

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 16-132 and 16-133 as follows:

6 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

7 Sec. 16-132. Retirement annuity eligibility. A member
8 who has at least 34 years of creditable service is entitled
9 to a retirement annuity at any age. A member who has at
10 least 20 years of creditable service is entitled to a
11 retirement annuity upon or after attainment of age 55. A
12 member who has at least 10 but less than 20 years of
13 creditable service is entitled to a retirement annuity upon
14 or after attainment of age 60. A member who has at least 5
15 but less than 10 years of creditable service is entitled to a
16 retirement annuity upon or after attainment of age 62. A
17 member who (i) has earned during the period immediately
18 preceding the last day of service at least one year of
19 contributing creditable service as an employee of a
20 department as defined in Section 14-103.04, (ii) has earned
21 at least 5 years of contributing creditable service as an
22 employee of a department as defined in Section 14-103.04, and
23 (iii) retires on or after January 1, 2001 is entitled to a
24 retirement annuity upon or after attainment of an age which,
25 when added to the number of years of his or her total
26 creditable service, equals at least 85. Portions of years
27 shall be counted as decimal equivalents.

28 A member who is eligible to receive a retirement annuity
29 of at least 74.6% of final average salary and will attain age
30 55 on or before December 31 during the year which commences
31 on July 1 shall be deemed to attain age 55 on the preceding

1 June 1.

2 A member meeting the above eligibility conditions is
3 entitled to a retirement annuity upon written application to
4 the board setting forth the date the member wishes the
5 retirement annuity to commence. However, the effective date
6 of the retirement annuity shall be no earlier than the day
7 following the last day of creditable service, regardless of
8 the date of official termination of employment. To be
9 eligible for a retirement annuity, a member shall not be
10 employed as a teacher in the schools included under this
11 System or under Article 17, unless the member is disabled (in
12 which event, eligibility for salary must cease), or unless
13 the System is required by federal law to commence payment due
14 to the member's age; the changes to this sentence made by
15 this amendatory Act of 1991 shall apply without regard to
16 whether the member terminated employment before or after its
17 effective date.

18 (Source: P.A. 90-582, eff. 5-27-98; 91-927, eff. 12-14-00.)

19 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

20 Sec. 16-133. Retirement annuity; amount.

21 (a) The amount of the retirement annuity shall be the
22 larger of the amounts determined under paragraphs (A) and (B)
23 below:

24 (A) An amount consisting of the sum of the
25 following:

26 (1) An amount that can be provided on an
27 actuarially equivalent basis by the member's
28 accumulated contributions at the time of retirement;
29 and

30 (2) The sum of (i) the amount that can be
31 provided on an actuarially equivalent basis by the
32 member's accumulated contributions representing
33 service prior to July 1, 1947, and (ii) the amount

1 that can be provided on an actuarially equivalent
2 basis by the amount obtained by multiplying 1.4
3 times the member's accumulated contributions
4 covering service subsequent to June 30, 1947; and

5 (3) If there is prior service, 2 times the
6 amount that would have been determined under
7 subparagraph (2) of paragraph (A) above on account
8 of contributions which would have been made during
9 the period of prior service creditable to the member
10 had the System been in operation and had the member
11 made contributions at the contribution rate in
12 effect prior to July 1, 1947.

13 (B) An amount consisting of the greater of the
14 following:

15 (1) For creditable service earned before July
16 1, 1998 that has not been augmented under Section
17 16-129.1: 1.67% of final average salary for each of
18 the first 10 years of creditable service, 1.90% of
19 final average salary for each year in excess of 10
20 but not exceeding 20, 2.10% of final average salary
21 for each year in excess of 20 but not exceeding 30,
22 and 2.30% of final average salary for each year in
23 excess of 30; and

24 For creditable service earned on or after July
25 1, 1998 by a member who has at least 24 years of
26 creditable service on July 1, 1998 and who does not
27 elect to augment service under Section 16-129.1:
28 2.2% of final average salary for each year of
29 creditable service earned on or after July 1, 1998
30 but before the member reaches a total of 30 years of
31 creditable service and 2.3% of final average salary
32 for each year of creditable service earned on or
33 after July 1, 1998 and after the member reaches a
34 total of 30 years of creditable service; and

1 For all other creditable service: 2.2% of
2 final average salary for each year of creditable
3 service; or

4 (2) 1.5% of final average salary for each year
5 of creditable service plus the sum \$7.50 for each of
6 the first 20 years of creditable service.

7 The amount of the retirement annuity determined under
8 this paragraph (B) shall be reduced by 1/2 of 1% for each
9 month that the member is less than age 60 at the time the
10 retirement annuity begins. However, this reduction shall
11 not apply (i) if the member has at least 34 35 years of
12 creditable service, or (ii) if the member retires on
13 account of disability under Section 16-149.2 of this
14 Article with at least 20 years of creditable service, or
15 (iii) if the member (1) has earned during the period
16 immediately preceding the last day of service at least
17 one year of contributing creditable service as an
18 employee of a department as defined in Section 14-103.04,
19 (2) has earned at least 5 years of contributing
20 creditable service as an employee of a department as
21 defined in Section 14-103.04, (3) retires on or after
22 January 1, 2001, and (4) retires having attained an age
23 which, when added to the number of years of his or her
24 total creditable service, equals at least 85. Portions
25 of years shall be counted as decimal equivalents.

26 (b) For purposes of this Section, final average salary
27 shall be the average salary for the highest 4 consecutive
28 years within the last 10 years of creditable service as
29 determined under rules of the board. The minimum final
30 average salary shall be considered to be \$2,400 per year.

31 In the determination of final average salary for members
32 other than elected officials and their appointees when such
33 appointees are allowed by statute, that part of a member's
34 salary for any year beginning after June 30, 1979 which

1 exceeds the member's annual full-time salary rate with the
2 same employer for the preceding year by more than 20% shall
3 be excluded. The exclusion shall not apply in any year in
4 which the member's creditable earnings are less than 50% of
5 the preceding year's mean salary for downstate teachers as
6 determined by the survey of school district salaries provided
7 in Section 2-3.103 of the School Code.

8 (c) In determining the amount of the retirement annuity
9 under paragraph (B) of this Section, a fractional year shall
10 be granted proportional credit.

11 (d) The retirement annuity determined under paragraph
12 (B) of this Section shall be available only to members who
13 render teaching service after July 1, 1947 for which member
14 contributions are required, and to annuitants who re-enter
15 under the provisions of Section 16-150.

16 (e) The maximum retirement annuity provided under
17 paragraph (B) of this Section shall be 75% of final average
18 salary.

19 (f) A member retiring after the effective date of this
20 amendatory Act of 1998 shall receive a pension equal to 75%
21 of final average salary if the member is qualified to receive
22 a retirement annuity equal to at least 74.6% of final average
23 salary under this Article or as proportional annuities under
24 Article 20 of this Code.

25 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99;
26 91-887, eff. 7-6-00; 91-927, eff. 12-14-00.)

27 Section 99. Effective date. This Act takes effect upon
28 becoming law.