

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 and 16-128 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 (b-1) A member may establish optional credit for up to 3  
23 years of service as a teacher or administrator employed by a  
24 private school recognized by the Illinois State Board of  
25 Education, provided that the teacher (i) was certified under  
26 the law governing the certification of teachers at the time  
27 the service was rendered, (ii) applies in writing on or after  
28 June 1, 2001 and on or before June 1, 2004, (iii) supplies  
29 satisfactory evidence of the employment, (iv) completes at  
30 least 5 years of contributing service as a teacher as defined  
31 in Section 16-106, and (v) pays the contribution required in  
32 subsection (d-5) of Section 16-128. The member may apply for  
33 credit under this subsection and pay the required  
34 contribution before completing the 5 years of contributing

1 service required under item (iv), but the credit may not be  
2 used until the item (iv) contributing service requirement has  
3 been met.

4 (c) The service credits specified in this Section shall  
5 be granted only if: (1) such service credits are not used for  
6 credit in any other statutory tax-supported public employee  
7 retirement system other than the federal Social Security  
8 program; and (2) the member makes the required contributions  
9 as specified in Section 16-128. Except as provided in  
10 subsection (b-1) of this Section, the service credit shall be  
11 effective as of the date the required contributions are  
12 completed.

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

15 Credit may not be granted under this Section covering any  
16 period for which an age retirement or disability retirement  
17 allowance has been paid.

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

19 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)  
20 Sec. 16-128. Creditable service - required  
21 contributions.

22 (a) In order to receive the creditable service specified  
23 under subsection (b) of Section 16-127, a member is required  
24 to make the following contributions: (i) an amount equal to  
25 the contributions which would have been required had such  
26 service been rendered as a member under this System; (ii) for  
27 military service not immediately following employment and for  
28 service established under subdivision (b)(10) of Section  
29 16-127, an amount determined by the Board to be equal to the  
30 employer's normal cost of the benefits accrued for such  
31 service; and (iii) interest from the date the contributions  
32 would have been due (or, in the case of a person establishing  
33 credit for military service under subdivision (b)(3) of



1 Section 16-127, the date of first membership in the System,  
2 if that date is later) to the date of payment, at the  
3 following rate of interest, compounded annually: for periods  
4 prior to July 1, 1965, regular interest; from July 1, 1965 to  
5 June 30, 1977, 4% per year; on and after July 1, 1977,  
6 regular interest.

7 (b) In order to receive creditable service under  
8 paragraph (2) of subsection (b) of Section 16-127 for those  
9 who were not members on June 30, 1963, the minimum required  
10 contribution shall be \$420 per year of service together with  
11 interest at 4% per year compounded annually from July 1,  
12 preceding the date of membership until June 30, 1977 and at  
13 regular interest compounded annually thereafter to the date  
14 of payment.

15 (c) In determining the contribution required in order to  
16 receive creditable service under paragraph (3) of subsection  
17 (b) of Section 16-127, the salary rate for the remainder of  
18 the school term in which a member enters military service  
19 shall be assumed to be equal to the member's salary rate at  
20 the time of entering military service. However, for military  
21 service not immediately following employment, the salary rate  
22 on the last date as a participating teacher prior to such  
23 military service, or on the first date as a participating  
24 teacher after such military service, whichever is greater,  
25 shall be assumed to be equal to the member's salary rate at  
26 the time of entering military service. For each school term  
27 thereafter, the member's salary rate shall be assumed to be  
28 5% higher than the salary rate in the previous school term.

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

1       (d-5) For each year of service credit to be established  
2       under subsection (b-1) of Section 16-127, a member is  
3       required to contribute to the System (i) 16.5% of the annual  
4       salary rate during the first year of full-time employment as  
5       a teacher under this Article following the private school  
6       service, plus (ii) interest thereon from the date of first  
7       full-time employment as a teacher under this Article  
8       following the private school service to the date of payment,  
9       compounded annually, at the rate of 8.5% per year for periods  
10       before the effective date of this amendatory Act of the 92nd  
11       General Assembly, and for subsequent periods at a rate equal  
12       to the System's actuarially assumed rate of return on  
13       investments.

14       (e) The contributions required under this Section may be  
15       made from the date the statement for such creditable service  
16       is issued until retirement date. All such required  
17       contributions must be made before any retirement annuity is  
18       granted.

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

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