

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 Section 15-145 as follows:

6 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)  
7 Sec. 15-145. Survivors insurance benefits; conditions  
8 and amounts.

9 (a) The survivors insurance benefits provided under this  
10 Section shall be payable to the eligible survivors of a  
11 participant covered under the traditional benefit package  
12 upon the death of (1) a participating employee with at least  
13 1 1/2 years of service, (2) a participant who terminated  
14 employment with at least 10 years of service, and (3) an  
15 annuitant in receipt of a retirement annuity or disability  
16 retirement annuity under this Article.

17 Service under the State Employees' Retirement System of  
18 Illinois, the Teachers' Retirement System of the State of  
19 Illinois and the Public School Teachers' Pension and  
20 Retirement Fund of Chicago shall be considered in determining  
21 eligibility for survivors benefits under this Section.

22 If, by law, a function of a governmental unit, as defined  
23 by Section 20-107, is transferred in whole or in part to an  
24 employer, and an employee transfers employment from this  
25 governmental unit to such employer within 6 months after the  
26 transfer of this function, the service credits in the  
27 governmental unit's retirement system which have been  
28 validated under Section 20-109 shall be considered in  
29 determining eligibility for survivors benefits under this  
30 Section.

31 (b) A surviving spouse of a deceased participant, or of

1 a deceased annuitant who did not take a refund or additional  
 2 annuity consisting of accumulated survivors insurance  
 3 contributions, shall receive a survivors annuity of 30% of  
 4 the final rate of earnings. Payments shall begin on the day  
 5 following the participant's or annuitant's death ~~or the date~~  
 6 ~~the surviving spouse attains age 50, whichever is later,~~ and  
 7 continue until the death of the surviving spouse.

8 The removal of the age 50 limitation by this amendatory  
 9 Act of the 92nd General Assembly applies to all persons  
 10 otherwise eligible to receive a survivors annuity under this  
 11 subsection (b), without regard to whether the deceased  
 12 participant or annuitant was in service on or after the  
 13 effective date of this amendatory Act. A person otherwise  
 14 eligible whose annuity under this subsection is being  
 15 deferred due to the age 50 limitation shall, upon  
 16 application, be entitled to have the annuity begin, payable  
 17 from the effective date of this amendatory Act. The annuity  
 18 ~~shall be payable to the surviving spouse prior to attainment~~  
 19 ~~of age 50 if the surviving spouse has in his or her care a~~  
 20 ~~deceased participant's or annuitant's dependent unmarried~~  
 21 ~~child under age 18 (under age 22 if a full-time student) who~~  
 22 ~~is eligible for a survivors annuity.~~

23 Remarriage of a surviving spouse prior to attainment of  
 24 age 55 that occurs before July 6, 2000 ~~the effective date of~~  
 25 ~~this amendatory Act of the 91st General Assembly~~ shall  
 26 disqualify him or her for the receipt of a survivors annuity.

27 (c) Each dependent unmarried child under age 18 (under  
 28 age 22 if a full-time student) of a deceased participant, or  
 29 of a deceased annuitant who did not take a refund or  
 30 additional annuity consisting of accumulated survivors  
 31 insurance contributions, shall receive a survivors annuity  
 32 equal to the sum of (1) 20% of the final rate of earnings,  
 33 and (2) 10% of the final rate of earnings divided by the  
 34 number of children entitled to this benefit. Payments shall

1 begin on the day following the participant's or annuitant's  
2 death and continue until the child marries, dies, or attains  
3 age 18 (age 22 if a full-time student). If the child is in  
4 the care of a surviving spouse who is eligible for survivors  
5 insurance benefits, the child's benefit shall be paid to the  
6 surviving spouse.

7 Each unmarried child over age 18 of a deceased  
8 participant or of a deceased annuitant who had a survivor's  
9 insurance beneficiary at the time of his or her retirement,  
10 and who was dependent upon the participant or annuitant by  
11 reason of a physical or mental disability which began prior  
12 to the date the child attained age 18 (age 22 if a full-time  
13 student), shall receive a survivor's annuity equal to the sum  
14 of (1) 20% of the final rate of earnings, and (2) 10% of the  
15 final rate of earnings divided by the number of children  
16 entitled to survivors benefits. Payments shall begin on the  
17 day following the participant's or annuitant's death and  
18 continue until the child marries, dies, or is no longer  
19 disabled. If the child is in the care of a surviving spouse  
20 who is eligible for survivors insurance benefits, the child's  
21 benefit may be paid to the surviving spouse. For the  
22 purposes of this Section, disability means inability to  
23 engage in any substantial gainful activity by reason of any  
24 medically determinable physical or mental impairment that can  
25 be expected to result in death or that has lasted or can be  
26 expected to last for a continuous period of at least one  
27 year.

28 (d) Each dependent parent of a deceased participant, or  
29 of a deceased annuitant who did not take a refund or  
30 additional annuity consisting of accumulated survivors  
31 insurance contributions, shall receive a survivors annuity  
32 equal to the sum of (1) 20% of final rate of earnings, and  
33 (2) 10% of final rate of earnings divided by the number of  
34 parents who qualify for the benefit. Payments shall begin

1 when the parent reaches age 55 or the day following the  
2 participant's or annuitant's death, whichever is later, and  
3 continue until the parent dies. Remarriage of a parent prior  
4 to attainment of age 55 shall disqualify the parent for the  
5 receipt of a survivors annuity.

6 (e) In addition to the survivors annuity provided above,  
7 each survivors insurance beneficiary shall, upon death of the  
8 participant or annuitant, receive a lump sum payment of  
9 \$1,000 divided by the number of such beneficiaries.

10 (f) The changes made in this Section by Public Act  
11 81-712 pertaining to survivors annuities in cases of  
12 remarriage prior to age 55 shall apply to each survivors  
13 insurance beneficiary who remarries after June 30, 1979,  
14 regardless of the date that the participant or annuitant  
15 terminated his employment or died.

16 The change made to this Section by this amendatory Act of  
17 the 91st General Assembly, pertaining to remarriage prior to  
18 age 55, applies without regard to whether the deceased  
19 participant or annuitant was in service on or after the  
20 effective date of this amendatory Act of the 91st General  
21 Assembly.

22 (g) On January 1, 1981, any person who was receiving a  
23 survivors annuity on or before January 1, 1971 shall have the  
24 survivors annuity then being paid increased by 1% for each  
25 full year which has elapsed from the date the annuity began.  
26 On January 1, 1982, any survivor whose annuity began after  
27 January 1, 1971, but before January 1, 1981, shall have the  
28 survivor's annuity then being paid increased by 1% for each  
29 year which has elapsed from the date the survivor's annuity  
30 began. On January 1, 1987, any survivor who began receiving a  
31 survivor's annuity on or before January 1, 1977, shall have  
32 the monthly survivor's annuity increased by \$1 for each full  
33 year which has elapsed since the date the survivor's annuity  
34 began.

1 (h) If the sum of the lump sum and total monthly  
2 survivor benefits payable under this Section upon the death  
3 of a participant amounts to less than the sum of the death  
4 benefits payable under items (2) and (3) of Section 15-141,  
5 the difference shall be paid in a lump sum to the beneficiary  
6 of the participant who is living on the date that this  
7 additional amount becomes payable.

8 (i) If the sum of the lump sum and total monthly  
9 survivor benefits payable under this Section upon the death  
10 of an annuitant receiving a retirement annuity or disability  
11 retirement annuity amounts to less than the death benefit  
12 payable under Section 15-142, the difference shall be paid to  
13 the beneficiary of the annuitant who is living on the date  
14 that this additional amount becomes payable.

15 (j) Effective on the later of (1) January 1, 1990, or  
16 (2) the January 1 on or next after the date on which the  
17 survivor annuity begins, if the deceased member died while  
18 receiving a retirement annuity, or in all other cases the  
19 January 1 nearest the first anniversary of the date the  
20 survivor annuity payments begin, every survivors insurance  
21 beneficiary shall receive an increase in his or her monthly  
22 survivors annuity of 3%. On each January 1 after the initial  
23 increase, the monthly survivors annuity shall be increased by  
24 3% of the total survivors annuity provided under this  
25 Article, including previous increases provided by this  
26 subsection. Such increases shall apply to the survivors  
27 insurance beneficiaries of each participant and annuitant,  
28 whether or not the employment status of the participant or  
29 annuitant terminates before the effective date of this  
30 amendatory Act of 1990. This subsection (j) also applies to  
31 persons receiving a survivor annuity under the portable  
32 benefit package.

33 (k) If the Internal Revenue Code of 1986, as amended,  
34 requires that the survivors benefits be payable at an age

1 earlier than that specified in this Section the benefits  
2 shall begin at the earlier age, in which event, the  
3 survivor's beneficiary shall be entitled only to that amount  
4 which is equal to the actuarial equivalent of the benefits  
5 provided by this Section.

6 (1) The changes made to this Section and Section 15-131  
7 by this amendatory Act of 1997, relating to benefits for  
8 certain unmarried children who are full-time students under  
9 age 22, apply without regard to whether the deceased member  
10 was in service on or after the effective date of this  
11 amendatory Act of 1997. These changes do not authorize the  
12 repayment of a refund or a re-election of benefits, and any  
13 benefit or increase in benefits resulting from these changes  
14 is not payable retroactively for any period before the  
15 effective date of this amendatory Act of 1997.

16 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;  
17 91-887, eff. 7-6-00.)

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