

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 13-301 and 13-302 as follows:

6 (40 ILCS 5/13-301) (from Ch. 108 1/2, par. 13-301)

7 Sec. 13-301. Retirement annuity; eligibility. Any
8 employee who withdraws from service and meets the age and
9 service requirements and other conditions set forth in
10 subsections (a), (b), (c) or (d) hereof is entitled to
11 receive a retirement annuity.

12 (a) Withdrawal on or after age 60. Any employee, upon
13 withdrawal from service on or after attainment of age 60 and
14 having at least 5 years of service, is entitled to a
15 retirement annuity.

16 (b) Withdrawal on or after attainment of minimum
17 retirement age qualifications and prior to age 60.

18 (1) Any employee, upon withdrawal from service on
19 or after attainment of age 55 (age 50 if the employee
20 first entered service before June 13, ~~the effective date~~
21 ~~of this amendatory Act of 1997~~) but prior to age 60 and
22 having at least 10 years of service, is entitled to a
23 retirement annuity as of the date of withdrawal or, at
24 the option of the employee, at any time thereafter.

25 (2) Any employee who withdraws on or after
26 attainment of age 55 (age 50 if the employee first
27 entered service before June 13, ~~the effective date of~~
28 ~~this amendatory Act of 1997~~) and prior to age 60 having
29 at least 5 years but less than 10 years of service is
30 entitled to a retirement annuity upon attainment of age
31 62, subject to the other requirements of this Article.

1 (3) Any employee who withdraws from service on or
2 after attainment of age 50 but prior to age 60 and is
3 eligible for early retirement without discount under the
4 Rule of 80 as provided in subsection (c) of Section
5 13-302 is entitled to a retirement annuity at the time of
6 withdrawal.

7 (c) Withdrawal prior to minimum retirement age. Any
8 employee, upon withdrawal from service prior to age 55 (age
9 50 if the employee first entered service before June 13, the
10 ~~effective--date-of-this-amendatory-Aet-of~~ 1997) and having at
11 least 10 years of service, shall become entitled to a
12 retirement annuity upon attainment of age 55 (age 50 if the
13 employee first entered service before June 13, the--~~effective~~
14 ~~date-of-this-amendatory-Aet-of~~ 1997) or, at the option of the
15 employee, at any time thereafter, subject to the other
16 requirements of this Article.

17 (d) Withdrawal while disabled. Any employee having at
18 least 5 years of service who has received ordinary disability
19 benefits on or after January 1, 1986 for the maximum period
20 of time hereinafter prescribed, and who continues to be
21 disabled and withdraws from service, shall be entitled to a
22 retirement annuity. The age and service conditions as to
23 eligibility for such annuity shall be waived as to the
24 employee, but the early retirement discount under Section
25 13-302(b) shall apply. If the employee is under age 55 on
26 the date of withdrawal, the retirement annuity shall be
27 computed by assuming that the employee is then age 55 and
28 then reduced to its actuarial equivalent at his attained age
29 on that date according to applicable mortality tables and
30 interest rates. The retirement annuity shall not be payable
31 for any period prior to the employee's attainment of age 55
32 during which the employee is able to return to gainful
33 employment. Upon the employee's death while in receipt of a
34 retirement annuity, a surviving spouse or minor children

1 shall be entitled to receive a surviving spouse's annuity or
2 child's annuity subject to the conditions hereinafter
3 prescribed in Sections 13-305 through 13-308.

4 (Source: P.A. 90-12, eff. 6-13-97.)

5 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)

6 Sec. 13-302. Computation of retirement annuity.

7 (a) Computation of annuity. An employee who withdraws
8 from service on or after July 1, 1989 and who has met the age
9 and service requirements and other conditions for eligibility
10 set forth in Section 13-301 of this Article is entitled to
11 receive a retirement annuity for life equal to 2.2% of
12 average final salary for each of the first 20 years of
13 service, and 2.4% of average final salary for each year of
14 service in excess of 20. The retirement annuity shall not
15 exceed 80% of average final salary.

16 (b) Early retirement discount. If an employee retires
17 prior to attainment of age 60 with less than 30 years of
18 service, the annuity computed above shall be reduced by 1/2
19 of 1% for each full month between the date the annuity begins
20 and attainment of age 60, or each full month by which the
21 employee's service is less than 30 years, whichever is less.
22 However, where the employee first enters service after June
23 13, 1997 and does not have at least 10 years of service
24 exclusive of credit under Article 20, the annuity computed
25 above shall be reduced by 1/2 of 1% for each full month
26 between the date the annuity begins and attainment of age 60.

27 (c) Rule of 80 - Early retirement without discount. For
28 an employee who retires on or after January 1, 2003 but on or
29 before December 31, 2007, if the employee is eligible for a
30 retirement annuity under Section 13-301 and has at least 10
31 years of service exclusive of credit under Article 20 and if
32 at the date of withdrawal the employee's age when added to
33 the number of years of his or her creditable service equals

1 at least 80, the early retirement discount in subsection (b)
2 of this Section does not apply. For purposes of this Rule of
3 80, portions of years shall be considered in whole months.

4 An employee who has terminated employment with the
5 employer under this Article prior to the effective date of
6 this amendatory Act of the 92nd General Assembly and
7 subsequently re-enters service must remain in service with
8 the employer under this Article for at least 2 years after
9 re-entry during the period beginning on January 1, 2003 and
10 ending on December 31, 2007 to be entitled to early
11 retirement without discount under this subsection (c).

12 In the case of an employee who retires under the terms of
13 Article 20, eligibility for early retirement without discount
14 under this subsection (c) shall be based upon the employee's
15 age and service credit at the time of withdrawal from the
16 final fund. {Blank}-

17 (c-1) Early retirement without discount; retirement
18 after June 29, 1997 and before January 1, 2003. An employee
19 who (i) has attained age 55 (age 50 if the employee first
20 entered service before June 13, 1997), (ii) has at least 10
21 years of service exclusive of credit under Article 20, (iii)
22 retires after June 29, 1997 and before January 1, 2003, and
23 (iv) retires within 6 months of the last day for which
24 retirement contributions were required, may elect at the time
25 of application to make a one-time employee contribution to
26 the Fund and thereby avoid the early retirement reduction
27 specified in subsection (b). The exercise of the election
28 shall also obligate the employer to make a one-time
29 nonrefundable contribution to the Fund.

30 The one-time employee and employer contributions shall be
31 a percentage of the retiring employee's highest full-time
32 annual salary, calculated as the total amount of salary
33 included in the highest 26 consecutive pay periods as used in
34 the average final salary calculation, and based on the

1 employee's age and service at retirement. The employee rate
2 shall be 7% multiplied by the lesser of the following 2
3 numbers: (1) the number of years, or portion thereof, that
4 the employee is less than age 60; or (2) the number of years,
5 or portion thereof, that the employee's service is less than
6 30 years. The employer contribution shall be at the rate of
7 20% for each year, or portion thereof, that the participant
8 is less than age 60.

9 Upon receipt of the application, the Board shall
10 determine the corresponding employee and employer
11 contributions. The annuity shall not be payable under this
12 subsection until both the required contributions have been
13 received by the Fund. However, the date the contributions
14 are received shall not be considered in determining the
15 effective date of retirement.

16 The number of employees who may retire under this Section
17 in any year may be limited at the option of the District to a
18 specified percentage of those eligible, not lower than 30%,
19 with the right to participate to be allocated among those
20 applying on the basis of seniority in the service of the
21 employer.

22 An employee who has terminated employment and
23 subsequently re-enters service shall not be entitled to early
24 retirement without discount under this subsection unless the
25 employee continues in service for at least 4 years after
26 re-entry.

27 (d) Annual increase. Except for employees retiring and
28 receiving a term annuity, an employee who retires on or after
29 July 1, 1985 but before July 12, 2001, ~~the effective date of~~
30 ~~this amendatory Act of the 92nd General Assembly~~ shall, upon
31 the first payment date following the first anniversary of the
32 date of retirement, have the monthly annuity increased by 3%
33 of the amount of the monthly annuity fixed at the date of
34 retirement. Except for employees retiring and receiving a

1 term annuity, an employee who retires on or after July 12,
2 2001 ~~the--effective--date--of--this--amendatory--Act--of--the--92nd~~
3 ~~General--Assembly~~ shall, on the first day of the month in
4 which the first anniversary of the date of retirement occurs,
5 have the monthly annuity increased by 3% of the amount of the
6 monthly annuity fixed at the date of retirement. The monthly
7 annuity shall be increased by an additional 3% on the same
8 date each year thereafter. Beginning January 1, 1993, all
9 annual increases payable under this subsection (or any
10 predecessor provision, regardless of the date of retirement)
11 shall be calculated at the rate of 3% of the monthly annuity
12 payable at the time of the increase, including any increases
13 previously granted under this Article.

14 Any employee who (i) retired before July 1, 1985 with at
15 least 10 years of creditable service, (ii) is receiving a
16 retirement annuity under this Article, other than a term
17 annuity, and (iii) has not received any annual increase under
18 this subsection, shall begin receiving the annual increases
19 provided under this subsection (d) beginning on the next
20 annuity payment date following June 13, ~~effective--date--of~~
21 ~~this--amendatory--Act--of~~ 1997.

22 (e) Minimum retirement annuity. Beginning January 1,
23 1993, the minimum monthly retirement annuity shall be \$500
24 for any annuitant having at least 10 years of service under
25 this Article, other than a term annuitant or an annuitant who
26 began receiving the annuity before attaining age 60. Any
27 such annuitant who is receiving a monthly annuity of less
28 than \$500 shall have the annuity increased to \$500 on that
29 date.

30 Beginning January 1, 1993, the minimum monthly retirement
31 annuity shall be \$250 for any annuitant (other than a term or
32 reciprocal annuitant or an annuitant under subsection (d) of
33 Section 13-301) having less than 10 years of service under
34 this Article, and for any annuitant (other than a term

1 annuitant) having at least 10 years of service under this
2 Article who began receiving the annuity before attaining age
3 60. Any such annuitant who is receiving a monthly annuity of
4 less than \$250 shall have the annuity increased to \$250 on
5 that date.

6 Beginning on the first day of the month following the
7 month in which this amendatory Act of the 92nd General
8 Assembly takes effect (and without regard to whether the
9 annuitant was in service on or after that effective date),
10 the minimum monthly retirement annuity for any annuitant
11 having at least 10 years of service, other than an annuitant
12 whose annuity is subject to an early retirement discount,
13 shall be \$500 plus \$25 for each year of service in excess of
14 10, not to exceed \$750 for an annuitant with 20 or more years
15 of service. In the case of a reciprocal annuity, this
16 minimum shall apply only if the annuitant has at least 10
17 years of service under this Article, and the amount of the
18 minimum annuity shall be reduced by the sum of all the
19 reciprocal annuities payable to the annuitant by other
20 participating systems under Article 20 of this Code.

21 Notwithstanding any other provision of this subsection,
22 beginning on the first annuity payment date following July
23 12, 2001 ~~the effective date of this amendatory Act of the~~
24 ~~92nd General Assembly~~, an employee who retired before August
25 23, 1989 with at least 10 years of service under this Article
26 but before attaining age 60 (regardless of whether the
27 retirement annuity was subject to an early retirement
28 discount) shall be entitled to the same minimum monthly
29 retirement annuity under this subsection as an employee who
30 retired with at least 10 years of service under this Article
31 and after attaining age 60.

32 (Source: P.A. 92-53, eff. 7-12-01.)

33 Section 90. The State Mandates Act is amended by adding

1 Section 8.26 as follows:

2 (30 ILCS 805/8.26 new)

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

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.