

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 17-106, 17-119.1, 17-121, 17-134, and
6 17-149 as follows:

7 (40 ILCS 5/17-106) (from Ch. 108 1/2, par. 17-106)

8 Sec. 17-106. Contributor, member or teacher.
9 "Contributor", "member" or "teacher": All members of the
10 teaching force of the city, including principals, assistant
11 principals, the general superintendent of schools, deputy
12 superintendents of schools, associate superintendents of
13 schools, assistant and district superintendents of schools,
14 members of the Board of Examiners, all other persons whose
15 employment requires a teaching certificate issued under the
16 laws governing the certification of teachers, any
17 educational, administrative, professional, or other staff
18 employed in a charter school operating in compliance with the
19 Charter Schools Law who is certified under the law governing
20 the certification of teachers, and employees of the Board,
21 but excluding persons contributing concurrently to any other
22 public employee pension system in Illinois for the same
23 employment or receiving retirement pensions under another
24 Article of this Code for that same employment, persons
25 employed on an hourly basis, and persons receiving pensions
26 from the Fund who are employed temporarily by an Employer for
27 ~~150--days--or--less--in--any--school--year~~ and not on an annual
28 basis.

29 In the case of a person who has been making contributions
30 and otherwise participating in this Fund prior to the
31 effective date of this amendatory Act of the 91st General

1 Assembly, and whose right to participate in the Fund is
 2 established or confirmed by this amendatory Act, such prior
 3 participation in the Fund, including all contributions
 4 previously made and service credits previously earned by the
 5 person, are hereby validated.

6 The changes made to this Section and Section 17-149 by
 7 this amendatory Act of the 92nd General Assembly apply
 8 without regard to whether the person was in service on or
 9 after the effective date of this amendatory Act,
 10 notwithstanding Sections 1-103.1 and 17-157.

11 (Source: P.A. 91-887, eff. 7-6-00; 92-416, eff. 8-17-01.)

12 (40 ILCS 5/17-119.1)

13 Sec. 17-119.1. Optional increase in retirement annuity.

14 (a) A member of the Fund may qualify for the augmented
 15 rate under subdivision (b)(3) of Section 17-116 for all years
 16 of creditable service earned before July 1, 1998 by making
 17 the optional contribution specified in subsection (b); except
 18 that a member who retires on or after July 1, 1998 with at
 19 least 30 years of creditable service at retirement qualifies
 20 for the augmented rate without making any contribution under
 21 subsection (b). Any member who retires on or after July 1,
 22 1998 and before the effective date of this amendatory Act of
 23 the 92nd General Assembly with at least 30 years of
 24 creditable service shall be paid a lump sum equal to the
 25 amount he or she would have received under the augmented rate
 26 minus the amount he or she actually received. A member may
 27 not elect to qualify for the augmented rate for only a
 28 portion of his or her creditable service earned before July
 29 1, 1998.

30 (b) The contribution shall be an amount equal to 1.0% of
 31 the member's highest salary rate in the 4 consecutive school
 32 years immediately prior to but not including the school year
 33 in which the application occurs, multiplied by the number of

1 years of creditable service earned by the member before July
 2 1, 1998 or 20, whichever is less. This contribution shall be
 3 reduced by 1.0% of that salary rate for every 3 full years of
 4 creditable service earned by the member after June 30, 1998.
 5 The contribution shall be further reduced at the rate of 25%
 6 of the contribution (as reduced for service after June 30,
 7 1998) for each year of the member's total creditable service
 8 in excess of 34 years. The contribution shall not in any
 9 event exceed 20% of that salary rate.

10 The member shall pay to the Fund the amount of the
 11 contribution as calculated at the time of application under
 12 this Section. The amount of the contribution determined
 13 under this subsection shall be recalculated at the time of
 14 retirement, and if the Fund determines that the amount paid
 15 by the member exceeds the recalculated amount, the Fund shall
 16 refund the difference to the member with regular interest
 17 from the date of payment to the date of refund.

18 The contribution required by this subsection shall be
 19 paid in one of the following ways or in a combination of the
 20 following ways that does not extend over more than 5 years:

21 (i) in a lump sum on or before the date of
 22 retirement;

23 (ii) in substantially equal installments over a
 24 period of time not to exceed 5 years, as a deduction from
 25 salary in accordance with Section 17-130.2;

26 (iii) ~~if--the--member--becomes--an--annuitant--before~~
 27 ~~June---30,---2003,~~ in substantially equal monthly
 28 installments over a 24-month period, by a deduction from
 29 the annuitant's monthly benefit.

30 (c) If the member fails to make the full contribution
 31 under this Section in a timely fashion, the payments made
 32 under this Section shall be refunded to the member, without
 33 interest. If the member dies before making the full
 34 contribution, the payments made under this Section shall be

1 refunded to the member's designated beneficiary.

2 (d) For purposes of this Section and subsection (b) of
3 Section 17-116, optional creditable service established by a
4 member shall be deemed to have been earned at the time of the
5 employment or other qualifying event upon which the service
6 is based, rather than at the time the credit was established
7 in this Fund.

8 (e) The contributions required under this Section are
9 the responsibility of the teacher and not the teacher's
10 employer. However, an employer of teachers may say, after
11 the effective date of this amendatory Act of 1998,
12 specifically agree, through collective bargaining or
13 otherwise, to make the contributions required by this Section
14 on behalf of those teachers.

15 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01;
16 revised 10-4-01.)

17 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)
18 Sec. 17-121. Survivor's and--Children's pensions -
19 Eligibility.

20 (a) A surviving spouse of a teacher shall be entitled to
21 a survivor's pension only if the surviving spouse he was
22 married to the teacher contributor for at least one year
23 1-1/2--years immediately prior to the teacher's his death or
24 retirement, ~~whichever first occurs, and also on the date of~~
25 ~~the last termination of his service.~~

26 The changes made to this subsection (a) by this
27 amendatory Act of the 92nd General Assembly apply (i) only to
28 the surviving spouse of a person who dies on or after the
29 effective date of this amendatory Act, and only if the amount
30 of any refund of contributions for survivor's pension is
31 repaid with interest in accordance with subsection (f), and
32 (ii) notwithstanding Section 17-157 and without regard to
33 whether the deceased person was in service on or after the

1 effective date of this amendatory Act.

2 (b) If the surviving spouse is under age 50 and there
3 are no eligible minor children born to or legally adopted by
4 the contributor and his or her surviving spouse, payment of
5 the survivor's pension shall begin when the surviving spouse
6 attains age 50.

7 (c) Beginning January 1, 2003, the remarriage of a
8 surviving spouse at any age does not terminate his or her
9 survivor's pension.

10 A surviving spouse whose survivor's pension (or
11 expectation of a survivor's pension upon attainment of age
12 50) was terminated before January 1, 2003 due to remarriage
13 and who applies for reinstatement of that pension and repays
14 the amount of any refund of contributions for survivor's
15 pension with interest in accordance with subsection (f) shall
16 be entitled to have the survivor's pension (or expectation of
17 a survivor's pension upon attainment of age 50) reinstated.
18 The reinstated pension shall begin to accrue on the first day
19 of the month following the month in which the application and
20 repayment, if any, are received by the Fund, but in no event
21 sooner than January 1, 2003 and, if subsection (b) applies,
22 no sooner than upon attainment of age 50. The reinstated
23 pension shall include any one-time or annual increases in the
24 survivor's pension received prior to the date of termination,
25 but not any increases that would otherwise have accrued from
26 the date of termination to the date of reinstatement.

27 This subsection (c) applies notwithstanding Section
28 17-157 and without regard to whether the deceased teacher was
29 in service on or after the effective date of this amendatory
30 Act of the 92nd General Assembly.

31 (d) Except as provided in subsection (c), remarriage of
32 the surviving spouse prior to September 1, 1983 while in
33 receipt of a survivor's pension shall permanently terminate
34 payment thereof, regardless of any subsequent change in

1 marital status; however, beginning September 1, 1983,
2 remarriage of a surviving spouse after attainment of age 55
3 shall not terminate the survivor's pension.

4 A surviving spouse whose pension was terminated on or
5 after September 1, 1983 due to remarriage after attainment of
6 age 55, and who applies for reinstatement of that pension
7 before January 1, 1990, shall be entitled to have the pension
8 reinstated effective January 1, 1990.

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

16 (f) If a refund of contributions for survivor's pension
17 has been paid, a person choosing to establish or reestablish
18 the right to receive a survivor's pension pursuant to the
19 changes made to this Section by this amendatory Act of the
20 92nd General Assembly must first repay to the Fund the amount
21 of the refund of contributions for survivor's pension,
22 together with interest thereon at the rate of 5% per year,
23 compounded annually, from the date of the refund to the date
24 of repayment.

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

26 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

27 Sec. 17-134. Contributions for leaves of absence;
28 military service; computing service. In computing service
29 for pension purposes the following periods of service shall
30 stand in lieu of a like number of years of teaching service
31 upon payment therefor in the manner hereinafter provided: (a)
32 time spent on a leave sabbatical-leaves of absence granted by
33 the employer,--sick-leaves-or-maternity-or-paternity-leaves;

1 (b) service with teacher or labor organizations based upon
 2 special leaves of absence therefor granted by an Employer;
 3 (c) a maximum of 5 years spent in the military service of the
 4 United States, of which up to 2 years may have been served
 5 outside the pension period; (d) unused sick days at
 6 termination of service to a maximum of 244 days; (e) time
 7 lost due to layoff and curtailment of the school term from
 8 June 6 through June 21, 1976; and (f) time spent after June
 9 30, 1982 as a member of the Board of Education, if required
 10 to resign from an administrative or teaching position in
 11 order to qualify as a member of the Board of Education.

12 (1) For time spent on or after September 6, 1948 on
 13 sabbatical leaves of absence or sick leaves, for which
 14 salaries are paid, an Employer shall make payroll
 15 deductions at the applicable rates in effect during such
 16 periods.

17 (2) For time spent on a leave of absence granted by
 18 the employer ~~sabbatical-or-sick-leaves-commencing--on--or~~
 19 ~~after--September-17-19617--and-for-time-spent-on-maternity~~
 20 ~~or-paternity-leaves,~~ for which no salaries are paid,
 21 teachers desiring credit therefor shall pay the required
 22 contributions at the rates in effect during such periods
 23 as though they were in teaching service. If an Employer
 24 pays salary for vacations which occur during a teacher's
 25 sick leave or maternity or paternity leave without
 26 salary, vacation pay for which the teacher would have
 27 qualified while in active service shall be considered
 28 part of the teacher's total salary for pension purposes.
 29 No more than 36 ~~12~~ months of ~~sick-leave-or--maternity--or~~
 30 ~~paternity~~ leave credit may be allowed any person during
 31 the entire term of service. Sabbatical leave credit
 32 shall be limited to the time the person on leave without
 33 salary under an Employer's rules is allowed to engage in
 34 an activity for which he receives salary or compensation.

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

6 (4) For service with teacher or labor organizations
7 authorized by special leaves of absence, for which no
8 payroll deductions are made by an Employer, teachers
9 desiring service credit therefor shall contribute to the
10 Fund upon the basis of the actual salary received from
11 such organizations at the percentage rates in effect
12 during such periods for certified positions with such
13 Employer. To the extent the actual salary exceeds the
14 regular salary, which shall be defined as the salary
15 rate, as calculated by the Board, in effect for the
16 teacher's regular position in teaching service on
17 September 1, 1983 or on the effective date of the leave
18 with the organization, whichever is later, the
19 organization shall pay to the Fund the employer's normal
20 cost as set by the Board on the increment.

21 (5) For time spent in the military service,
22 teachers entitled to and desiring credit therefor shall
23 contribute the amount required for each year of service
24 or fraction thereof at the rates in force (a) at the date
25 of appointment, or (b) on return to teaching service as a
26 regularly certified teacher, as the case may be; provided
27 such rates shall not be less than \$450 per year of
28 service. These conditions shall apply unless an Employer
29 elects to and does pay into the Fund the amount which
30 would have been due from such person had he been employed
31 as a teacher during such time. In the case of credit for
32 military service not during the pension period, the
33 teacher must also pay to the Fund an amount determined by
34 the Board to be equal to the employer's normal cost of

1 the benefits accrued from such service, plus interest
2 thereon at 5% per year, compounded annually, from the
3 date of appointment to the date of payment.

4 The changes to this Section made by Public Act
5 87-795 shall apply not only to persons who on or after
6 its effective date are in service under the Fund, but
7 also to persons whose status as a teacher terminated
8 prior to that date, whether or not the person is an
9 annuitant on that date. In the case of an annuitant who
10 applies for credit allowable under this Section for a
11 period of military service that did not immediately
12 follow employment, and who has made the required
13 contributions for such credit, the annuity shall be
14 recalculated to include the additional service credit,
15 with the increase taking effect on the date the Fund
16 received written notification of the annuitant's intent
17 to purchase the credit, if payment of all the required
18 contributions is made within 60 days of such notice, or
19 else on the first annuity payment date following the date
20 of payment of the required contributions. In calculating
21 the automatic annual increase for an annuity that has
22 been recalculated under this Section, the increase
23 attributable to the additional service allowable under
24 this amendatory Act of 1991 shall be included in the
25 calculation of automatic annual increases accruing after
26 the effective date of the recalculation.

27 The total credit for military service shall not
28 exceed 5 years, except that any teacher who on July 1,
29 1963, had validated credit for more than 5 years of
30 military service shall be entitled to the total amount of
31 such credit.

32 (6) A maximum of 244 unused sick days credited to
33 his account by an Employer on the date of termination of
34 employment. Members, upon verification of unused sick

1 days, may add this service time to total creditable
2 service.

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

7 (8) For time lost without pay due to layoff and
8 curtailment of the school term from June 6 through June
9 21, 1976, as provided in item (e) of the first paragraph
10 of this Section, persons who were contributors on the
11 days immediately preceding such layoff shall receive
12 credit upon paying to the Fund a contribution based on
13 the rates of compensation and employee contributions in
14 effect at the time of such layoff, together with an
15 additional amount equal to 12.2% of the compensation
16 computed for such period of layoff, plus interest on the
17 entire amount at 5% per annum from January 1, 1978 to the
18 date of payment. If such contribution is paid, salary
19 for pension purposes for any year in which such a layoff
20 occurred shall include the compensation recognized for
21 purposes of computing that contribution.

22 (9) For time spent after June 30, 1982, as a
23 nonsalaried member of the Board of Education, if required
24 to resign from an administrative or teaching position in
25 order to qualify as a member of the Board of Education,
26 an administrator or teacher desiring credit therefor
27 shall pay the required contributions at the rates and
28 salaries in effect during such periods as though the
29 member were in service.

30 Effective September 1, 1974, the interest charged for
31 validation of service described in paragraphs (2) through (5)
32 of this Section shall be compounded annually at a rate of 5%
33 commencing one year after the termination of the leave or
34 return to service.

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

2 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

3 Sec. 17-149. Cancellation of pensions.

4 (a) If any person receiving a service--er disability
5 retirement pension from the Fund is re-employed as a teacher
6 by an Employer, the pension shall be cancelled on the date
7 the re-employment begins, or on the first day of a payroll
8 period for which service credit was validated, whichever is
9 earlier.

10 (b) If any person receiving a service retirement pension
11 from the Fund is re-employed as a teacher on a permanent or
12 annual basis by an Employer, the pension shall be cancelled
13 on the date the re-employment begins, or on the first day of
14 a payroll period for which service credit was validated,
15 whichever is earlier. However, the pension shall not be
16 cancelled in the case of a service retirement pensioner who
17 is temporarily re-employed on a temporary and non-annual
18 basis for not more than 150 days during any school year or on
19 an hourly basis, 7 provided the pensioner does not receive
20 salary in any school year of an amount more than that payable
21 to a substitute teacher for 150 days' employment. A service
22 retirement pensioner who is temporarily re-employed for not
23 more than 150 days during any school year or on an hourly
24 basis shall be entitled, at the end of the school year, to a
25 refund of any contributions made to the Fund during that
26 school year.

27 If the pensioner does receive salary from an Employer in
28 any school year for more than 150 days' employment, the
29 pensioner shall be deemed to have returned to service on the
30 first day of employment as a pensioner substitute. The
31 pensioner shall reimburse the Fund for pension payments
32 received after the return to service and shall pay to the
33 Fund the participant's contributions prescribed in Section

1 ~~17-130-of-this-Article.~~

2 (c) If the date of re-employment on a permanent or
3 annual basis occurs within 5 school months after the date of
4 previous retirement, exclusive of any vacation period, the
5 member shall be deemed to have been out of service only
6 temporarily and not permanently retired. Such person shall
7 be entitled to pension payments for the time he could have
8 been employed as a teacher and received salary, but shall not
9 be entitled to pension for or during the summer vacation
10 prior to his return to service.

11 When the member again retires on pension, the time of
12 service and the money contributed by him during re-employment
13 shall be added to the time and money previously credited.
14 Such person must acquire 3 consecutive years of additional
15 contributing service before he may retire again on a pension
16 at a rate and under conditions other than those in force or
17 attained at the time of his previous retirement.

18 (d) Notwithstanding Sections 1-103.1 and 17-157, the
19 changes to this Section made by Public ~~this--amendatory~~ Act
20 90-32 ~~of---1997--shall~~ apply without regard to whether
21 termination of service occurred before the effective date of
22 that ~~this--amendatory~~ Act and shall apply retroactively to
23 August 23, 1989.

24 Notwithstanding Sections 1-103.1 and 17-157, the changes
25 to this Section and Section 17-106 made by this amendatory
26 Act of the 92nd General Assembly apply without regard to
27 whether termination of service occurred before the effective
28 date of this amendatory Act.

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

30 Section 90. The State Mandates Act is amended by adding
31 Section 8.26 as follows:

32 (30 ILCS 805/8.26 new)

1 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
2 and 8 of this Act, no reimbursement by the State is required
3 for the implementation of any mandate created by this
4 amendatory Act of the 92nd General Assembly.

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