

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 17-121, 17-122, 17-124, and 17-125 and  
6 adding Section 17-126.1 as follows:

7 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)

8 Sec. 17-121. Survivor's and Children's pensions -  
9 Eligibility. Beginning January 1, 2003, remarriage at any age  
10 by a surviving spouse shall not terminate his or her  
11 survivor's pension. A surviving spouse whose pension was  
12 terminated before January 1, 2003 due to remarriage at any  
13 age and who applies for reinstatement of that pension and  
14 repays the amount of any survivor refund with interest in  
15 accordance with Section 17-126.1 shall be entitled to have  
16 the pension reinstated upon application for reinstatement and  
17 repayment of the survivor refund. A--surviving--spouse--of--a  
18 teacher--shall-be-entitled-to-a-survivor's-pension-only-if-he  
19 was-married-to-the-contributor--for--at--least--1--1/2--years  
20 immediately-prior-to-his-death-or-retirement,--whichever-first  
21 occurs,--and--also-on-the-date-of-the-last-termination-of-his  
22 service.

23 If-the-surviving-spouse-is-under-age-50-and-there-are--no  
24 eligible--minor--children--born--to-or-legally-adopted-by-the  
25 contributor--and--his--surviving--spouse,--payment---of---the  
26 survivor's--pension--shall--begin--when--the-surviving-spouse  
27 attains-age-50.

28 Remarriage-of-the-surviving-spouse-prior-to-September--1,  
29 1983---while---in---receipt---of---a--survivor's--pension--shall  
30 permanently-terminate--payment--thereof,--regardless--of--any  
31 subsequent--change--in--marital--status;--however,--beginning

1 September--17--1983,--remarriage--of-a-surviving-spouse-after  
2 attainment-of-age--55--shall--not--terminate--the--survivor's  
3 pension.

4 A--surviving--spouse--whose--pension-was-terminated-on-or  
5 after-September-17-1983-due-to-remarriage-after-attainment-of  
6 age-55,--and-who-applies-for--reinstatement--of--that--pension  
7 before-January-17-1990,--shall-be-entitled-to-have-the-pension  
8 reinstated-effective-January-17-1990.

9 A surviving spouse of a member or annuitant under this  
10 Fund who is also a dependent beneficiary under the provisions  
11 of Section 16-140 is eligible for a reciprocal survivor's  
12 pension, provided that any refund of survivor's pension  
13 contributions is repaid to the Fund and application is made  
14 within 30 days after the effective date of this amendatory  
15 Act of the 92nd General Assembly.

16 (Source: P.A. 92-416, eff. 8-17-01.)

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

18 Sec. 17-122. Survivor's and children's pensions - Amount.  
19 Upon the death of a teacher who has completed at least 1 1/2  
20 years of contributing service with either this Fund or the  
21 State Universities Retirement System or the Teachers'  
22 Retirement System of the State of Illinois, provided his  
23 death occurred while (a) in active service covered by the  
24 Fund or during his first 18 months of continuous employment  
25 without a break in service under any other participating  
26 system as defined in the Illinois Retirement Systems  
27 Reciprocal Act except the State Universities Retirement  
28 System and the Teachers' Retirement System of the State of  
29 Illinois, (b) on a creditable leave of absence, (c) on a  
30 noncreditable leave of absence of no more than one year, or  
31 (d) a pension was deferred or pending provided the teacher  
32 had at least 10 years of validated service credit, or upon  
33 the death of a pensioner otherwise qualified for such

1 benefit, the surviving spouse and eligible and-unmarried  
2 ~~minor~~ children of the deceased teacher under-age-18 shall be  
3 entitled to pensions, under the conditions stated  
4 hereinafter. Such survivor's and children's pensions shall  
5 be based on the average of the 4 highest consecutive years of  
6 salary in the last 10 years of service or on the average  
7 salary for total service, if total service has been less than  
8 4 years, according to the following percentages:

9 30% of average salary or 50% of the retirement pension  
10 earned by the teacher, whichever is larger, subject to the  
11 prescribed maximum monthly payment, for a surviving spouse  
12 alone on attainment of age 50;

13 60% of average salary for a surviving spouse and  
14 eligible ~~minor~~ children of the deceased teacher.

15 If no eligible spouse survives, or the surviving spouse  
16 remarries, or the parent of the children of the deceased  
17 member is otherwise ineligible for a survivor's pension, a  
18 children's pension for eligible ~~minor~~ children under--age--18  
19 shall be paid to their parent or legal guardian for their  
20 benefit according to the following percentages:

21 30% of average salary for one child;

22 60% of average salary for 2 or more children.

23 A disabled child who was dependent upon a deceased  
24 teacher at the time of his or her death whose children's  
25 pension was terminated due to attainment of age 18 may apply  
26 to the Fund for reinstatement of that pension. An  
27 application for reinstatement shall be accompanied by the  
28 payment of an amount equal to (1) the amount of any refund  
29 received by the deceased teacher under Section 17-125 and (2)  
30 interest thereon from the date of the payment of the refund  
31 to the date of application for reinstatement at the rate of  
32 6% per year. The reinstated pension shall begin to accrue on  
33 the first day of the month following the month the  
34 application is received by the Fund, but in no event sooner

1 than January 1, 2003. However, if the pension is payable to  
2 anyone else, the pension shall not be reinstated until the  
3 pension is no longer payable to any eligible surviving spouse  
4 or other eligible children. A reinstated annuity shall  
5 include any one-time or annual increases received prior to  
6 the date of termination, as well as any increases that would  
7 otherwise have accrued from the date of termination to the  
8 date of reinstatement.

9 The changes made to this Section and Section 17-121 by  
10 this amendatory Act of the 92nd General Assembly pertaining  
11 to reinstatement of a survivor's or children's pension apply  
12 notwithstanding Section 17-157 and without regard to whether  
13 the deceased teacher was in service on or after the effective  
14 date of this amendatory Act.

15 On January 1, 1981, any survivor or child who was  
16 receiving a survivor's or children's pension on or before  
17 January 1, 1971, shall have his survivor's or children's  
18 pension then being paid increased by 1% for each full year  
19 which has elapsed from the date the pension began. On January  
20 1, 1982, any survivor or child whose pension began after  
21 January 1, 1971, but before January 1, 1981, shall have his  
22 survivor's or children's pension then being paid increased 1%  
23 for each full year which has elapsed from the date the  
24 pension began. On January 1, 1987, any survivor or child  
25 whose pension began on or before January 1, 1977, shall have  
26 the monthly survivor's or children's pension increased by \$1  
27 for each full year which has elapsed since the pension began.

28 Beginning January 1, 1990, every survivor's and  
29 children's pension shall be increased (1) on each January 1  
30 occurring on or after the commencement of the pension if the  
31 deceased teacher died while receiving a retirement pension,  
32 or (2) in other cases, on each January 1 occurring on or  
33 after the first anniversary of the commencement of the  
34 pension, by an amount equal to 3% of the current amount of

1 the pension, including all increases previously granted under  
2 this Article, notwithstanding Section 17-157. Such increases  
3 shall apply without regard to whether the deceased teacher  
4 was in service on or after the effective date of this  
5 amendatory Act of 1991, but shall not accrue for any period  
6 prior to January 1, 1990.

7 Subject to the minimum established below, the maximum  
8 amount of pension for a surviving spouse alone or one minor  
9 child shall be \$400 per month, and the maximum combined  
10 pensions for a surviving spouse and children of the deceased  
11 teacher shall be \$600 per month, with individual pensions  
12 adjusted for all beneficiaries pro rata to conform with this  
13 limitation. If proration is unnecessary the minimum  
14 survivor's and children's pensions shall be \$40 per month.  
15 The minimum total survivor's and children's pension payable  
16 upon the death of a contributor or annuitant which occurs  
17 after December 31, 1986, shall be 50% of the earned  
18 retirement pension of such contributor or annuitant,  
19 calculated without early retirement discount in the case of  
20 death in service.

21 On death after retirement, the total survivor's and  
22 children's pensions shall not exceed the monthly retirement  
23 or disability pension paid to the deceased retirant.  
24 Survivor's and children's benefits described in this Section  
25 shall apply to all service and disability pensioners eligible  
26 for a pension as of July 1, 1981.

27 For the purposes of this Section, the term "eligible  
28 child" means an unmarried minor child of a deceased teacher  
29 who is under 18 years of age or a child of a deceased teacher  
30 who is disabled and was dependent upon the deceased teacher  
31 at the time of his or her death regardless of age.

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

33 (40 ILCS 5/17-124) (from Ch. 108 1/2, par. 17-124)

1           Sec. 17-124. Death Benefits - Death on pension. On  
2 written application to the Board, there shall be paid to the  
3 estate of a deceased teacher-pensioner pension payments,  
4 accrued, temporarily withheld or represented by checks  
5 uncashed at the date of his death and the excess, if any, of  
6 an amount equal to his refundable contributions for service  
7 or disability retirement pension over pension to the date of  
8 death; provided, that if there be filed with the Board prior  
9 to the death of the pensioner his written direction, signed  
10 and acknowledged before an officer authorized to take  
11 acknowledgments, that such payments be paid to designated  
12 beneficiaries, they shall be so paid on written application  
13 therefor to the Board. If none of several named beneficiaries  
14 survives the pensioner and no directive was furnished by the  
15 member to cover this contingency, the deceased beneficiary's  
16 share shall be paid to the estate of the pensioner.

17           If a reversionary pension is payable upon death of a  
18 pensioner, the determination and payment of any refund of  
19 contributions payable under this Section shall be made upon  
20 death of the reversionary pensioner. At such time a refund of  
21 contributions less (1) the amount contributed for annual  
22 increases in pension and (2) total pension payments to the  
23 teacher-pensioner and survivor shall be paid in the manner  
24 provided in this Section to the designated beneficiaries, or  
25 estate of the deceased survivor.

26           If a pension is payable to a surviving spouse or eligible  
27 child and/or ~~minor children~~ upon death of a pensioner, the  
28 determination of any refund of contributions payable under  
29 this Section shall be made when the last of those pensions is  
30 no longer payable upon death of the survivor and marriage or  
31 attainment of age 18 of minor children. At that time a refund  
32 of contributions for retirement and survivors' and children's  
33 pensions less total pension payments to the  
34 teacher-pensioner, surviving spouse, and eligible survivor

1 and--~~minor~~ children shall be paid in the manner provided in  
2 this Section to the designated beneficiaries, or estate of  
3 the deceased survivor.

4 If eligible beneficiaries for survivors' or children's  
5 benefits existed at the time of a pensioner's retirement but  
6 not on the date of his death thereafter, the excess of total  
7 contributions for retirement and survivors' and children's  
8 pensions over pensions paid shall be determined upon death of  
9 the pensioner and paid in the manner provided in this Section  
10 to the designated beneficiaries, or estate of the deceased  
11 teacher-pensioner.

12 Reversionary or survivor's pension payments accrued,  
13 temporarily withheld, or represented by uncashed checks to  
14 the date of death shall be paid to the reversionary  
15 pensioner's or survivor's designated beneficiaries, or estate  
16 in the manner provided in this Section.

17 On death of a retired teacher whose death occurs on or  
18 after the effective date of this amendatory Act of 1991,  
19 there shall be payable a lump sum death benefit equal to 6  
20 times the teacher's salary rate for his last month of service  
21 or \$10,000, whichever is less, upon death during the first  
22 year on pension minus 1/5 of the death benefit, as defined  
23 herein, for each year or fraction thereof on pension after  
24 the first full year, to a minimum of \$5,000.

25 Notwithstanding Section 17-157, the changes made in this  
26 Section and Section 17-123 by this amendatory Act of 1991  
27 shall apply to teachers dying on or after the effective date  
28 of this amendatory Act of 1991 without regard to whether  
29 service terminated prior to that date.

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

31 (40 ILCS 5/17-126.1 new)

32 Sec. 17-126.1. Repayment of survivor's refund. If any  
33 person receives a survivor's refund pursuant to Section

1 17-125 and chooses to reestablish a survivor's or children's  
2 pension pursuant to Section 17-121, then he or she shall pay  
3 back to the Fund the survivor refund together with interest  
4 thereon at the rate of 5% per year, compounded annually from  
5 the time the refund was paid to the date of repayment.

6 Section 90. The State Mandates Act is amended by adding  
7 Section 8.26 as follows:

8 (30 ILCS 805/8.26 new)

9 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6  
10 and 8 of this Act, no reimbursement by the State is required  
11 for the implementation of any mandate created by this  
12 amendatory Act of the 92nd General Assembly.

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