

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Sections 13-309, 13-310, 13-314, and 13-706 and by adding Section 13-209.5 as follows:

(40 ILCS 5/13-209.5 new)

Sec. 13-209.5. Licensed health care professional.
"Licensed health care professional" means any individual who has obtained a license through the Department of Financial and Professional Regulation under the Medical Practice Act of 1987 or under the Physician Assistant Practice Act of 1987 or an advanced practice registered nurse licensed under the Nurse Practice Act.

(40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

Sec. 13-309. Duty disability benefit.

(a) Any employee who becomes disabled, which disability is the result of an injury or illness compensable under the Illinois Workers' Compensation Act or the Illinois Workers' Occupational Diseases Act, is entitled to a duty disability benefit during the period of disability for which the employee does not receive any part of salary, or any part of a

retirement annuity under this Article; except that in the case of an employee who first enters service on or after June 13, 1997 and becomes disabled before August 18, 2005 (the effective date of Public Act 94-621), a duty disability benefit is not payable for the first 3 days of disability that would otherwise be payable under this Section if the disability does not continue for at least 11 additional days. The changes made to this Section by Public Act 94-621 are prospective only and do not entitle an employee to a duty disability benefit for the first 3 days of any disability that occurred before that effective date and did not continue for at least 11 additional days. This benefit shall be 75% of salary at the date disability begins. However, if the disability in any measure resulted from any physical defect or disease which existed at the time such injury was sustained or such illness commenced, the duty disability benefit shall be 50% of salary.

Unless the employer acknowledges that the disability is a result of injury or illness compensable under the Workers' Compensation Act or the Workers' Occupational Diseases Act, the duty disability benefit shall not be payable until the issue of compensability under those Acts is finally adjudicated. The period of disability shall be as determined by the Illinois Workers' Compensation Commission or acknowledged by the employer.

An employee in service before June 13, 1997 shall also

receive a child's disability benefit during the period of disability of \$10 per month for each unmarried natural or adopted child of the employee under 18 years of age.

The first payment shall be made not later than one month after the benefit is granted, and subsequent payments shall be made at least monthly. The Board shall by rule prescribe for the payment of such benefits on the basis of the amount of salary lost during the period of disability.

(b) The benefit shall be allowed only if all of the following requirements are met by the employee:

(1) Application is made to the Board.

(2) A medical report is submitted by at least one licensed health care professional ~~and practicing physician~~ as part of the employee's application.

(3) The employee is examined by at least one licensed health care professional ~~and practicing physician~~ appointed by the Board and found to be in a disabled physical condition, and shall be re-examined at least annually thereafter during the continuance of disability. The employee need not be examined by a licensed health care professional ~~and practicing physician~~ appointed by the Board if the attorney for the district certifies in writing that the employee is entitled to receive compensation under the Workers' Compensation Act or the Workers' Occupational Diseases Act. The Board may require other evidence of disability.

(c) The benefit shall terminate when:

(1) The employee returns to work or receives a retirement annuity paid wholly or in part under this Article;

(2) The disability ceases;

(3) The employee attains age 65, but if the employee becomes disabled at age 60 or later, benefits may be extended for a period of no more than 5 years after disablement;

(4) The employee (i) refuses to submit to reasonable examinations by licensed health care ~~physicians or other health~~ professionals appointed by the Board, (ii) fails or refuses to consent to and sign an authorization allowing the Board to receive copies of or to examine the employee's medical and hospital records, or (iii) fails or refuses to provide complete information regarding any other employment for compensation he or she has received since becoming disabled; or

(5) The employee willfully and continuously refuses to follow medical advice and treatment to enable the employee to return to work. However this provision does not apply to an employee who relies in good faith on treatment by prayer through spiritual means alone in accordance with the tenets and practice of a recognized church or religious denomination, by a duly accredited practitioner thereof.

In the case of a duty disability recipient who returns to work, the employee must make application to the Retirement Board within 2 years from the date the employee last received duty disability benefits in order to become again entitled to duty disability benefits based on the injury for which a duty disability benefit was theretofore paid.

(Source: P.A. 95-586, eff. 8-31-07; 96-251, eff. 8-11-09.)

(40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

Sec. 13-310. Ordinary disability benefit.

(a) Any employee who becomes disabled as the result of any cause other than injury or illness incurred in the performance of duty for the employer or any other employer, or while engaged in self-employment activities, shall be entitled to an ordinary disability benefit. The eligible period for this benefit shall be 25% of the employee's total actual service prior to the date of disability with a cumulative maximum period of 5 years.

(b) The benefit shall be allowed only if the employee files an application in writing with the Board, and a medical report is submitted by at least one licensed health care professional ~~and practicing physician~~ as part of the employee's application.

The benefit is not payable for any disability which begins during any period of unpaid leave of absence. No benefit shall be allowed for any period of disability prior to 30 days before

application is made, unless the Board finds good cause for the delay in filing the application. The benefit shall not be paid during any period for which the employee receives or is entitled to receive any part of salary.

The benefit is not payable for any disability which begins during any period of absence from duty other than allowable vacation time in any calendar year. An employee whose disability begins during any such ineligible period of absence from service may not receive benefits until the employee recovers from the disability and is in service for at least 15 consecutive working days after such recovery.

In the case of an employee who first enters service on or after June 13, 1997, an ordinary disability benefit is not payable for the first 3 days of disability that would otherwise be payable under this Section if the disability does not continue for at least 11 additional days.

Beginning on the effective date of this amendatory Act of the 94th General Assembly, an employee who first entered service on or after June 13, 1997 is also eligible for ordinary disability benefits on the 31st day after the last day worked, provided all sick leave is exhausted.

(c) The benefit shall be 50% of the employee's salary at the date of disability, and shall terminate when the earliest of the following occurs:

- (1) The employee returns to work or receives a retirement annuity paid wholly or in part under this

Article;

(2) The disability ceases;

(3) The employee willfully and continuously refuses to follow medical advice and treatment to enable the employee to return to work. However this provision does not apply to an employee who relies in good faith on treatment by prayer through spiritual means alone in accordance with the tenets and practice of a recognized church or religious denomination, by a duly accredited practitioner thereof;

(4) The employee (i) refuses to submit to a reasonable physical examination within 30 days of application by a licensed health care professional ~~physician~~ appointed by the Board, (ii) in the case of chronic alcoholism, the employee refuses to join a rehabilitation program licensed by the Department of Public Health of the State of Illinois and certified by the Joint Commission on the Accreditation of Hospitals, (iii) fails or refuses to consent to and sign an authorization allowing the Board to receive copies of or to examine the employee's medical and hospital records, or (iv) fails or refuses to provide complete information regarding any other employment for compensation he or she has received since becoming disabled; or

(5) The eligible period for this benefit has been exhausted.

The first payment of the benefit shall be made not later than one month after the same has been granted, and subsequent payments shall be made at least monthly.

(Source: P.A. 102-210, eff. 7-30-21.)

(40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

Sec. 13-314. Alternative provisions for Water Reclamation District commissioners.

(a) Transfer of credits. Any Water Reclamation District commissioner elected by vote of the people and who has elected to participate in this Fund may transfer to this Fund credits and creditable service accumulated under any other pension fund or retirement system established under Articles 2 through 18 of this Code, upon payment to the Fund of (1) the amount by which the employer and employee contributions that would have been required if he had participated in this Fund during the period for which credit is being transferred, plus interest, exceeds the amounts actually transferred from such other fund or system to this Fund, plus (2) interest thereon at 6% per year compounded annually from the date of transfer to the date of payment.

(b) Alternative annuity. Any participant commissioner may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and procedures established by the Board. Unless and until such time as the

U.S. Internal Revenue Service or the federal courts provide a favorable ruling as described in Section 13-502(f), a commissioner may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the Board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Section 13-502.

(2) For contributions on past service, the additional contribution shall be 3% of the salary for the applicable period of service, plus interest at the annual rate from time to time as determined by the Board, compounded annually from the date of service to the date of payment. Contributions for service before the option is elected may be made in a lump sum payment to the Fund or by contributing to the Fund on the same basis and under the same conditions as contributions required under Section 13-502. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with

interest at the rate specified in Section 13-603, from the date of refund to the date of repayment.

In lieu of the retirement annuity otherwise payable under this Article, any commissioner who has elected to participate in the Fund and make additional optional contributions in accordance with this Section, has attained age 55, and has at least 6 years of service credit, may elect to have the retirement annuity computed as follows: 3% of the participant's average final salary as a commissioner for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such commissioner has made additional optional contributions with respect to only a portion of years of service credit, the retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made. The change in minimum retirement age (from 60 to 55) made by Public Act 87-1265 applies to persons who begin receiving a retirement annuity under this Section on or after January 25, 1993 (the effective date of Public Act 87-1265), without regard to whether they are in service on or after that date.

(c) Disability benefits. In lieu of the disability benefits otherwise payable under this Article, any commissioner who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, such commissioner shall be considered permanently disabled only if: (i) disability occurs while in service as a commissioner and is of such a nature as to prevent the reasonable performance of the duties of office at the time; and (ii) the Board has received a written certification by at least 2 licensed health care professionals ~~physicians~~ appointed by it stating that such commissioner is disabled and that the disability is likely to be permanent.

(d) Alternative survivor's benefits. In lieu of the survivor's benefits otherwise payable under this Article, the spouse or eligible child of any deceased commissioner who (1) had elected to participate in the Fund, and (2) was either making (or had already made) additional optional contributions on the date of death, or was receiving an annuity calculated under this Section at the time of death, may elect to receive an annuity beginning on the date of the commissioner's death, provided that the spouse and commissioner must have been

married on the date of the last termination of a service as commissioner and for a continuous period of at least one year immediately preceding death.

The annuity shall be payable beginning on the date of the commissioner's death if the spouse is then age 50 or over, or beginning at age 50 if the age of the spouse is less than 50 years. If a minor unmarried child or children of the commissioner, under age 18 (age 23 in the case of a full-time student), also survive, and the child or children are under the care of the eligible spouse, the annuity shall begin as of the date of death of the commissioner without regard to the spouse's age. Beginning on the first day of the month following the month in which this amendatory Act of the 96th General Assembly takes effect, benefits shall begin on the first of the month following the commissioner's date of death if the spouse is then age 50 or over or, if a minor unmarried child or children of the commissioner, under age 18 (age 23 in the case of a full time student), also survive, and the child or children are under the care of the eligible spouse. The benefit is payable for the full month if the annuitant was alive on the first day of the month.

The annuity to a spouse shall be the greater of (i) 66 2/3% of the amount of retirement annuity earned by the commissioner on the date of death, subject to a minimum payment of 10% of salary, provided that if an eligible spouse, regardless of age, has in his or her care at the date of death of the

commissioner any unmarried child or children of the commissioner under age 18, the minimum annuity shall be 30% of the commissioner's salary, plus 10% of salary on account of each minor child of the commissioner, subject to a combined total payment on account of a spouse and minor children not to exceed 50% of the deceased commissioner's salary or (ii) for the spouse of a commissioner whose death occurs on or after August 18, 2005 (the effective date of Public Act 94-621), the surviving spouse annuity shall be computed in the same manner as described in Section 13-306(a). The number of total service years used to calculate the commissioner's annuity shall be the number of service years used to calculate the annuity for that commissioner's surviving spouse. In the event there shall be no spouse of the commissioner surviving, or should a spouse die while eligible minor children still survive the commissioner, each such child shall be entitled to an annuity equal to 20% of salary of the commissioner subject to a combined total payment on account of all such children not to exceed 50% of salary of the commissioner. The salary to be used in the calculation of these benefits shall be the same as that prescribed for determining a retirement annuity as provided in subsection (b) of this Section.

Upon the death of a commissioner occurring after termination of a service or while in receipt of a retirement annuity, the combined total payment to a spouse and minor children, or to minor children alone if no eligible spouse

survives, shall be limited to 85% of the amount of retirement annuity earned by the commissioner.

Marriage of a child or attainment of age 18 (age 23 in the case of a full-time student), whichever first occurs, shall render the child ineligible for further consideration in the payment of annuity to a spouse or in the increase in the amount thereof. Upon attainment of ineligibility of the youngest minor child of the commissioner, the annuity shall immediately revert to the amount payable upon death of a commissioner leaving no minor children surviving. If the spouse is under age 50 at such time, the annuity as revised shall be deferred until such age is attained.

(e) Refunds. Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 13-601. Interest shall be credited on the same basis and under the same conditions as for other contributions.

Optional contributions shall be accounted for in a separate Commission's Optional Contribution Reserve. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 13-503.

(f) Effective date. The effective date of this plan of optional alternative benefits and contributions shall be the date upon which approval was received from the U.S. Internal Revenue Service. The plan of optional alternative benefits and

contributions shall not be available to any former employee receiving an annuity from the Fund on the effective date, unless said former employee re-enters service and renders at least 3 years of additional service after the date of re-entry as a commissioner.

(Source: P.A. 95-279, eff. 1-1-08; 96-251, eff. 8-11-09.)

(40 ILCS 5/13-706) (from Ch. 108 1/2, par. 13-706)

Sec. 13-706. Board powers and duties. The Board shall have the powers and duties set forth in this Section, in addition to such other powers and duties as may be provided in this Article and in this Code:

(a) To supervise collections. To see that all amounts specified in this Article to be applied to the Fund, from any source, are collected and applied.

(b) To notify of deductions. To notify the Clerk of the Water Reclamation District of the deductions to be made from the salaries of employees.

(c) To accept gifts. To accept by gift, grant, bequest or otherwise any money or property of any kind and use the same for the purposes of the Fund.

(d) To invest the reserves. To invest the reserves of the Fund in accordance with the provisions set forth in Section 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of this Code. Investments made in accordance with Section 1-113 of Article 1 of this Code shall be deemed

prudent. The Board is also authorized to transfer securities to the Illinois State Board of Investment for the purpose of participation in any commingled investment fund as provided in Article 22A of this Code.

(e) To authorize payments. To consider and pass upon all applications for annuities and benefits; to authorize or suspend the payment of any annuity or benefit; to inquire into the validity and legality of any grant of annuity or benefit paid from or payable out of the Fund; to increase, reduce, or suspend any such annuity or benefit whenever the annuity or benefit, or any part thereof, was secured or granted, or the amount thereof fixed, as the result of misrepresentation, fraud, or error. No such annuity or benefit shall be permanently reduced or suspended until the affected annuitant or beneficiary is first notified of the proposed action and given an opportunity to be heard. No trustee of the Board shall vote upon that trustee's own personal claim for annuity, benefit or refund, or participate in the deliberations of the Board as to the validity of any such claim. The Board shall have exclusive original jurisdiction in all matters of claims for annuities, benefits and refunds.

(f) To submit an annual report. To submit a report in July of each year to the Board of Commissioners of the Water Reclamation District as of the close of business on December 31st of the preceding year. The report shall

include the following:

(1) A balance sheet, showing the financial and actuarial condition of the Fund as of the end of the calendar year;

(2) A statement of receipts and disbursements during such year;

(3) A statement showing changes in the asset, liability, reserve and surplus accounts during such year;

(4) A detailed statement of investments as of the end of the year; and

(5) Any additional information as is deemed necessary for proper interpretation of the condition of the Fund.

(g) To subpoena witnesses. To compel witnesses to attend and testify before it upon any matter concerning the Fund and allow witness fees not in excess of \$6 for attendance upon any one day. The President and other members of the Board may administer oaths to witnesses.

(h) To appoint employees and consultants. To appoint such actuarial, medical, legal, investigational, clerical or financial employees and consultants as are necessary, and fix their compensation.

(i) To make rules. To make rules and regulations necessary for the administration of the affairs of the Fund.

(j) To waive guardianship. To waive the requirement of legal guardianship of a person under legal disability or any minor unmarried beneficiary of the Fund for a representative living with a parent or grandparent, and legal guardianship of any beneficiary under legal disability whose husband, wife, or parent is managing such person or beneficiary's affairs, whenever the Board deems such waiver to be in the best interest of the person or beneficiary.

(k) To collect amounts due. To collect any amounts due to the Fund from any participant or beneficiary prior to payment of any annuity, benefit or refund.

(l) To invoke rule of offset. To offset against any amount payable to an employee or to any other person such sums as may be due to the Fund or may have been paid by the Fund due to misrepresentation, fraud or error.

(m) To assess and collect interest on amounts due to the Fund using the annual rate as shall from time to time be determined by the Board, compounded annually from the date of notification to the date of payment.

(Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)