

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 Sections 16-127, 16-128, and 17-134 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

8 (a) Each member shall receive regular credit for all
9 service as a teacher from the date membership begins, for
10 which satisfactory evidence is supplied and all contributions
11 have been paid.

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

16 (1) Prior service as a teacher.

17 (2) Service in a capacity essentially similar or
18 equivalent to that of a teacher, in the public common
19 schools in school districts in this State not included
20 within the provisions of this System, or of any other
21 State, territory, dependency or possession of the United
22 States, or in schools operated by or under the auspices
23 of the United States, or under the auspices of any agency
24 or department of any other State, and service during any
25 period of professional speech correction or special
26 education experience for a public agency within this
27 State or any other State, territory, dependency or
28 possession of the United States, and service prior to
29 February 1, 1951 as a recreation worker for the Illinois
30 Department of Public Safety, for a period not exceeding
31 the lesser of 2/5 of the total creditable service of the

1 member or 10 years. The maximum service of 10 years
2 which is allowable under this paragraph shall be reduced
3 by the service credit which is validated by other
4 retirement systems under paragraph (i) of Section 15-113
5 and paragraph 1 of Section 17-133. Credit granted under
6 this paragraph may not be used in determination of a
7 retirement annuity or disability benefits unless the
8 member has at least 5 years of creditable service earned
9 subsequent to this employment with one or more of the
10 following systems: Teachers' Retirement System of the
11 State of Illinois, State Universities Retirement System,
12 and the Public School Teachers' Pension and Retirement
13 Fund of Chicago. Whenever such service credit exceeds
14 the maximum allowed for all purposes of this Article, the
15 first service rendered in point of time shall be
16 considered. The changes to this subdivision (b)(2) made
17 by Public Act 86-272 shall apply not only to persons who
18 on or after its effective date (August 23, 1989) are in
19 service as a teacher under the System, but also to
20 persons whose status as such a teacher terminated prior
21 to such effective date, whether or not such person is an
22 annuitant on that date.

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

1 military service or in such educational programs and the
2 return to employment as a teacher under this System; and
3 a period of up to 2 years of active military service not
4 immediately following employment as a teacher.

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

29 Credit for military service shall be determined as
30 follows: if entry occurs during the months of July,
31 August, or September and the member was a teacher at the
32 end of the immediately preceding school term, credit
33 shall be granted from July 1 of the year in which he or
34 she entered service; if entry occurs during the school

1 term and the teacher was in teaching service at the
2 beginning of the school term, credit shall be granted
3 from July 1 of such year. In all other cases where credit
4 for military service is allowed, credit shall be granted
5 from the date of entry into the service.

6 The total period of military service for which
7 credit is granted shall not exceed 5 years for any member
8 unless the service: (A) is validated before July 1,
9 1964, and (B) does not extend beyond July 1, 1963.
10 Credit for military service shall be granted under this
11 Section only if not more than 5 years of the military
12 service for which credit is granted under this Section is
13 used by the member to qualify for a military retirement
14 allotment from any branch of the armed forces of the
15 United States. The changes to this subdivision (b)(3)
16 made by Public Act 86-272 shall apply not only to persons
17 who on or after its effective date (August 23, 1989) are
18 in service as a teacher under the System, but also to
19 persons whose status as such a teacher terminated prior
20 to such effective date, whether or not such person is an
21 annuitant on that date.

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

24 (5)(i) Any periods for which a teacher, as defined
25 in Section 16-106, is granted a leave of absence,
26 provided he or she returns to teaching service creditable
27 under this System or the State Universities Retirement
28 System following the leave; (ii) periods during which a
29 teacher is involuntarily laid off from teaching, provided
30 he or she returns to teaching following the lay-off;
31 (iii) periods prior to July 1, 1983 during which a
32 teacher ceased covered employment due to pregnancy,
33 provided that the teacher returned to teaching service
34 creditable under this System or the State Universities

1 Retirement System following the pregnancy and submits
2 evidence satisfactory to the Board documenting that the
3 employment ceased due to pregnancy; and (iv) periods
4 prior to July 1, 1983 during which a teacher ceased
5 covered employment for the purpose of adopting an infant
6 under 3 years of age or caring for a newly adopted infant
7 under 3 years of age, provided that the teacher returned
8 to teaching service creditable under this System or the
9 State Universities Retirement System following the
10 adoption and submits evidence satisfactory to the Board
11 documenting that the employment ceased for the purpose of
12 adopting an infant under 3 years of age or caring for a
13 newly adopted infant under 3 years of age. However,
14 total credit under this paragraph (5) may not exceed 3
15 years.

16 Any qualified member or annuitant may apply for
17 credit under item (iii) or (iv) of this paragraph (5)
18 without regard to whether service was terminated before
19 the effective date of this amendatory Act of 1997. In
20 the case of an annuitant who establishes credit under
21 item (iii) or (iv), the annuity shall be recalculated to
22 include the additional service credit. The increase in
23 annuity shall take effect on the date the System receives
24 written notification of the annuitant's intent to
25 purchase the credit, if the required evidence is
26 submitted and the required contribution paid within 60
27 days of that notification, otherwise on the first annuity
28 payment date following the System's receipt of the
29 required evidence and contribution. The increase in an
30 annuity recalculated under this provision shall be
31 included in the calculation of automatic annual increases
32 in the annuity accruing after the effective date of the
33 recalculation.

34 Optional credit may be purchased under this

1 subsection (b)(5) for periods during which a teacher has
2 been granted a leave of absence pursuant to Section 24-13
3 of the School Code. A teacher whose service under this
4 Article terminated prior to the effective date of P.A.
5 86-1488 shall be eligible to purchase such optional
6 credit. If a teacher who purchases this optional credit
7 is already receiving a retirement annuity under this
8 Article, the annuity shall be recalculated as if the
9 annuitant had applied for the leave of absence credit at
10 the time of retirement. The difference between the
11 entitled annuity and the actual annuity shall be credited
12 to the purchase of the optional credit. The remainder of
13 the purchase cost of the optional credit shall be paid on
14 or before April 1, 1992.

15 The change in this paragraph made by Public Act
16 86-273 shall be applicable to teachers who retire after
17 June 1, 1989, as well as to teachers who are in service
18 on that date.

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

33 Credit for sick leave shall, at retirement, be
34 granted by the System for any retiring regional or

1 assistant regional superintendent of schools at the rate
2 of 6 days per year of creditable service or portion
3 thereof established while serving as such superintendent
4 or assistant superintendent.

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

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

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

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

22 (11) Periods spent in service with the United
23 States Peace Corps or AmeriCorps (Volunteers In Service
24 To America), including periods spent in preparation for
25 that service or in educational programs sponsored by the
26 federal government that prepare for return to teaching
27 following that service.

28 (c) The service credits specified in this Section shall
29 be granted only if: (1) such service credits are not used
30 for credit in any other statutory tax-supported public
31 employee retirement system other than the federal Social
32 Security program; and (2) the member makes the required
33 contributions as specified in Section 16-128. The service
34 credit shall be effective as of the date the required

1 contributions are completed.

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

4 Credit may not be granted under this Section covering any
5 period for which an age retirement or disability retirement
6 allowance has been paid.

7 (Source: P.A. 89-430, eff. 12-15-95; 90-32, eff. 6-27-97.)

8 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

9 Sec. 16-128. Creditable service - required
10 contributions.

11 (a) In order to receive the creditable service specified
12 under subsection (b) of Section 16-127, a member is required
13 to make the following contributions: (i) an amount equal to
14 the contributions which would have been required had such
15 service been rendered as a member under this System; (ii) for
16 military service not immediately following employment and for
17 service established under subdivision (b)(10) or (b)(11) of
18 Section 16-127, an amount determined by the Board to be equal
19 to the employer's normal cost of the benefits accrued for
20 such service; and (iii) interest from the date the
21 contributions would have been due (or, in the case of a
22 person establishing credit for military service under
23 subdivision (b)(3) or service under subdivision (b)(11) of
24 Section 16-127, the date of first membership in the System,
25 if that date is later) to the date of payment, at the
26 following rate of interest, compounded annually: for periods
27 prior to July 1, 1965, regular interest; from July 1, 1965 to
28 June 30, 1977, 4% per year; on and after July 1, 1977,
29 regular interest.

30 (b) In order to receive creditable service under
31 paragraph (2) of subsection (b) of Section 16-127 for those
32 who were not members on June 30, 1963, the minimum required
33 contribution shall be \$420 per year of service together with

1 interest at 4% per year compounded annually from July 1,
2 preceding the date of membership until June 30, 1977 and at
3 regular interest compounded annually thereafter to the date
4 of payment.

5 (c) In determining the contribution required in order to
6 receive creditable service under paragraph (3) of subsection
7 (b) of Section 16-127, the salary rate for the remainder of
8 the school term in which a member enters military service
9 shall be assumed to be equal to the member's salary rate at
10 the time of entering military service. However, for military
11 service not immediately following employment, the salary rate
12 on the last date as a participating teacher prior to such
13 military service, or on the first date as a participating
14 teacher after such military service, whichever is greater,
15 shall be assumed to be equal to the member's salary rate at
16 the time of entering military service. For each school term
17 thereafter, the member's salary rate shall be assumed to be
18 5% higher than the salary rate in the previous school term.

19 (c-5) In determining the contribution required in order
20 to receive creditable service under subdivision (b)(11) of
21 Section 16-127, the salary rate for the period of that
22 service shall be assumed to be equal to the member's salary
23 rate on the last date as a participating teacher prior to
24 that service, or on the first date as a participating teacher
25 after that service, whichever is greater.

26 (d) In determining the contribution required in order to
27 receive creditable service under paragraph (5) of subsection
28 (b) of Section 16-127, a member's salary rate during the
29 period for which credit is being established shall be assumed
30 to be equal to the member's last salary rate immediately
31 preceding that period.

32 (e) The contributions required under this Section may be
33 made from the date the statement for such creditable service
34 is issued until retirement date. All such required

1 contributions must be made before any retirement annuity is
2 granted.

3 (Source: P.A. 89-430, eff. 12-15-95.)

4 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)
5 Sec. 17-134. Contributions for leaves of absence;
6 military and other service; computing service.

7 (A) In computing service for pension purposes the
8 following periods of service shall stand in lieu of a like
9 number of years of teaching service upon payment therefor in
10 the manner hereinafter provided: (a) time spent on sabbatical
11 leaves of absence, sick leaves or maternity or paternity
12 leaves; (b) service with teacher or labor organizations based
13 upon special leaves of absence therefor granted by an
14 Employer; (c) a maximum of 5 years spent in the military
15 service of the United States, of which up to 2 years may have
16 been served outside the pension period; (d) unused sick days
17 at termination of service to a maximum of 244 days; (e) time
18 lost due to layoff and curtailment of the school term from
19 June 6 through June 21, 1976; and (f) time spent after June
20 30, 1982 as a member of the Board of Education, if required
21 to resign from an administrative or teaching position in
22 order to qualify as a member of the Board of Education; and
23 (g) periods spent in service with the United States Peace
24 Corps or AmeriCorps (Volunteers In Service To America),
25 including periods spent in preparation for that service or in
26 educational programs sponsored by the federal government that
27 prepare for return to teaching following that service.

28 (B) With respect to establishing service under this
29 Section, the following conditions apply:

30 (1) For time spent on or after September 6, 1948 on
31 sabbatical leaves of absence or sick leaves, for which
32 salaries are paid, an Employer shall make payroll
33 deductions at the applicable rates in effect during such

1 periods.

2 (2) For time spent on sabbatical or sick leaves
3 commencing on or after September 1, 1961, and for time
4 spent on maternity or paternity leaves, for which no
5 salaries are paid, teachers desiring credit therefor
6 shall pay the required contributions at the rates in
7 effect during such periods as though they were in
8 teaching service. If an Employer pays salary for
9 vacations which occur during a teacher's sick leave or
10 maternity or paternity leave without salary, vacation pay
11 for which the teacher would have qualified while in
12 active service shall be considered part of the teacher's
13 total salary for pension purposes. No more than 12 months
14 of sick leave or maternity or paternity leave credit may
15 be allowed any person during the entire term of service.
16 Sabbatical leave credit shall be limited to the time the
17 person on leave without salary under an Employer's rules
18 is allowed to engage in an activity for which he receives
19 salary or compensation.

20 (3) For time spent prior to September 6, 1948, on
21 sabbatical leaves of absence or sick leaves for which
22 salaries were paid, teachers desiring service credit
23 therefor shall pay the required contributions at the
24 maximum applicable rates in effect during such periods.

25 (4) For service with teacher or labor organizations
26 authorized by special leaves of absence, for which no
27 payroll deductions are made by an Employer, teachers
28 desiring service credit therefor shall contribute to the
29 Fund upon the basis of the actual salary received from
30 such organizations at the percentage rates in effect
31 during such periods for certified positions with such
32 Employer. To the extent the actual salary exceeds the
33 regular salary, which shall be defined as the salary
34 rate, as calculated by the Board, in effect for the

1 teacher's regular position in teaching service on
2 September 1, 1983 or on the effective date of the leave
3 with the organization, whichever is later, the
4 organization shall pay to the Fund the employer's normal
5 cost as set by the Board on the increment.

6 (5) For time spent in the military service,
7 teachers entitled to and desiring credit therefor shall
8 contribute the amount required for each year of service
9 or fraction thereof at the rates in force (a) at the date
10 of appointment, or (b) on return to teaching service as a
11 regularly certified teacher, as the case may be; provided
12 such rates shall not be less than \$450 per year of
13 service. These conditions shall apply unless an Employer
14 elects to and does pay into the Fund the amount which
15 would have been due from such person had he been employed
16 as a teacher during such time. In the case of credit for
17 military service not during the pension period, the
18 teacher must also pay to the Fund an amount determined by
19 the Board to be equal to the employer's normal cost of
20 the benefits accrued from such service, plus interest
21 thereon at 5% per year, compounded annually, from the
22 date of appointment to the date of payment.

23 The changes to this Section made by Public Act
24 87-795 shall apply not only to persons who on or after
25 its effective date are in service under the Fund, but
26 also to persons whose status as a teacher terminated
27 prior to that date, whether or not the person is an
28 annuitant on that date. In the case of an annuitant who
29 applies for credit allowable under this Section for a
30 period of military service that did not immediately
31 follow employment, and who has made the required
32 contributions for such credit, the annuity shall be
33 recalculated to include the additional service credit,
34 with the increase taking effect on the date the Fund

1 received written notification of the annuitant's intent
2 to purchase the credit, if payment of all the required
3 contributions is made within 60 days of such notice, or
4 else on the first annuity payment date following the date
5 of payment of the required contributions. In calculating
6 the automatic annual increase for an annuity that has
7 been recalculated under this Section, the increase
8 attributable to the additional service allowable under
9 this amendatory Act of 1991 shall be included in the
10 calculation of automatic annual increases accruing after
11 the effective date of the recalculation.

12 The total credit for military service shall not
13 exceed 5 years, except that any teacher who on July 1,
14 1963, had validated credit for more than 5 years of
15 military service shall be entitled to the total amount of
16 such credit.

17 (6) A maximum of 244 unused sick days credited to
18 his account by an Employer on the date of termination of
19 employment. Members, upon verification of unused sick
20 days, may add this service time to total creditable
21 service.

22 (7) In all cases where time spent on leave is
23 creditable and no payroll deductions therefor are made by
24 an Employer, persons desiring service credit shall make
25 the required contributions directly to the Fund.

26 (8) For time lost without pay due to layoff and
27 curtailment of the school term from June 6 through June
28 21, 1976, as provided in item (e) of the first paragraph
29 of this Section, persons who were contributors on the
30 days immediately preceding such layoff shall receive
31 credit upon paying to the Fund a contribution based on
32 the rates of compensation and employee contributions in
33 effect at the time of such layoff, together with an
34 additional amount equal to 12.2% of the compensation

1 computed for such period of layoff, plus interest on the
2 entire amount at 5% per annum from January 1, 1978 to the
3 date of payment. If such contribution is paid, salary
4 for pension purposes for any year in which such a layoff
5 occurred shall include the compensation recognized for
6 purposes of computing that contribution.

7 (9) For time spent after June 30, 1982, as a
8 nonsalaried member of the Board of Education, if required
9 to resign from an administrative or teaching position in
10 order to qualify as a member of the Board of Education,
11 an administrator or teacher desiring credit therefor
12 shall pay the required contributions at the rates and
13 salaries in effect during such periods as though the
14 member were in service.

15 (10) In order to receive creditable service for
16 periods spent in service with the United States Peace
17 Corps or AmeriCorps (Volunteers In Service To America), a
18 teacher shall make the following contributions: (i) an
19 amount equal to the contributions that would have been
20 required had such service been rendered as a teacher
21 under this Fund; (ii) an amount determined by the Board
22 to be equal to the employer's normal cost of the benefits
23 accrued for that service; and (iii) interest at the rate
24 or 5% per year, compounded annually, from the date the
25 contributions would have been due (or the date of first
26 membership in the Fund, if that date is later) to the
27 date of payment. The salary rate for the period of that
28 service shall be assumed to be equal to be the teacher's
29 salary rate on the last date as a participating teacher
30 prior to that service, or on the first date as a
31 participating teacher after that service, whichever is
32 greater.

33 (C) Effective September 1, 1974, the interest charged
34 for validation of service described in paragraphs (2) through

1 (5) of this Section shall be compounded annually at a rate of
2 5% commencing one year after the termination of the leave or
3 return to service.

4 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

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

7 (30 ILCS 805/8.25 new)

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

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