

1 AN ACT concerning 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 adding
5 Section 8-108.3 and by changing Sections 16-118, 16-127, and
6 16-132 as follows:

7 (40 ILCS 5/8-108.3 new)

8 Sec. 8-108.3. Credit for service as a part-time employee
9 of the Board of Education of the city. An employee of the Board
10 of Education of the city, regardless of his or her position,
11 may establish up to 2 years of service credit in the Fund for
12 part-time employment with the Board of Education of the city
13 prior to becoming an employee by applying no later than 6
14 months after the effective date of this amendatory Act of the
15 103rd General Assembly and paying to the Fund for that
16 employment an amount equal to the (1) employee contributions
17 based on the actual compensation received and the rate of
18 contribution in effect on the date of payment; plus (2) an
19 amount representing employer contributions determined by the
20 retirement board; plus (3) interest at the effective rate from
21 the date of service to the date of payment. However, service
22 credit shall not be granted under this Section for any such
23 prior employment for which the applicant received credit under

1 any other provision of this Code or during which the applicant
2 was on a leave of absence.

3 (40 ILCS 5/16-118) (from Ch. 108 1/2, par. 16-118)

4 Sec. 16-118. Retirement. "Retirement": Entry upon a
5 retirement annuity or receipt of a single-sum retirement
6 benefit granted under this Article after termination of active
7 service as a teacher.

8 (a) An annuitant receiving a retirement annuity other than
9 a disability retirement annuity may accept employment as a
10 teacher from a school board or other employer specified in
11 Section 16-106 without impairing retirement status, if that
12 employment:

13 (1) is not within the school year during which service
14 was terminated; and

15 (2) does not exceed the following:

16 (i) before July 1, 2001, 100 paid days or 500 paid
17 hours in any school year;

18 (ii) during the period beginning July 1, 2001
19 through June 30, 2011, 120 paid days or 600 paid hours
20 in each school year;

21 (iii) during the period beginning July 1, 2011
22 through June 30, 2018, 100 paid days or 500 paid hours
23 in each school year;

24 (iv) beginning July 1, 2018 through June 30, 2026
25 ~~2023~~, 120 paid days or 600 paid hours in each school

1 year, but not more than 100 paid days in the same
2 classroom;

3 (v) (blank); and ~~during the period between July 1,~~
4 ~~2021 and June 30, 2022, an additional 20 paid days or~~
5 ~~100 paid hours shall be added to item (iv) of this~~
6 ~~paragraph (2) to assist with addressing the substitute~~
7 ~~teacher shortage that has been exacerbated by the~~
8 ~~ongoing global pandemic; and~~

9 (vi) beginning July 1, 2026 ~~2023~~, 100 paid days or
10 500 paid hours in each school year.

11 Where such permitted employment is partly on a daily and
12 partly on an hourly basis, a day shall be considered as 5
13 hours.

14 (b) Subsection (a) does not apply to an annuitant who
15 returns to teaching under the program established in Section
16 16-150.1, for the duration of his or her participation in that
17 program.

18 (Source: P.A. 101-645, eff. 6-26-20; 102-537, eff. 8-20-21;
19 102-709, eff. 4-22-22.)

20 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

21 Sec. 16-127. Computation of creditable service.

22 (a) Each member shall receive regular credit for all
23 service as a teacher from the date membership begins, for
24 which satisfactory evidence is supplied and all contributions
25 have been paid.

1 (b) The following periods of service shall earn optional
2 credit and each member shall receive credit for all such
3 service for which satisfactory evidence is supplied and all
4 contributions have been paid as of the date specified:

5 (1) Prior service as a teacher.

6 (2) Service in a capacity essentially similar or
7 equivalent to that of a teacher, in the public common
8 schools in school districts in this State not included
9 within the provisions of this System, or of any other
10 State, territory, dependency or possession of the United
11 States, or in schools operated by or under the auspices of
12 the United States, or under the auspices of any agency or
13 department of any other State, and service during any
14 period of professional speech correction or special
15 education experience for a public agency within this State
16 or any other State, territory, dependency or possession of
17 the United States, and service prior to February 1, 1951
18 as a recreation worker for the Illinois Department of
19 Public Safety, for a period not exceeding the lesser of
20 $\frac{2}{5}$ of the total creditable service of the member or 10
21 years. The maximum service of 10 years which is allowable
22 under this paragraph shall be reduced by the service
23 credit which is validated by other retirement systems
24 under paragraph (i) of Section 15-113 and paragraph 1 of
25 Section 17-133. Credit granted under this paragraph may
26 not be used in determination of a retirement annuity or

1 disability benefits unless the member has at least 5 years
2 of creditable service earned subsequent to this employment
3 with one or more of the following systems: Teachers'
4 Retirement System of the State of Illinois, State
5 Universities Retirement System, and the Public School
6 Teachers' Pension and Retirement Fund of Chicago. Whenever
7 such service credit exceeds the maximum allowed for all
8 purposes of this Article, the first service rendered in
9 point of time shall be considered. The changes to this
10 subdivision (b)(2) made by Public Act 86-272 shall apply
11 not only to persons who on or after its effective date
12 (August 23, 1989) are in service as a teacher under the
13 System, but also to persons whose status as such a teacher
14 terminated prior to such effective date, whether or not
15 such person is an annuitant on that date.

16 (3) Any periods immediately following teaching
17 service, under this System or under Article 17, (or
18 immediately following service prior to February 1, 1951 as
19 a recreation worker for the Illinois Department of Public
20 Safety) spent in active service with the military forces
21 of the United States; periods spent in educational
22 programs that prepare for return to teaching sponsored by
23 the federal government following such active military
24 service; if a teacher returns to teaching service within
25 one calendar year after discharge or after the completion
26 of the educational program, a further period, not

1 exceeding one calendar year, between time spent in
2 military service or in such educational programs and the
3 return to employment as a teacher under this System; and a
4 period of up to 2 years of active military service not
5 immediately following employment as a teacher.

6 The changes to this Section and Section 16-128
7 relating to military service made by P.A. 87-794 shall
8 apply not only to persons who on or after its effective
9 date are in service as a teacher under the System, but also
10 to persons whose status as a teacher terminated prior to
11 that date, whether or not the person is an annuitant on
12 that date. In the case of an annuitant who applies for
13 credit allowable under this Section for a period of
14 military service that did not immediately follow
15 employment, and who has made the required contributions
16 for such credit, the annuity shall be recalculated to
17 include the additional service credit, with the increase
18 taking effect on the date the System received written
19 notification of the annuitant's intent to purchase the
20 credit, if payment of all the required contributions is
21 made within 60 days of such notice, or else on the first
22 annuity payment date following the date of payment of the
23 required contributions. In calculating the automatic
24 annual increase for an annuity that has been recalculated
25 under this Section, the increase attributable to the
26 additional service allowable under P.A. 87-794 shall be

1 included in the calculation of automatic annual increases
2 accruing after the effective date of the recalculation.

3 Credit for military service shall be determined as
4 follows: if entry occurs during the months of July,
5 August, or September and the member was a teacher at the
6 end of the immediately preceding school term, credit shall
7 be granted from July 1 of the year in which he or she
8 entered service; if entry occurs during the school term
9 and the teacher was in teaching service at the beginning
10 of the school term, credit shall be granted from July 1 of
11 such year. In all other cases where credit for military
12 service is allowed, credit shall be granted from the date
13 of entry into the service.

14 The total period of military service for which credit
15 is granted shall not exceed 5 years for any member unless
16 the service: (A) is validated before July 1, 1964, and (B)
17 does not extend beyond July 1, 1963. Credit for military
18 service shall be granted under this Section only if not
19 more than 5 years of the military service for which credit
20 is granted under this Section is used by the member to
21 qualify for a military retirement allotment from any
22 branch of the armed forces of the United States. The
23 changes to this subdivision (b)(3) made by Public Act
24 86-272 shall apply not only to persons who on or after its
25 effective date (August 23, 1989) are in service as a
26 teacher under the System, but also to persons whose status

1 as such a teacher terminated prior to such effective date,
2 whether or not such person is an annuitant on that date.

3 (4) Any periods served as a member of the General
4 Assembly.

5 (5) (i) Any periods for which a teacher, as defined in
6 Section 16-106, is granted a leave of absence, provided he
7 or she returns to teaching service creditable under this
8 System or the State Universities Retirement System
9 following the leave; (ii) periods during which a teacher
10 is involuntarily laid off from teaching, provided he or
11 she returns to teaching following the lay-off; (iii)
12 periods prior to July 1, 1983 during which a teacher
13 ceased covered employment due to pregnancy, provided that
14 the teacher returned to teaching service creditable under
15 this System or the State Universities Retirement System
16 following the pregnancy and submits evidence satisfactory
17 to the Board documenting that the employment ceased due to
18 pregnancy; and (iv) periods prior to July 1, 1983 during
19 which a teacher ceased covered employment for the purpose
20 of adopting an infant under 3 years of age or caring for a
21 newly adopted infant under 3 years of age, provided that
22 the teacher returned to teaching service creditable under
23 this System or the State Universities Retirement System
24 following the adoption and submits evidence satisfactory
25 to the Board documenting that the employment ceased for
26 the purpose of adopting an infant under 3 years of age or

1 caring for a newly adopted infant under 3 years of age.
2 However, total credit under this paragraph (5) may not
3 exceed 3 years.

4 Any qualified member or annuitant may apply for credit
5 under item (iii) or (iv) of this paragraph (5) without
6 regard to whether service was terminated before the
7 effective date of this amendatory Act of 1997. In the case
8 of an annuitant who establishes credit under item (iii) or
9 (iv), the annuity shall be recalculated to include the
10 additional service credit. The increase in annuity shall
11 take effect on the date the System receives written
12 notification of the annuitant's intent to purchase the
13 credit, if the required evidence is submitted and the
14 required contribution paid within 60 days of that
15 notification, otherwise on the first annuity payment date
16 following the System's receipt of the required evidence
17 and contribution. The increase in an annuity recalculated
18 under this provision shall be included in the calculation
19 of automatic annual increases in the annuity accruing
20 after the effective date of the recalculation.

21 Optional credit may be purchased under this subsection
22 (b) (5) for periods during which a teacher has been granted
23 a leave of absence pursuant to Section 24-13 of the School
24 Code. A teacher whose service under this Article
25 terminated prior to the effective date of P.A. 86-1488
26 shall be eligible to purchase such optional credit. If a

1 teacher who purchases this optional credit is already
2 receiving a retirement annuity under this Article, the
3 annuity shall be recalculated as if the annuitant had
4 applied for the leave of absence credit at the time of
5 retirement. The difference between the entitled annuity
6 and the actual annuity shall be credited to the purchase
7 of the optional credit. The remainder of the purchase cost
8 of the optional credit shall be paid on or before April 1,
9 1992.

10 The change in this paragraph made by Public Act 86-273
11 shall be applicable to teachers who retire after June 1,
12 1989, as well as to teachers who are in service on that
13 date.

14 (6) Any days of unused and uncompensated accumulated
15 sick leave earned by a teacher. The service credit granted
16 under this paragraph shall be the ratio of the number of
17 unused and uncompensated accumulated sick leave days to
18 170 days, subject to a maximum of 2 years of service
19 credit. Prior to the member's retirement, each former
20 employer shall certify to the System the number of unused
21 and uncompensated accumulated sick leave days credited to
22 the member at the time of termination of service. The
23 period of unused sick leave shall not be considered in
24 determining the effective date of retirement. A member is
25 not required to make contributions in order to obtain
26 service credit for unused sick leave.

1 Credit for sick leave shall, at retirement, be granted
2 by the System for any retiring regional or assistant
3 regional superintendent of schools at the rate of 6 days
4 per year of creditable service or portion thereof
5 established while serving as such superintendent or
6 assistant superintendent.

7 (7) Periods prior to February 1, 1987 served as an
8 employee of the Illinois Mathematics and Science Academy
9 for which credit has not been terminated under Section
10 15-113.9 of this Code.

11 (8) Service as a substitute teacher for work performed
12 prior to July 1, 1990.

13 (9) Service as a part-time teacher for work performed
14 prior to July 1, 1990.

15 (10) Up to 2 years of employment with Southern
16 Illinois University - Carbondale from September 1, 1959 to
17 August 31, 1961, or with Governors State University from
18 September 1, 1972 to August 31, 1974, for which the
19 teacher has no credit under Article 15. To receive credit
20 under this item (10), a teacher must apply in writing to
21 the Board and pay the required contributions before May 1,
22 1993 and have at least 12 years of service credit under
23 this Article.

24 (11) Periods of service as a student teacher as
25 described in Section 24-8.5 of the School Code for which
26 the student teacher received a salary.

1 (b-1) A member may establish optional credit for up to 2
2 years of service as a teacher or administrator employed by a
3 private school recognized by the Illinois State Board of
4 Education, provided that the teacher (i) was certified under
5 the law governing the certification of teachers at the time
6 the service was rendered, (ii) applies in writing on or before
7 June 30, 2023, (iii) supplies satisfactory evidence of the
8 employment, (iv) completes at least 10 years of contributing
9 service as a teacher as defined in Section 16-106, and (v) pays
10 the contribution required in subsection (d-5) of Section
11 16-128. The member may apply for credit under this subsection
12 and pay the required contribution before completing the 10
13 years of contributing service required under item (iv), but
14 the credit may not be used until the item (iv) contributing
15 service requirement has been met.

16 (c) The service credits specified in this Section shall be
17 granted only if: (1) such service credits are not used for
18 credit in any other statutory tax-supported public employee
19 retirement system other than the federal Social Security
20 program; and (2) the member makes the required contributions
21 as specified in Section 16-128. Except as provided in
22 subsection (b-1) of this Section, the service credit shall be
23 effective as of the date the required contributions are
24 completed.

25 Any service credits granted under this Section shall
26 terminate upon cessation of membership for any cause.

1 Credit may not be granted under this Section covering any
2 period for which an age retirement or disability retirement
3 allowance has been paid.

4 Credit may not be granted under this Section for service
5 as an employee of an entity that provides substitute teaching
6 services under Section 2-3.173 of the School Code and is not a
7 school district.

8 (Source: P.A. 102-525, eff. 8-20-21.)

9 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

10 Sec. 16-132. Retirement annuity eligibility. A member who
11 has at least 20 years of creditable service is entitled to a
12 retirement annuity upon or after attainment of age 55. A
13 member who has at least 10 but less than 20 years of creditable
14 service is entitled to a retirement annuity upon or after
15 attainment of age 60. A member who has at least 5 but less than
16 10 years of creditable service is entitled to a retirement
17 annuity upon or after attainment of age 62. A member who (i)
18 has earned during the period immediately preceding the last
19 day of service at least one year of contributing creditable
20 service as an employee of a department as defined in Section
21 14-103.04, (ii) has earned at least 5 years of contributing
22 creditable service as an employee of a department as defined
23 in Section 14-103.04, and (iii) retires on or after January 1,
24 2001 is entitled to a retirement annuity upon or after
25 attainment of an age which, when added to the number of years

1 of his or her total creditable service, equals at least 85.
2 Portions of years shall be counted as decimal equivalents.

3 A member who is eligible to receive a retirement annuity
4 of at least 74.6% of final average salary and will attain age
5 55 on or before December 31 during the year which commences on
6 July 1 shall be deemed to attain age 55 on the preceding June
7 1.

8 A member meeting the above eligibility conditions is
9 entitled to a retirement annuity upon written application to
10 the board setting forth the date the member wishes the
11 retirement annuity to commence. However, the effective date of
12 the retirement annuity shall be no earlier than the day
13 following the last day of creditable service, regardless of
14 the date of official termination of employment; however, upon
15 written application within 6 months after the effective date
16 of this amendatory Act of the 103rd General Assembly by a
17 member or annuitant, the creditable service and earnings
18 received in the last fiscal year of employment may be
19 disregarded when determining the retirement effective date and
20 the retirement benefit ~~except that the effective date of a~~
21 ~~retirement annuity may be after the date of official~~
22 ~~termination of employment~~ as long as such employment is for
23 (1) less than 10 days in length; ~~and~~ (2) less than \$2,500
24 ~~\$2,000~~ in creditable earnings; and (3) the last fiscal year of
25 employment includes only a fiscal year beginning on or after
26 July 1, 2016 and ending before June 30, 2023 compensation. The

1 retirement effective date may not, as a result of the
2 application of this amendatory Act of the 103rd General
3 Assembly, be earlier than July 1, 2016.

4 To be eligible for a retirement annuity, a member shall
5 not be employed as a teacher in the schools included under this
6 System or under Article 17, except (i) as provided in Section
7 16-118 or 16-150.1, (ii) if the member is disabled (in which
8 event, eligibility for salary must cease), or (iii) if the
9 System is required by federal law to commence payment due to
10 the member's age; the changes to this sentence made by this
11 amendatory Act of the 93rd General Assembly apply without
12 regard to whether the member terminated employment before or
13 after its effective date.

14 (Source: P.A. 102-871, eff. 5-13-22.)

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