hold that same elected county office for at least 8 years, he or she shall be entitled after leaving office to receive a refund of the additional optional contributions made with respect to that office, plus interest at the effective rate.

(e) The plan of optional alternative benefits and contributions shall be available to persons who are elected

county officers and active contributors to the Fund on or after November 15, 1994 and elected to establish alternative credit before the effective date of this amendatory Act of the 97th General Assembly. A person who was an elected county officer and an active contributor to the Fund on November 15, 1994 but is no longer an active contributor may apply to make additional optional contributions under this Section at any time within 90 days after the effective date of this amendatory Act of 1997; if the person is an annuitant, the resulting increase in annuity shall begin to accrue on the first day of the month following the month in which the required payment is received by the Fund.

(f) For the purposes of this Section and Section 7-145.2, the terms "elected county officer" and "elected county office" include, but are not limited to: (1) the county clerk, recorder, treasurer, coroner, assessor (if elected), auditor, sheriff, and State's Attorney; members of the county board; and the clerk of the circuit court; and (2) a person who has been appointed to fill a vacancy in an office that is normally filled by election on a countywide basis, for the duration of his or her service in that office. The terms "elected county officer" and "elected county office" do not include any officer or office of a county that has not consented to the availability of benefits under this Section and Section 7-145.2.

(g) For the purposes of this Section and Section 7-145.2,

the term "salary" means the final rate of earnings for the elected county office held, calculated in a manner consistent with Section 7-116, but for that office only. If an elected county officer qualifies to have the formula in subsection (b) applied to service in more than one elected county office, a separate salary shall be calculated and applied with respect to each such office.

(h) The changes to this Section made by this amendatory Act of the 91st General Assembly apply to persons who first make an additional optional contribution under this Section on or after the effective date of this amendatory Act.

(i) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(Source: P.A. 96-961, eff. 7-2-10; 97-272, eff. 8-8-11; 97-609, eff. 8-26-11.)

(40 ILCS 5/7-169) (from Ch. 108 1/2, par. 7-169)

Sec. 7-169. Separation benefits; repayments.

(a) If an employee who has received a separation benefit subsequently becomes a participating employee, and renders at least 2 years of contributing service from the date of such re-entry, he may pay to the fund the amount of the separation benefit, plus interest at the effective rate for each year from the date of payment of the separation benefit to the date of repayment. Upon payment his creditable service shall be reinstated and the payment shall be credited to his account as normal contributions. Application must be received by the Board while the employee is an active participant in the Fund or a reciprocal retirement system. Payment must be received while the member is an active participant, except that one payment will be permitted after termination of participation in the Fund or a reciprocal retirement system.

(b) Beginning July 1, 2004, the requirement of returning to service for at least 2 years does not apply to persons who return to service as a sheriff's law enforcement employee. This subsection applies only to persons in service on or after July 1, 2004. In the case of such a person who begins to receive a retirement annuity before the effective date of this amendatory Act of the 94th General Assembly, the annuity shall be recalculated prospectively to reflect any credits reinstated as a result of this subsection, with the resulting increase in annuity beginning to accrue on the first annuity payment date

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following the effective date of this amendatory Act, but not earlier than the date the repayment is received by the Fund.

(Source: P.A. 94-712, eff. 6-1-06.)

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