

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 17-119 and 17-122 as follows:

6 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

7 Sec. 17-119. Automatic annual increase in pension.

8 (a) Each teacher retiring on or after September 1, 1959,
9 is entitled to the annual increase in pension, defined
10 herein, while he is receiving a pension from the Fund.

11 1. The term "base pension" means a service
12 retirement or disability retirement pension in the amount
13 fixed and payable at the date of retirement of a teacher.

14 2. The annual increase in pension shall be at the
15 rate of 1 1/2% of base pension. This increase shall first
16 occur in January of the year next following the first
17 anniversary of retirement. At such time the Fund shall
18 pay the pro rata part of the increase for the period from
19 the first anniversary date to the date of the first
20 increase in pension. Beginning January 1, 1972, the rate
21 of annual increase in pension shall be 2% of the base
22 pension. Beginning January 1, 1979, the rate of annual
23 increase in pension shall be 3% of the base pension.
24 Beginning January 1, 1990, all automatic annual increases
25 payable under this Section shall be calculated as a
26 percentage of the total pension payable at the time of
27 the increase, including all increases previously granted
28 under this Article, notwithstanding Section 17-157.

29 3. An increase in pension shall be granted only if
30 the retired teacher is age 60 or over. If the teacher
31 attains age 60 after retirement, the increase in pension

1 shall begin in January of the year following the 61st
2 birthday. At such time the Fund also shall pay the pro
3 rata part of the increase from the 61st birthday to the
4 date of first increase in pension.

5 (b) In addition to other increases which may be provided
6 by this Section, on January 1, 1981 any teacher who was
7 receiving a retirement pension on or before January 1, 1971
8 shall have his retirement pension then being paid increased
9 \$1 per month for each year of creditable service. On January
10 1, 1982, any teacher whose retirement pension began on or
11 before January 1, 1977, shall have his retirement pension
12 then being paid increased \$1 per month for each year of
13 creditable service.

14 On January 1, 1987, any teacher whose retirement pension
15 began on or before January 1, 1977, shall have the monthly
16 retirement pension increased by an amount equal to 8¢ per
17 year of creditable service times the number of years that
18 have elapsed since the retirement pension began.

19 (c) On January 1, 2002, every pensioner who began
20 receiving a retirement pension on or before January 1, 1993
21 shall have the monthly retirement pension increased by an
22 amount equal to 25¢ multiplied by the number of full years of
23 creditable service multiplied by the number of full years
24 that have elapsed since the pension began. Every pensioner
25 who begins receiving a retirement pension after January 1,
26 1993 and before January 1, 2002 shall have the monthly
27 retirement pension increased on the January 1 occurring on or
28 next following the seventh anniversary of retirement, by an
29 amount equal to \$1.75 multiplied by the number of full years
30 of creditable service upon which the retirement pension is
31 based. The increase under this subsection shall be included
32 in the calculation of increases granted simultaneously or
33 thereafter under subsection (a). Section 17-157 does not
34 apply to the increase provided under this subsection.

1 (Source: P.A. 90-566, eff. 1-2-98.)

2 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

3 Sec. 17-122. Survivor's and children's pensions - Amount.

4 (a) Upon the death of a teacher who has completed at
5 least 1 1/2 years of contributing service with either this
6 Fund or the State Universities Retirement System or the
7 Teachers' Retirement System of the State of Illinois,
8 provided his death occurred while (a) in active service
9 covered by the Fund or during his first 18 months of
10 continuous employment without a break in service under any
11 other participating system as defined in the Illinois
12 Retirement Systems Reciprocal Act except the State
13 Universities Retirement System and the Teachers' Retirement
14 System of the State of Illinois, (b) on a creditable leave of
15 absence, (c) on a noncreditable leave of absence of no more
16 than one year, or (d) a pension was deferred or pending
17 provided the teacher had at least 10 years of validated
18 service credit, or upon the death of a pensioner otherwise
19 qualified for such benefit, the surviving spouse and
20 unmarried minor children of the deceased teacher under age 18
21 shall be entitled to pensions, under the conditions stated
22 hereinafter. Such survivor's and children's pensions shall
23 be based on the average of the 4 highest consecutive years of
24 salary in the last 10 years of service or on the average
25 salary for total service, if total service has been less than
26 4 years, according to the following percentages:

27 30% of average salary or 50% of the retirement
28 pension earned by the teacher, whichever is larger,
29 subject to the prescribed maximum monthly payment, for a
30 surviving spouse alone on attainment of age 50;

31 60% of average salary for a surviving spouse and
32 eligible minor children of the deceased teacher.

33 If no eligible spouse survives, or the surviving spouse

1 remarries, or the parent of the children of the deceased
2 member is otherwise ineligible for a survivor's pension, a
3 children's pension for eligible minor children under age 18
4 shall be paid to their parent or legal guardian for their
5 benefit according to the following percentages:

6 30% of average salary for one child;

7 60% of average salary for 2 or more children.

8 (b) On January 1, 1981, any survivor or child who was
9 receiving a survivor's or children's pension on or before
10 January 1, 1971, shall have his survivor's or children's
11 pension then being paid increased by 1% for each full year
12 which has elapsed from the date the pension began. On
13 January 1, 1982, any survivor or child whose pension began
14 after January 1, 1971, but before January 1, 1981, shall have
15 his survivor's or children's pension then being paid
16 increased 1% for each full year which has elapsed from the
17 date the pension began. On January 1, 1987, any survivor or
18 child whose pension began on or before January 1, 1977, shall
19 have the monthly survivor's or children's pension increased
20 by \$1 for each full year which has elapsed since the pension
21 began.

22 (c) On January 1, 2002, every survivor or child who
23 began receiving a survivor's or children's pension on or
24 before January 1, 1993 shall have the monthly pension
25 increased by an amount equal to 25¢ multiplied by the number
26 of full years of the deceased's creditable service multiplied
27 by the sum of (i) the number of full years that have elapsed
28 since the survivor's or children's pension began and (ii) the
29 number of full years, if any, during which the deceased
30 received a retirement pension under this Article. Every
31 survivor or child who begins receiving a survivor's or
32 children's pension after January 1, 1993 and before January
33 1, 2002 shall have the monthly pension increased on the
34 January 1 occurring on or next following the seventh

1 anniversary of the commencement of the pension, by an amount
2 equal to 25¢ multiplied by the number of full years of the
3 deceased's creditable service multiplied by the sum of (i)
4 the number of full years that have elapsed since the
5 survivor's annuity began and (ii) the number of full years,
6 if any, during which the deceased received a retirement
7 pension under this Article. The increase under this
8 subsection shall be included in the calculation of increases
9 granted simultaneously or thereafter under subsection (d).
10 Section 17-157 does not apply to the increase provided under
11 this subsection.

12 (d) Beginning January 1, 1990, every survivor's and
13 children's pension shall be increased (1) on each January 1
14 occurring on or after the commencement of the pension if the
15 deceased teacher died while receiving a retirement pension,
16 or (2) in other cases, on each January 1 occurring on or
17 after the first anniversary of the commencement of the
18 pension, by an amount equal to 3% of the current amount of
19 the pension, including all increases previously granted under
20 this Article, notwithstanding Section 17-157. Such increases
21 shall apply without regard to whether the deceased teacher
22 was in service on or after the effective date of this
23 amendatory Act of 1991, but shall not accrue for any period
24 prior to January 1, 1990.

25 (e) Subject to the minimum established below, the
26 maximum amount of pension for a surviving spouse alone or one
27 minor child shall be \$400 per month, and the maximum combined
28 pensions for a surviving spouse and children of the deceased
29 teacher shall be \$600 per month, with individual pensions
30 adjusted for all beneficiaries pro rata to conform with this
31 limitation. If proration is unnecessary the minimum
32 survivor's and children's pensions shall be \$40 per month.
33 The minimum total survivor's and children's pension payable
34 upon the death of a contributor or annuitant which occurs

1 after December 31, 1986, shall be 50% of the earned
2 retirement pension of such contributor or annuitant,
3 calculated without early retirement discount in the case of
4 death in service.

5 On death after retirement, the total survivor's and
6 children's pensions shall not exceed the monthly retirement
7 or disability pension paid to the deceased retirant.
8 Survivor's and children's benefits described in this Section
9 shall apply to all service and disability pensioners eligible
10 for a pension as of July 1, 1981.

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

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

14 (30 ILCS 805/8.25 new)

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

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