

AN ACT concerning public employee benefits.

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

Article 1.

Section 1-5. The Illinois Pension Code is amended by changing Section 17-149 as follows:

(40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

Sec. 17-149. Cancellation of pensions.

(a) If any person receiving a disability retirement pension from the Fund is re-employed as a teacher by an Employer, the pension shall be cancelled on the date the re-employment begins, or on the first day of a payroll period for which service credit was validated, whichever is earlier.

(b) If any person receiving a service retirement pension from the Fund is re-employed as a teacher on a permanent or annual basis by an Employer, the pension shall be cancelled on the date the re-employment begins, or on the first day of a payroll period for which service credit was validated, whichever is earlier. However, subject to the limitations and requirements of subsection (c-5), (c-6), (c-7), or (c-10), the pension shall not be cancelled in the case of a service retirement pensioner who is re-employed on a temporary and

non-annual basis or on an hourly basis.

(c) If the date of re-employment on a permanent or annual basis occurs within 5 school months after the date of previous retirement, exclusive of any vacation period, the member shall be deemed to have been out of service only temporarily and not permanently retired. Such person shall be entitled to pension payments for the time he could have been employed as a teacher and received salary, but shall not be entitled to pension for or during the summer vacation prior to his return to service.

When the member again retires on pension, the time of service and the money contributed by him during re-employment shall be added to the time and money previously credited. Such person must acquire 3 consecutive years of additional contributing service before he may retire again on a pension at a rate and under conditions other than those in force or attained at the time of his previous retirement.

(c-5) For school years beginning on or after July 1, 2019 and before July 1, 2022, the service retirement pension shall not be cancelled in the case of a service retirement pensioner who is re-employed as a teacher on a temporary and non-annual basis or on an hourly basis, so long as the person (1) does not work as a teacher for compensation on more than 120 days in a school year or (2) does not accept gross compensation for the re-employment in a school year in excess of (i) \$30,000 or (ii) in the case of a person who retires with at least 5 years of service as a principal, an amount that is equal to the daily

rate normally paid to retired principals multiplied by 100. These limitations apply only to school years that begin on or after July 1, 2019 and before July 1, 2022. Such re-employment does not require contributions, result in service credit, or constitute active membership in the Fund.

The service retirement pension shall not be cancelled in the case of a service retirement pensioner who is re-employed as a teacher on a temporary and non-annual basis or on an hourly basis, so long as the person (1) does not work as a teacher for compensation on more than 100 days in a school year or (2) does not accept gross compensation for the re-employment in a school year in excess of (i) \$30,000 or (ii) in the case of a person who retires with at least 5 years of service as a principal, an amount that is equal to the daily rate normally paid to retired principals multiplied by 100. These limitations apply only to school years that begin on or after August 8, 2012 (the effective date of Public Act 97-912) and before July 1, 2019. Such re-employment does not require contributions, result in service credit, or constitute active membership in the Fund.

Notwithstanding the 120-day limit set forth in item (1) of this subsection (c-5), the service retirement pension shall not be cancelled in the case of a service retirement pensioner who teaches only driver education courses after regular school hours and does not teach any other subject area, so long as the person does not work as a teacher for compensation for more

than 900 hours in a school year. The \$30,000 limit set forth in subitem (i) of item (2) of this subsection (c-5) shall apply to a service retirement pensioner who teaches only driver education courses after regular school hours and does not teach any other subject area.

To be eligible for such re-employment without cancellation of pension, the pensioner must notify the Fund and the Board of Education of his or her intention to accept re-employment under this subsection (c-5) before beginning that re-employment (or if the re-employment began before August 8, 2012 (the effective date of Public Act 97-912), then within 30 days after that effective date).

An Employer must certify to the Fund the temporary and non-annual or hourly status and the compensation of each pensioner re-employed under this subsection at least quarterly, and when the pensioner is approaching the earnings limitation under this subsection.

If the pensioner works more than 100 days or accepts excess gross compensation for such re-employment in any school year that begins on or after August 8, 2012 (the effective date of Public Act 97-912), the service retirement pension shall thereupon be cancelled.

If the pensioner who only teaches drivers education courses after regular school hours works more than 900 hours or accepts excess gross compensation for such re-employment in any school year that begins on or after August 12, 2016 (the

effective date of Public Act 99-786), the service retirement pension shall thereupon be cancelled.

If the pensioner works more than 120 days or accepts excess gross compensation for such re-employment in any school year that begins on or after July 1, 2019, the service retirement pension shall thereupon be cancelled.

The Board of the Fund shall adopt rules for the implementation and administration of this subsection.

(c-6) For school years beginning on or after July 1, 2022 and before July 1, 2027, the service retirement pension shall not be cancelled in the case of a service retirement pensioner who is re-employed as a teacher or an administrator on a temporary and non-annual basis or on an hourly basis, so long as the person does not work as a teacher or an administrator for compensation on more than 140 days in a school year. Such re-employment does not require contributions, result in service credit, or constitute active membership in the Fund.

(c-7) For school years beginning on or after July 1, 2027, the service retirement pension shall not be cancelled in the case of a service retirement pensioner who is re-employed as a teacher or an administrator on a temporary and non-annual basis or on an hourly basis, so long as the person does not work as a teacher or an administrator for compensation on more than 120 days in a school year. Such re-employment does not require contributions, result in service credit, or constitute active membership in the Fund.

(c-10) Until June 30, 2027, the service retirement pension of a service retirement pensioner shall not be cancelled if the service retirement pensioner is employed in a subject shortage area and the Employer that is employing the service retirement pensioner meets the following requirements:

(1) If the Employer has honorably dismissed, within the calendar year preceding the beginning of the school term for which it seeks to employ a service retirement pensioner under this subsection, any teachers who are legally qualified to hold positions in the subject shortage area and have not yet begun to receive their service retirement pensions under this Article, the vacant positions must first be tendered to those teachers.

(2) For a period of at least 90 days during the 6 months preceding the beginning of either the fall or spring term for which it seeks to employ a service retirement pensioner under this subsection, the Employer must, on an ongoing basis, (i) advertise its vacancies in the subject shortage area in employment bulletins published by college and university placement offices located near the school; (ii) search for teachers legally qualified to fill those vacancies through the Illinois Education Job Bank; and (iii) post all vacancies on the Employer's website and list the vacancy in an online job portal or database.

An Employer of a teacher who is unable to continue

employment with the Employer because of documented illness, injury, or disability that occurred after being hired by the Employer under this subsection is exempt from the provisions of paragraph (2) for 90 school days. However, the Employer must on an ongoing basis comply with items (i), (ii), and (iii) of paragraph (2).

The Employer must submit documentation of its compliance with this subsection to the regional superintendent. Upon receiving satisfactory documentation from the Employer, the regional superintendent shall certify the Employer's compliance with this subsection to the Fund.

(c-15) If a service retirement pension is required to be canceled because the service retirement pensioner worked more than the number of days allowed under this Section in any school year, the service retirement pension benefit shall be withheld on a pro rata basis for each day worked in excess of the number of days allowed under this Section.

If a service retirement pensioner who only teaches drivers education courses after regular school hours works more than 900 hours in any school year, the service retirement pension benefit shall be withheld on a pro rata basis for each period of 7.5 hours in excess of 900 hours.

(d) Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section made by Public Act 90-32 apply without regard to whether termination of service occurred before the effective date of that Act and apply retroactively to August

23, 1989.

Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section and Section 17-106 made by Public Act 92-599 apply without regard to whether termination of service occurred before June 28, 2002 (the effective date of Public Act 92-599).

Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section made by Public Act 97-912 apply without regard to whether termination of service occurred before August 8, 2012 (the effective date of Public Act 97-912).

The changes made by this amendatory Act of the 104th General Assembly are retroactive to July 1, 2020. All service retirement pensioners whose service retirement pensions were canceled as a result of re-employment as a teacher pursuant to this Section during the period of July 1, 2020 through the effective date of this amendatory Act of the 104th General Assembly shall have their overpayments recalculated on a pro rata basis consistent with the changes made by this amendatory Act of the 104th General Assembly, and the difference between the initial overpayment and the recalculated overpayment shall be refunded to those service retirement pensioners with interest.

(Source: P.A. 102-1013, eff. 5-27-22; 102-1090, eff. 6-10-22; 103-154, eff. 6-30-23; 103-588, eff. 6-5-24.)

Article 2.

Section 2-5. The Illinois Pension Code is amended by changing Section 7-137.1 as follows:

(40 ILCS 5/7-137.1) (from Ch. 108 1/2, par. 7-137.1)

Sec. 7-137.1. Elected officials.

(a) A person holding an elective office who has elected to participate in the Fund while in that office may revoke that election and cease participating in the Fund by notifying the Board in writing before January 1, 1992.

Upon such revocation, the person shall forfeit all creditable service earned while holding that office, and the Board shall refund to the person, without interest, all employee contributions paid for the forfeited creditable service. The Board shall also refund or credit to the employing municipality, without interest, the employer contributions relating to the forfeited service, except those for death and disability.

(b) Notwithstanding the provisions of Sections 7-141 and 7-144, beginning January 1, 1992, a person who holds an elective office and has not elected to participate in the Fund with respect to that office (or has revoked his election to participate with respect to that office under subsection (a) of this Section) shall not be disqualified from receiving a retirement annuity by reason of holding such office, provided that the annuity is not based on any credits received for

participating while holding that office.

(c) Notwithstanding any other provision, a person who holds an elective office and has not elected to participate in the Fund with respect to that office shall not be disqualified from receiving service credit for service in that elected office as long as:

(1) the member participated in a non-elected position with the employer for which the member is now an elected official;

(2) the employer has continued to make member contributions for that period of service; and

(3) there is no gap in service credit between the 2 positions.

(Source: P.A. 87-740.)

Article 3.

Section 3-5. The Illinois Pension Code is amended by changing Sections 13-207, 13-310, and 13-706 as follows:

(40 ILCS 5/13-207) (from Ch. 108 1/2, par. 13-207)

Sec. 13-207. "Salary": The salary paid to an employee for service to the District or to the Board, including salary paid for vacation and sick leave and any amounts deferred under a deferred compensation plan established under this Code, but excluding (1) payment for unused vacation or sick leave, (2)

overtime pay, (3) termination pay, and (4) any compensation in the form of benefits other than the salary. Salary for a member on a disability benefit is the salary on which the disability benefit is based.

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

(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 that includes, ~~and~~ a medical report ~~is submitted~~ by at least one licensed health care professional and the employee is examined, at least annually, by a licensed health care professional appointed by the Board ~~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 August 18, 2005 (the effective date of Public Act 94-621) ~~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 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 eligibility ~~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; 103-523, eff. 1-1-24; revised 7-17-24.)

(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 and compel the production of records. To issue subpoenas to compel the attendance of witnesses to testify before the Board and to compel the production of documents and records upon any matter concerning the Fund, including, but not limited to, in conjunction with:

(1) a disability claim;

(2) an administrative review proceeding;

(3) an attempt to obtain information to assist in the collection of sums due to the Fund;

(4) obtaining any and all personal identifying information necessary for the administration of benefits;

(5) the determination of the death of a benefit

recipient or a potential benefit recipient; or

(6) a felony forfeiture investigation.

The fees of witnesses for attendance and travel shall be the same as the fees of witnesses before the circuit courts of this State and shall be paid by the party seeking the subpoena. The Board may apply to any circuit court in the State for an order requiring compliance with a subpoena issued under this Section. Subpoenas issued under this Section shall be subject to the applicable provisions of the Code of Civil Procedure. The President or other members of the Board may administer oaths to 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 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. 103-523, eff. 1-1-24.)

Article 4.

Section 4-5. The Illinois Pension Code is amended by changing Section 17-114 as follows:

(40 ILCS 5/17-114) (from Ch. 108 1/2, par. 17-114)

Sec. 17-114. Computation of service.

(a) When computing days of validated service, contributors shall receive the greater of: (1) one day of service credit for each day for which they are paid salary representing a partial or a full day of employment rendered to an Employer or the

Board; or (2) 10 days of service credit for each 10-day period of employment in which the contributor worked 50% or more of the regularly scheduled hours.

(b) When computing months of validated service, 17 or more days of service rendered to an Employer or the Board in a calendar month shall entitle a contributor to one month of service credit for purposes of this Article.

(c) When computing years of validated service rendered, 170 or more days of service in a fiscal year or 10 or more months of service in a fiscal year shall constitute one year of service credit.

(d) Notwithstanding subsections (b) and (c) of this Section, validated service in any fiscal year shall be that fraction of a year equal to the ratio of the number of days of service to 170 days.

(e) For purposes of this Section, no contributor shall earn (i) more than one year of service credit per fiscal year, (ii) more than one day of service credit per calendar day, or (iii) more than 10 days of service credit in a 2 calendar week period as determined by the Fund.

(Source: P.A. 99-176, eff. 7-29-15.)

Article 8.

Section 8-5. The Illinois Pension Code is amended by changing Section 1-107 as follows:

(40 ILCS 5/1-107) (from Ch. 108 1/2, par. 1-107)

Sec. 1-107. Indemnification of trustees, consultants, and employees of retirement systems and pension funds. Every retirement system, pension fund, or other system or fund established under this Code shall ~~may~~ indemnify and protect the trustees and ~~staff and consultants~~ against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees. Every retirement system, pension fund, or other system or fund established under this Code may indemnify and protect its consultants against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees. However, the trustees, staff, and consultants shall not be indemnified for willful ~~wilful~~ misconduct and gross negligence. Each board is authorized to insure against loss or liability of the trustees, staff and consultants which may result from these damage claims. This insurance shall be carried in a company which is licensed to write such coverage in this State.

(Source: P.A. 80-1364.)

Section 9-5. The Illinois Pension Code is amended by changing Section 6-151.1 as follows:

(40 ILCS 5/6-151.1) (from Ch. 108 1/2, par. 6-151.1)

Sec. 6-151.1. The General Assembly finds and declares that service in the Fire Department requires that firemen, in times of stress and danger, must perform unusual tasks; that by reason of their occupation, firemen are subject to exposure to great heat and to extreme cold in certain seasons while in performance of their duties; that by reason of their employment firemen are required to work in the midst of and are subject to heavy smoke fumes and carcinogenic, poisonous, toxic or chemical gases from fires; and that in the course of their rescue and paramedic duties firemen are exposed to disabling infectious diseases, including AIDS, hepatitis C, and stroke. The General Assembly further finds and declares that all the aforementioned conditions exist and arise out of or in the course of such employment.

Any active fireman who has completed 7 or more years of service and is unable to perform his duties in the Fire Department by reason of heart disease, tuberculosis, breast cancer, any disease of the lungs or respiratory tract, AIDS, hepatitis C, stroke, or a contagious staph infection, including methicillin-resistant Staphylococcus aureus (MRSA), resulting from his service as a fireman, shall be entitled to

receive an occupational disease disability benefit during any period of such disability for which he does not have a right to receive salary.

Any active fireman who has completed 7 or more years of service and is unable to perform his duties in the fire department by reason of a disabling cancer, which develops or manifests itself during a period while the fireman is in the service of the department, shall be entitled to receive an occupational disease disability benefit during any period of such disability for which he does not have a right to receive salary. In order to receive this occupational disease disability benefit, the type of cancer involved must be a type which may be caused by exposure to heat, radiation or a known carcinogen as defined by the International Agency for Research on Cancer.

Any fireman receiving a retirement annuity shall be entitled to an occupational disease disability benefit under this Section if the fireman (1) has not reached the age of compulsory retirement, (2) has not been receiving a retirement annuity for more than 5 years, and (3) has a condition that would have qualified the fireman for an occupational disease disability benefit under this Section if he or she was an active fireman. A fireman who receives an occupational disease disability benefit in accordance with this paragraph may not receive a retirement annuity during the period in which he or she receives an occupational disease disability benefit. The

occupational disease disability benefit shall terminate upon the fireman reaching the age of compulsory retirement.

Any fireman who shall enter the service after the effective date of this amendatory Act shall be examined by one or more practicing physicians appointed by the Board, and if that examination discloses impairment of the heart, lungs, or respiratory tract, or the existence of AIDS, hepatitis C, stroke, cancer, or a contagious staph infection, including methicillin-resistant *Staphylococcus aureus* (MRSA), then the fireman shall not be entitled to receive an occupational disease disability benefit unless and until a subsequent examination reveals no such impairment, AIDS, hepatitis C, stroke, cancer, or contagious staph infection, including methicillin-resistant *Staphylococcus aureus* (MRSA).

The occupational disease disability benefit shall be 65% of the fireman's salary at the time of his removal from the Department payroll. However, beginning January 1, 1994, no occupational disease disability benefit that has been payable under this Section for at least 10 years shall be less than 50% of the current salary attached from time to time to the rank and grade held by the fireman at the time of his removal from the Department payroll, regardless of whether that removal occurred before the effective date of this amendatory Act of 1993.

Such fireman also shall have a right to receive child's disability benefit of \$30 per month on account of each

unmarried child who is less than 18 years of age or handicapped, dependent upon the fireman for support, and either the issue of the fireman or legally adopted by him. The total amount of child's disability benefit payable to the fireman, when added to his occupational disease disability benefit, shall not exceed 75% of the amount of salary which he was receiving at the time of the grant of occupational disease disability benefit.

The first payment of occupational disease disability benefit or child's disability benefit shall be made not later than one month after the benefit is granted. Each subsequent payment shall be made not later than one month after the date of the latest payment.

Occupational disease disability benefit shall be payable during the period of the disability until the fireman reaches the age of compulsory retirement. Child's disability benefit shall be paid to such a fireman during the period of disability until such child or children attain age 18 or marry, whichever event occurs first; except that attainment of age 18 by a child who is so physically or mentally handicapped as to be dependent upon the fireman for support, shall not render the child ineligible for child's disability benefit. The fireman thereafter shall receive such annuity or annuities as are provided for him in accordance with other provisions of this Article.

(Source: P.A. 102-91, eff. 7-9-21; 102-1064, eff. 6-10-22.)

Article 11.

Section 11-5. The Illinois Pension Code is amended by changing Section 15-148 as follows:

(40 ILCS 5/15-148) (from Ch. 108 1/2, par. 15-148)

Sec. 15-148. Survivors insurance benefits; general
~~benefits~~ ~~General~~ provisions. The survivors annuity is payable monthly. Any annuity due but unpaid upon the death of the annuitant, shall be paid to the annuitant's estate.

A person who becomes entitled to more than one survivors insurance benefit because of the death of 2 or more persons shall receive only the largest of the benefits; except that this limitation does not apply to a survivors insurance beneficiary who is entitled to a survivor's annuity by reason of a mental or physical disability.

A survivors insurance beneficiary or the personal representative of the estate of a deceased survivors insurance beneficiary or the personal representative of a survivors insurance beneficiary who is under a legal disability may waive the right to receive survivorship benefits, provided written notice of the waiver is given by the beneficiary or representative to the board within 6 months after the System notified that person of the benefits payable upon the death of the participant or annuitant and before any payment is made

pursuant to an application filed by such person.

(Source: P.A. 92-424, eff. 8-17-01.)

Article 12.

Section 12-5. The Illinois Pension Code is amended by changing Section 7-172 as follows:

(40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

Sec. 7-172. Contributions by participating municipalities and participating instrumentalities.

(a) Each participating municipality and each participating instrumentality shall make payment to the fund as follows:

1. municipality contributions in an amount determined by applying the municipality contribution rate to each payment of earnings paid to each of its participating employees;

2. an amount equal to the employee contributions provided by paragraph (a) of Section 7-173, whether or not the employee contributions are withheld as permitted by that Section;

3. all accounts receivable, together with interest charged thereon, as provided in Section 7-209, and any amounts due under subsection (a-5) of Section 7-144;

4. if it has no participating employees with current earnings, an amount payable which, over a closed period of

20 years for participating municipalities and 10 years for participating instrumentalities, will amortize, at the effective rate for that year, any unfunded obligation. The unfunded obligation shall be computed as provided in paragraph 2 of subsection (b);

5. if it has fewer than 7 participating employees or a negative balance in its municipality reserve, the greater of (A) an amount payable that, over a period of 20 years, will amortize at the effective rate for that year any unfunded obligation, computed as provided in paragraph 2 of subsection (b) or (B) the amount required by paragraph 1 of this subsection (a).

(b) A separate municipality contribution rate shall be determined for each calendar year for all participating municipalities together with all instrumentalities thereof. The municipality contribution rate shall be determined for participating instrumentalities as if they were participating municipalities. The municipality contribution rate shall be the sum of the following percentages:

1. The percentage of earnings of all the participating employees of all participating municipalities and participating instrumentalities which, if paid over the entire period of their service, will be sufficient when combined with all employee contributions available for the payment of benefits, to provide all annuities for participating employees, and the \$3,000 death benefit

payable under Sections 7-158 and 7-164, such percentage to be known as the normal cost rate.

2. The percentage of earnings of the participating employees of each participating municipality and participating instrumentalities necessary to adjust for the difference between the present value of all benefits, excluding temporary and total and permanent disability and death benefits, to be provided for its participating employees and the sum of its accumulated municipality contributions and the accumulated employee contributions and the present value of expected future employee and municipality contributions pursuant to subparagraph 1 of this paragraph (b). This adjustment shall be spread over a period determined by the Board, not to exceed 30 years for participating municipalities or 10 years for participating instrumentalities.

3. The percentage of earnings of the participating employees of all municipalities and participating instrumentalities necessary to provide the present value of all temporary and total and permanent disability benefits granted during the most recent year for which information is available.

4. The percentage of earnings of the participating employees of all participating municipalities and participating instrumentalities necessary to provide the present value of the net single sum death benefits

expected to become payable from the reserve established under Section 7-206 during the year for which this rate is fixed.

5. The percentage of earnings necessary to meet any deficiency arising in the Terminated Municipality Reserve.

(c) A separate municipality contribution rate shall be computed for each participating municipality or participating instrumentality for its sheriff's law enforcement employees.

A separate municipality contribution rate shall be computed for the sheriff's law enforcement employees of each forest preserve district that elects to have such employees. For the period from January 1, 1986 to December 31, 1986, such rate shall be the forest preserve district's regular rate plus 2%.

In the event that the Board determines that there is an actuarial deficiency in the account of any municipality with respect to a person who has elected to participate in the Fund under Section 3-109.1 of this Code, the Board may adjust the municipality's contribution rate so as to make up that deficiency over such reasonable period of time as the Board may determine.

(d) The Board may establish a separate municipality contribution rate for all employees who are program participants employed under the federal Comprehensive Employment Training Act by all of the participating municipalities and instrumentalities. The Board may also

provide that, in lieu of a separate municipality rate for these employees, a portion of the municipality contributions for such program participants shall be refunded or an extra charge assessed so that the amount of municipality contributions retained or received by the fund for all CETA program participants shall be an amount equal to that which would be provided by the separate municipality contribution rate for all such program participants. Refunds shall be made to prime sponsors of programs upon submission of a claim therefor and extra charges shall be assessed to participating municipalities and instrumentalities. In establishing the municipality contribution rate as provided in paragraph (b) of this Section, the use of a separate municipality contribution rate for program participants or the refund of a portion of the municipality contributions, as the case may be, may be considered.

(e) Computations of municipality contribution rates for the following calendar year shall be made prior to the beginning of each year, from the information available at the time the computations are made, and on the assumption that the employees in each participating municipality or participating instrumentality at such time will continue in service until the end of such calendar year at their respective rates of earnings at such time.

(f) Any municipality which is the recipient of State allocations representing that municipality's contributions for

retirement annuity purposes on behalf of its employees as provided in Section 12-21.16 of the Illinois Public Aid Code shall pay the allocations so received to the Board for such purpose. Estimates of State allocations to be received during any taxable year shall be considered in the determination of the municipality's tax rate for that year under Section 7-171. If a special tax is levied under Section 7-171, none of the proceeds may be used to reimburse the municipality for the amount of State allocations received and paid to the Board. Any multiple-county or consolidated health department which receives contributions from a county under Section 11.2 of "An Act in relation to establishment and maintenance of county and multiple-county health departments", approved July 9, 1943, as amended, or distributions under Section 3 of the Department of Public Health Act, shall use these only for municipality contributions by the health department.

(g) Municipality contributions for the several purposes specified shall, for township treasurers and employees in the offices of the township treasurers who meet the qualifying conditions for coverage hereunder, be allocated among the several school districts and parts of school districts serviced by such treasurers and employees in the proportion which the amount of school funds of each district or part of a district handled by the treasurer bears to the total amount of all school funds handled by the treasurer.

From the funds subject to allocation among districts and

parts of districts pursuant to the School Code, the trustees shall withhold the proportionate share of the liability for municipality contributions imposed upon such districts by this Section, in respect to such township treasurers and employees and remit the same to the Board.

The municipality contribution rate for an educational service center shall initially be the same rate for each year as the regional office of education or school district which serves as its administrative agent. When actuarial data become available, a separate rate shall be established as provided in subparagraph (i) of this Section.

The municipality contribution rate for a public agency, other than a vocational education cooperative, formed under the Intergovernmental Cooperation Act shall initially be the average rate for the municipalities which are parties to the intergovernmental agreement. When actuarial data become available, a separate rate shall be established as provided in subparagraph (i) of this Section.

(h) Each participating municipality and participating instrumentality shall make the contributions in the amounts provided in this Section in the manner prescribed from time to time by the Board and all such contributions shall be obligations of the respective participating municipalities and participating instrumentalities to this fund. The failure to deduct any employee contributions shall not relieve the participating municipality or participating instrumentality of

its obligation to this fund. Delinquent payments of contributions due under this Section may, with interest, be recovered by civil action against the participating municipalities or participating instrumentalities. Municipality contributions, other than the amount necessary for employee contributions, for periods of service by employees from whose earnings no deductions were made for employee contributions to the fund, may be charged to the municipality reserve for the municipality or participating instrumentality.

(i) Contributions by participating instrumentalities shall be determined as provided herein except that the percentage derived under subparagraph 2 of paragraph (b) of this Section, and the amount payable under subparagraph 4 of paragraph (a) of this Section, shall be based on an amortization period of 10 years.

(j) Notwithstanding the other provisions of this Section, the additional unfunded liability accruing as a result of Public Act 94-712 shall be amortized over a period of 30 years beginning on January 1 of the second calendar year following the calendar year in which Public Act 94-712 takes effect, except that the employer may provide for a longer amortization period by adopting a resolution or ordinance specifying a 35-year or 40-year period and submitting a certified copy of the ordinance or resolution to the fund no later than June 1 of the calendar year following the calendar year in which Public

Act 94-712 takes effect.

(k) If the amount of a participating employee's reported earnings for any of the 12-month periods used to determine the final rate of earnings exceeds the employee's 12-month reported earnings with the same employer for the previous year by the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as established by the United States Department of Labor for the preceding September, the participating municipality or participating instrumentality that paid those earnings shall pay to the Fund, in addition to any other contributions required under this Article, the present value of the increase in the pension resulting from the portion of the increase in reported earnings that is in excess of the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as determined by the Fund. This present value shall be computed on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the Fund that is available at the time of the computation.

Whenever it determines that a payment is or may be required under this subsection (k), the fund shall calculate the amount of the payment and bill the participating municipality or participating instrumentality for that amount. The bill shall specify the calculations used to determine the amount due. If the participating municipality or participating instrumentality disputes the amount of the bill, it may,

within 30 days after receipt of the bill, apply to the fund in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the fund shall review the application and, if appropriate, recalculate the amount due. The participating municipality and participating instrumentality contributions required under this subsection (k) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the participating municipality and participating instrumentality contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the fund's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 7 ~~3~~ years after receipt of the bill by the participating municipality or participating instrumentality.

When assessing payment for any amount due under this subsection (k), the fund shall exclude earnings increases resulting from overload or overtime earnings.

When assessing payment for any amount due under this subsection (k), the fund shall exclude earnings increases resulting from payments for unused vacation time, but only for payments for unused vacation time made in the final 3 months of the final rate of earnings period.

When assessing payment for any amount due under this subsection (k), the fund shall also exclude earnings increases

attributable to standard employment promotions resulting in increased responsibility and workload.

When assessing payment for any amount due under this subsection (k), the fund shall exclude reportable earnings increases resulting from periods where the member was paid through workers' compensation.

This subsection (k) does not apply to earnings increases due to amounts paid as required by federal or State law or court mandate or to earnings increases due to the participating employee returning to the regular number of hours worked after having a temporary reduction in the number of hours worked.

This subsection (k) does not apply to earnings increases paid to individuals under contracts or collective bargaining agreements entered into, amended, or renewed before January 1, 2012 (the effective date of Public Act 97-609), earnings increases paid to members who are 10 years or more from retirement eligibility, or earnings increases resulting from an increase in the number of hours required to be worked.

When assessing payment for any amount due under this subsection (k), the fund shall also exclude earnings attributable to personnel policies adopted before January 1, 2012 (the effective date of Public Act 97-609) as long as those policies are not applicable to employees who begin service on or after January 1, 2012 (the effective date of Public Act 97-609).

The change made to this Section by Public Act 100-139 is a clarification of existing law and is intended to be retroactive to January 1, 2012 (the effective date of Public Act 97-609).

(Source: P.A. 102-849, eff. 5-13-22; 103-464, eff. 8-4-23.)

Article 13.

Section 13-5. The Illinois Pension Code is amended by changing Section 16-204 as follows:

(40 ILCS 5/16-204)

Sec. 16-204. Optional defined contribution benefit. As soon as practicable after the effective date of this amendatory Act of the 100th General Assembly, the System shall offer a defined contribution benefit to active full-time or part-time contractual members of the System who are employed by an employer eligible to participate in the defined contribution benefit under applicable law. The defined contribution benefit shall be an optional benefit to any full-time or part-time contractual member who chooses to participate. The defined contribution benefit shall collect optional employee and optional employer contributions into an account and shall offer investment options to the participant. The benefit under this Section shall be operated in full compliance with any applicable State and federal laws, and the

System shall utilize generally accepted practices in creating and maintaining the benefit for the best interest of the participants. In administering the defined contribution benefit, the System shall require that the defined contribution benefit recordkeeper agree that, in performing services with respect to the defined contribution benefit, the recordkeeper: (i) will not use information received as a result of providing services with respect to the defined contribution benefit or the participants in the defined contribution benefit to solicit the participants in the defined contribution benefit for the purpose of cross-selling nonplan products and services, unless in response to a request by a participant in the defined contribution benefit; and (ii) will not promote, recommend, endorse, or solicit participants in the defined contribution benefit to purchase any financial products or services outside of the defined contribution benefit, except that links to parts of the recordkeeper's website that are generally available to the public, are about commercial products, and may be encountered by a participant in the regular course of navigating the recordkeeper's website will not constitute a violation of this item (ii). The System may use funds from the employee and employer contributions to defray any and all costs of creating and maintaining the benefit. In addition, the System may use funds provided under Section 16-158 of this Code to defray any and all costs of creating and maintaining the benefit and then shall reimburse

those costs from funds received from the employee and employer contributions under this Section. All employers must comply with the reporting and administrative functions established by the System and are required to implement the benefits established under this Section. The System shall produce an annual report on the participation in the benefit and shall make the report public.

As soon as is practicable on or after January 1, 2022, the System shall automatically enroll any employee who first becomes an active full-time or part-time contractual member ~~or participant~~ in the System. A member automatically enrolled under this Section shall have 3% of his or her pre-tax ~~gross~~ compensation ~~for each compensation period~~ deferred into his or her deferred compensation account, ~~unless the member otherwise instructs the System on forms approved by the System.~~ A member may elect, in a manner provided for by the System, to not participate in the defined contribution benefit or to increase or reduce the amount of pre-tax ~~gross~~ compensation contributed, consistent with State or federal law. A member shall be automatically enrolled in the benefit beginning the first day of the pay period following the close of the notice period, or as soon as practicable, unless the employee elects otherwise within the notice period ~~member's 30th day of employment.~~ For the purposes of this Section, "notice period" means a reasonable period of time after the employee is provided with an automatic enrollment notice as required under

Section 414(w) of the Internal Revenue Code of 1986, as amended. An active full-time or part-time contractual A member who has been automatically enrolled in the benefit may elect, within 90 days following the member's initial contribution ~~days of enrollment,~~ to withdraw ~~from~~ the contribution benefit and receive a refund of amounts deferred, as adjusted for plus ~~or minus any~~ applicable earnings and fees. A member making such an election shall forfeit all employer matching contributions, if any, made with respect to the initial contribution and the forfeited amounts shall be used to defray plan expenses ~~earnings, investment fees, and administrative fees.~~ Any refunded amount shall be included in the member's gross income for the taxable year in which the refund is issued.

On or after January 1, 2023, the System may elect to increase the automatic annual contributions under this Section. The increase in the rate of contribution, however, shall not exceed 2% of a member's pre-tax ~~gross~~ compensation per year, and at no time shall any total contribution exceed any contribution limits established by State or federal law.

Notwithstanding any other provision of this Section, active members eligible to participate in the defined contribution benefit do not include employees of a department as defined in Section 14-103.04.

(Source: P.A. 102-540, eff. 8-20-21; 103-552, eff. 8-11-23.)

Article 14.

Section 14-5. The Illinois Pension Code is amended by changing Sections 3-110.14 and 7-139.1a as follows:

(40 ILCS 5/3-110.14)

Sec. 3-110.14. Transfer to Article 7.

(a) On and after July 1, 2022 but no later than December 1, 2023, a participating employee who is actively employed as a sheriff's law enforcement employee under Article 7 may make a written election to transfer up to 10 years of creditable service from a fund established under this Article to the Illinois Municipal Retirement Fund established under Article 7. Upon receiving a written election by a participant under this Section, the creditable service shall be transferred to the Illinois Municipal Retirement Fund as soon as practicable upon payment by the police pension fund to the Illinois Municipal Retirement Fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of the transfer; and

(2) employer contributions in an amount equal to the amount determined under paragraph (1).

Participation in the police pension fund with respect to the service to be transferred shall terminate on the date of transfer. This Section does not allow reinstatement of credits

in this Article that were previously forfeited.

(b) On and after the effective date of this amendatory Act of the 104th General Assembly but no later than 6 months after the effective date of this amendatory Act of the 104th General Assembly, a participating employee who is actively employed as a sheriff's law enforcement employee under Article 7 may make a written election to transfer creditable service from a fund established under this Article to the Illinois Municipal Retirement Fund established under Article 7. Upon receiving a written election by a participant under this Section, the creditable service shall be transferred to the Illinois Municipal Retirement Fund as soon as practicable upon payment by the police pension fund to the Illinois Municipal Retirement Fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of the transfer; and

(2) employer contributions in an amount equal to the amount determined under paragraph (1).

Participation in the police pension fund with respect to the service to be transferred shall terminate on the date of transfer. This Section does not allow reinstatement of credits in this Article that were previously forfeited.

(Source: P.A. 102-1061, eff. 6-10-22.)

Sec. 7-139.1a. Transfer from Article 3.

(a) On and after July 1, 2022 but no later than January 1, 2023, a participating sheriff's law enforcement employee may elect to transfer up to 10 years of service credit to the Fund as set forth in Section 3-110.14. To establish creditable service under this Section, the sheriff's law enforcement employee may elect to do either of the following:

(1) pay to the Fund an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the Fund under Section 3-110.14 and the amounts that would have been contributed had such contributions been made at the rates applicable to a sheriff's law enforcement employee under this Article, plus (ii) interest thereon at the actuarially assumed rate, compounded annually, from the date of service to the date of payment; or

(2) have the amount of his or her creditable service established under this Section reduced by an amount corresponding to the amount by which (i) the employer and employee contributions that would have been required if he or she had participated in the Fund as a sheriff's law enforcement employee during the period for which credit is being transferred, plus interest thereon at the actuarially assumed rate, compounded annually, from the date of termination of the service for which credit is being transferred to the date of payment, exceeds (ii) the

amount actually transferred to the Fund.

Notwithstanding the amount transferred by the Article 3 fund pursuant to Section 3-110.14, in no event shall the service credit established under this Section exceed the lesser of 10 years or the actual amount of service credit that had been earned in the Article 3 fund. If an amount greater than the amount described under paragraph (1) is transferred to the Fund, the additional amount shall be credited to the account of the sheriff's law enforcement employee's employer.

(b) On and after the effective date of this amendatory Act of the 104th General Assembly but no later than 6 months after the effective date of this amendatory Act of the 104th General Assembly, a participating sheriff's law enforcement employee may elect to transfer service credit to the Fund as set forth in Section 3-110.14. To establish creditable service under this Section, the sheriff's law enforcement employee may elect to do either of the following:

(1) pay to the Fund an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the Fund under Section 3-110.14 and the amounts that would have been contributed had such contributions been made at the rates applicable to a sheriff's law enforcement employee under this Article, plus (ii) interest thereon at the actuarially assumed rate, compounded annually, from the date of service to the date of payment; or

(2) have the amount of his or her creditable service established under this Section reduced by an amount corresponding to the amount by which (i) the employer and employee contributions that would have been required if he or she had participated in the Fund as a sheriff's law enforcement employee during the period for which credit is being transferred, plus interest thereon at the actuarially assumed rate, compounded annually, from the date of termination of the service for which credit is being transferred to the date of payment, exceeds (ii) the amount actually transferred to the Fund.

Notwithstanding the amount transferred by the Article 3 fund pursuant to Section 3-110.14, in no event shall the service credit established under this Section exceed the actual amount of service credit that had been earned in the Article 3 fund. If an amount greater than the amount described under paragraph (1) is transferred to the Fund, the additional amount shall be credited to the account of the sheriff's law enforcement employee's employer.

(Source: P.A. 102-1061, eff. 6-10-22.)

Article 15.

Section 15-5. The Illinois Pension Code is amended by changing Section 15-112 as follows:

(40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

Sec. 15-112. Final rate of earnings. "Final rate of earnings":

(a) This subsection (a) applies only to a Tier 1 member.

For an employee who is paid on an hourly basis or who receives an annual salary in installments during 12 months of each academic year, the average annual earnings during the 48 consecutive calendar month period ending with the last day of final termination of employment or the 4 consecutive academic years of service in which the employee's earnings were the highest, whichever is greater. For any other employee, the average annual earnings during the 4 consecutive academic years of service in which his or her earnings were the highest. For an employee with less than 48 months or 4 consecutive academic years of service, the average earnings during his or her entire period of service. The earnings of an employee with more than 36 months of service under item (a) of Section 15-113.1 prior to the date of becoming a participant are, for such period, considered equal to the average earnings during the last 36 months of such service.

(b) This subsection (b) applies to a Tier 2 member.

For an employee who is paid on an hourly basis or who receives an annual salary in installments during 12 months of each academic year, the average annual earnings obtained by dividing by 8 the total earnings of the employee during the 96 consecutive months in which the total earnings were the

highest within the last 120 months prior to termination or the average annual earnings during the 8 consecutive academic years of service within the 10 years of service prior to termination in which the employee's earnings were the highest, whichever is greater.

For any other employee, the average annual earnings during the 8 consecutive academic years of service within the 10 years of service prior to termination in which the employee's earnings were the highest. For an employee with less than 96 consecutive months or 8 consecutive academic years of service, whichever is necessary, the average earnings during his or her entire period of service.

The changes made to this subsection (b) by this amendatory Act of the 104th General Assembly are corrections and clarifications of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-1490), notwithstanding the provisions of Section 1-103.1 of this Code.

(c) For an employee on leave of absence with pay, or on leave of absence without pay who makes contributions during such leave, earnings are assumed to be equal to the basic compensation on the date the leave began.

(d) For an employee on disability leave, earnings are assumed to be equal to the basic compensation on the date disability occurs or the average earnings during the 24 months immediately preceding the month in which disability occurs,

whichever is greater.

(e) For a Tier 1 member who retires on or after August 22, 1997 (the effective date of Public Act 90-511) ~~this amendatory Act of 1997~~ with at least 20 years of service as a firefighter or police officer under this Article, the final rate of earnings shall be the annual rate of earnings received by the participant on his or her last day as a firefighter or police officer under this Article, if that is greater than the final rate of earnings as calculated under the other provisions of this Section.

(f) If a Tier 1 member is an employee for at least 6 months during the academic year in which his or her employment is terminated, the annual final rate of earnings shall be 25% of the sum of (1) the annual basic compensation for that year, and (2) the amount earned during the 36 months immediately preceding that year, if this is greater than the final rate of earnings as calculated under the other provisions of this Section.

(g) In the determination of the final rate of earnings for an employee, that part of an employee's earnings for any academic year beginning after June 30, 1997, which exceeds the employee's earnings with that employer for the preceding year by more than 20% ~~20 percent~~ shall be excluded; in the event that an employee has more than one employer this limitation shall be calculated separately for the earnings with each employer. In making such calculation, only the basic

compensation of employees shall be considered, without regard to vacation or overtime or to contracts for summer employment. Beginning September 1, 2024, this subsection (g) also applies to an employee who has been employed at 1/2 time or less for 3 or more years.

(h) The following are not considered as earnings in determining the final rate of earnings: (1) severance or separation pay, (2) retirement pay, (3) payment for unused sick leave, and (4) payments from an employer for the period used in determining the final rate of earnings for any purpose other than (i) services rendered, (ii) leave of absence or vacation granted during that period, and (iii) vacation of up to 56 work days allowed upon termination of employment; except that, if the benefit has been collectively bargained between the employer and the recognized collective bargaining agent pursuant to the Illinois Educational Labor Relations Act, payment received during a period of up to 2 academic years for unused sick leave may be considered as earnings in accordance with the applicable collective bargaining agreement, subject to the 20% increase limitation of this Section. Any unused sick leave considered as earnings under this Section shall not be taken into account in calculating service credit under Section 15-113.4.

(i) Intermittent periods of service shall be considered as consecutive in determining the final rate of earnings.

(Source: P.A. 103-548, eff. 8-11-23; revised 7-18-24.)

Article 17.

Section 17-5. The Illinois Pension Code is amended by changing Section 22C-116 as follows:

(40 ILCS 5/22C-116)

Sec. 22C-116. Conduct and administration of elections; terms of office.

(a) For the election of the permanent trustees, the transition board shall administer the initial elections and the permanent board shall administer all subsequent elections. Each board shall develop and implement such procedures as it determines to be appropriate for the conduct of such elections. For the purposes of obtaining information necessary to conduct elections under this Section, participating pension funds shall cooperate with the Fund.

(b) All nominations for election shall be by petition. Each petition for a trustee shall be executed as follows:

(1) for trustees to be elected by the mayors and presidents of municipalities or fire protection districts that have participating pension funds, by at least 20 such mayors and presidents; except that this item (1) shall apply only with respect to participating pension funds;

(2) for trustees to be elected by participants, by at least 200 ~~400~~ participants; and

(3) for trustees to be elected by beneficiaries, by at least 100 beneficiaries.

(c) A separate ballot shall be used for each class of trustee. The board shall prepare and send ballots and ballot envelopes to eligible voters in accordance with rules adopted by the board. The ballots shall contain the names of all candidates in alphabetical order.

Eligible voters, upon receipt of the ballot, shall vote the ballot and place it in the ballot envelope, seal the envelope, and return the ballot to the Fund.

The board shall set a final date for ballot return, and ballots received prior to that date in a ballot envelope shall be valid ballots.

The board shall set a day for counting the ballots and name judges and clerks of election to conduct the count of ballots and shall make any rules necessary for the conduct of the count.

The candidate or candidates receiving the highest number of votes for each class of trustee shall be elected. In the case of a tie vote, the winner shall be determined in accordance with procedures developed by the Department of Insurance.

In lieu of or in addition to conducting elections via mail balloting as described in this Section, the board may ~~instead~~ adopt rules to provide for elections to be carried out ~~solely~~ via Internet balloting, ~~or~~ phone balloting, or a combination

thereof. Nothing in this Section prohibits the Fund from contracting with a third party to administer the election in accordance with this Section.

(d) At any election, voting shall be as follows:

(1) Each person authorized to vote for an elected trustee may cast one vote for each related position for which such person is entitled to vote and may cast such vote for any candidate or candidates on the ballot for such trustee position.

(2) If only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.

(3) The results shall be entered in the minutes of the first meeting of the board following the tally of votes.

(e) The initial election for permanent trustees shall be held and the permanent board shall be seated no later than 12 months after the effective date of this amendatory Act of the 101st General Assembly. Each subsequent election shall be held no later than 30 days prior to the end of the term of the incumbent trustees.

(f) The elected trustees shall each serve for terms of 4 years commencing on the first business day of the first month after election; except that the terms of office of the initially elected trustees shall be as follows:

(1) One trustee elected pursuant to item (1) of

subsection (b) of Section 22C-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (1) of subsection (b) of Section 22C-115 shall serve for a term of 4 years;

(2) One trustee elected pursuant to item (2) of subsection (b) of Section 22C-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (2) of subsection (b) of Section 22C-115 shall serve for a term of 4 years; and

(3) The trustee elected pursuant to item (3) of subsection (b) of Section 22C-115 shall serve for a term of 2 years.

(g) The trustees appointed pursuant to items (4) and (5) of subsection (b) of Section 22C-115 shall each serve for a term of 4 years commencing on the first business day of the first month after the election of the elected trustees.

(h) A member of the board who was elected pursuant to item (1) of subsection (b) of Section 22C-115 who ceases to serve as a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality or fire protection district that has a participating pension fund shall not be eligible to serve as a member of the board and his or her position shall be deemed vacant. A member of the board who was elected by the participants of participating pension funds who ceases to be a participant may serve the remainder of his or her elected

term.

For a vacancy of an elected trustee, the vacancy shall be filled by appointment by the board as follows: a vacancy of a member elected pursuant to item (1) of subsection (b) of Section 22C-115 shall be filled by a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality or fire protection district that has a participating pension fund; a vacancy of a member elected pursuant to item (2) of subsection (b) of Section 22C-115 shall be filled by a participant of a participating pension fund; and a vacancy of a member elected under item (3) of subsection (b) of Section 22C-115 shall be filled by a beneficiary of a participating pension fund. A trustee appointed to fill the vacancy of an elected trustee shall serve until a successor is elected. Special elections to fill the remainder of an unexpired term vacated by an elected trustee shall be held concurrently with and in the same manner as the next regular election for an elected trustee position.

Vacancies among the appointed trustees shall be filled for unexpired terms by appointment in like manner as for the original appointments.

(Source: P.A. 103-552, eff. 8-11-23.)

Article 18.

Section 18-5. The Illinois Pension Code is amended by

changing Sections 15-155 and 16-158 as follows:

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For each of State fiscal years 2018, 2019, and 2020, the State shall make an additional contribution to the System equal to 2% of the total payroll of each employee who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applies in State fiscal year 2018 or thereafter shall be implemented in equal annual amounts over a 5-year period beginning in the State fiscal year in which the actuarial change first applies to the required State contribution.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applied to the State contribution in fiscal year 2014, 2015, 2016, or 2017 shall be implemented:

- (i) as already applied in State fiscal years before 2018; and

- (ii) in the portion of the 5-year period beginning in the State fiscal year in which the actuarial change first applied that occurs in State fiscal year 2018 or thereafter, by calculating the change in equal annual amounts over that 5-year period and then implementing it at the resulting annual rate in each of the remaining fiscal years in that 5-year period.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable

employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to Section 15-165 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the

System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(a-2) Beginning in fiscal year 2018, each employer under this Article shall pay to the System a required contribution determined as a percentage of projected payroll and sufficient to produce an annual amount equal to:

(i) for each of fiscal years 2018, 2019, and 2020, the defined benefit normal cost of the defined benefit plan, less the employee contribution, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161; for fiscal year 2021 and each fiscal year thereafter, the defined benefit normal cost of the defined benefit plan, less the employee contribution, plus 2%, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161; plus

(ii) the amount required for that fiscal year to amortize any unfunded actuarial accrued liability associated with the present value of liabilities attributable to the employer's account under Section 15-155.2, determined as a level percentage of payroll over a 30-year rolling amortization period.

In determining contributions required under item (i) of this subsection, the System shall determine an aggregate rate for all employers, expressed as a percentage of projected payroll.

In determining the contributions required under item (ii) of this subsection, the amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation.

The contributions required under this subsection (a-2) shall be paid by an employer concurrently with that employer's payroll payment period. The State, as the actual employer of an employee, shall make the required contributions under this subsection.

As used in this subsection, "academic year" means the 12-month period beginning September 1.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this

Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits

resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h), (h-5), or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (g) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest

will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 7 ~~3~~ years after the employer's receipt of the bill.

When assessing payment for any amount due under this subsection (g), the System shall include earnings, to the extent not established by a participant under Section 15-113.11 or 15-113.12, that would have been paid to the participant had the participant not taken (i) periods of voluntary or involuntary furlough occurring on or after July 1, 2015 and on or before June 30, 2017 or (ii) periods of voluntary pay reduction in lieu of furlough occurring on or after July 1, 2015 and on or before June 30, 2017. Determining earnings that would have been paid to a participant had the participant not taken periods of voluntary or involuntary furlough or periods of voluntary pay reduction shall be the responsibility of the employer, and shall be reported in a manner prescribed by the System.

This subsection (g) does not apply to (1) Tier 2 hybrid plan members and (2) Tier 2 defined benefit members who first participate under this Article on or after the implementation date of the Optional Hybrid Plan.

(g-1) (Blank).

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July

1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(h-5) When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase paid in an academic year beginning on or after July 1, 2020 resulting from overload work performed in an academic year subsequent to an academic year in which the employer was unable to offer or allow to be conducted overload work due to an emergency declaration limiting such activities.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or

renewed on or after June 1, 2005 but before July 1, 2011. Except as provided in subsection (h-5), any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j-5) For State fiscal years beginning on or after July 1, 2017, if the amount of a participant's earnings for any State fiscal year exceeds the amount of the salary set by law for the Governor that is in effect on July 1 of that fiscal year, the participant's employer shall pay to the System, in addition to

all other payments required under this Section and in accordance with guidelines established by the System, an amount determined by the System to be equal to the employer normal cost, as established by the System and expressed as a total percentage of payroll, multiplied by the amount of earnings in excess of the amount of the salary set by law for the Governor. This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculation used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection may be paid in the form of a lump sum within 90 days after issuance of the bill. If the employer contributions are not

paid within 90 days after issuance of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after issuance of the bill. All payments must be received within 3 years after issuance of the bill. If the employer fails to make complete payment, including applicable interest, within 3 years, then the System may, after giving notice to the employer, certify the delinquent amount to the State Comptroller, and the Comptroller shall thereupon deduct the certified delinquent amount from State funds payable to the employer and pay them instead to the System.

This subsection (j-5) does not apply to a participant's earnings to the extent an employer pays the employer normal cost of such earnings.

The changes made to this subsection (j-5) by Public Act 100-624 are intended to apply retroactively to July 6, 2017 (the effective date of Public Act 100-23).

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy

of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.

5-13-22.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15 until November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State

contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by Public Act 94-4.

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider

before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-10) By November 1, 2017, the Board shall recalculate and recertify to the State Actuary, the Governor, and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by Public Act 100-23. The State Actuary shall review the assumptions and valuations underlying the Board's revised certification and issue a preliminary report concerning the proposed recertification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. The Board's final certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State

contribution.

(a-15) On or after June 15, 2019, but no later than June 30, 2019, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2019, taking into account the changes in required State contributions made by Public Act 100-587. The recalculation shall be made using assumptions adopted by the Board for the original fiscal year 2019 certification. The monthly voucher for the 12th month of fiscal year 2019 shall be paid by the Comptroller after the recertification required pursuant to this subsection is submitted to the Governor, Comptroller, and General Assembly. The recertification submitted to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Unless otherwise directed by the Comptroller under subsection (b-1.1), the Board shall submit vouchers for payment of State contributions to the System for the applicable month on the 15th day of each month, or as soon thereafter as may be practicable. The amount vouchered for a monthly payment shall total one-twelfth of the required annual State contribution certified under subsection (a-1).

(b-1.1) Beginning in State fiscal year 2025, if the Comptroller requests that the Board submit, during a State fiscal year, vouchers for multiple monthly payments for the advance payment of State contributions due to the System for that State fiscal year, then the Board shall submit those additional vouchers as directed by the Comptroller, notwithstanding subsection (b-1). Unless an act of appropriations provides otherwise, nothing in this Section authorizes the Board to submit, in a State fiscal year, vouchers for the payment of State contributions to the System in an amount that exceeds the rate of payroll that is certified by the System under this Section for that State fiscal year.

(b-1.2) The vouchers described in subsections (b-1) and (b-1.1) shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned

to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For each of State fiscal years 2018, 2019, and 2020, the State shall make an additional contribution to the System equal to 2% of the total payroll of each employee who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applies in State fiscal year 2018 or thereafter shall be implemented in equal annual amounts over a 5-year period beginning in the State fiscal year in which the actuarial change first applies to the required State contribution.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applied to the State contribution in fiscal year 2014,

2015, 2016, or 2017 shall be implemented:

(i) as already applied in State fiscal years before 2018; and

(ii) in the portion of the 5-year period beginning in the State fiscal year in which the actuarial change first applied that occurs in State fiscal year 2018 or thereafter, by calculating the change in equal annual amounts over that 5-year period and then implementing it at the resulting annual rate in each of the remaining fiscal years in that 5-year period.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before May 27, 1998 (the effective date of Public Act 90-582): 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the

total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be

made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar

term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at

the rate otherwise required under this Section.

(b-4) Beginning in fiscal year 2018, each employer under this Article shall pay to the System a required contribution determined as a percentage of projected payroll and sufficient to produce an annual amount equal to:

(i) for each of fiscal years 2018, 2019, and 2020, the defined benefit normal cost of the defined benefit plan, less the employee contribution, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (b) of Section 1-161; for fiscal year 2021 and each fiscal year thereafter, the defined benefit normal cost of the defined benefit plan, less the employee contribution, plus 2%, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (b) of Section 1-161; plus

(ii) the amount required for that fiscal year to amortize any unfunded actuarial accrued liability associated with the present value of liabilities attributable to the employer's account under Section 16-158.3, determined as a level percentage of payroll over a 30-year rolling amortization period.

In determining contributions required under item (i) of this subsection, the System shall determine an aggregate rate for all employers, expressed as a percentage of projected

payroll.

In determining the contributions required under item (ii) of this subsection, the amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation.

The contributions required under this subsection (b-4) shall be paid by an employer concurrently with that employer's payroll payment period. The State, as the actual employer of an employee, shall make the required contributions under this subsection.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, which, beginning July 1, 2017, shall be at a rate, expressed as a percentage of salary, equal to the total employer's normal cost, expressed as a percentage of payroll, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois

to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System. Any contribution for fiscal year 2015 collected as a result of the change made by Public Act 98-674 shall be considered a State contribution under subsection (b-3) of this Section.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher

shall pay to the System an employer contribution computed as follows:

(1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.

(2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from Public Act 90-582.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by Public Act 90-582 is the responsibility of the teacher and not the teacher's employer, unless the

employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the

computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by Public Act 94-1111 apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g), (g-5), (g-10), (g-15), (g-20), or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the

application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 7 ~~3~~ years after the employer's receipt of the bill.

(f-1) (Blank).

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from

overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over

which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(g-5) When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload or stipend work performed in a school year subsequent to a school year in which the employer was unable to offer or allow to be conducted overload or stipend work due to an emergency declaration limiting such activities.

(g-10) When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from increased instructional time that exceeded the instructional time required during the 2019-2020 school year.

(g-15) When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from teaching summer school on or after May 1, 2021 and before September 15, 2022.

(g-20) When assessing payment for any amount due under subsection (f), the System shall exclude salary increases necessary to bring a school board in compliance with Public Act 101-443 or this amendatory Act of the 103rd General Assembly.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or

collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(i-5) For school years beginning on or after July 1, 2017, if the amount of a participant's salary for any school year exceeds the amount of the salary set for the Governor, the participant's employer shall pay to the System, in addition to

all other payments required under this Section and in accordance with guidelines established by the System, an amount determined by the System to be equal to the employer normal cost, as established by the System and expressed as a total percentage of payroll, multiplied by the amount of salary in excess of the amount of the salary set for the Governor. This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not

paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21; 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff. 8-11-23; 103-588, eff. 6-5-24.)

Article 19.

Section 19-5. The Illinois Pension Code is amended by changing Section 7-217 as follows:

(40 ILCS 5/7-217) (from Ch. 108 1/2, par. 7-217)

Sec. 7-217. Payment of benefits and assignments.

(a) Except as otherwise provided in this Section, all moneys in the Fund created by this Article, and all securities and other property of the Fund, and all annuities and other benefits payable under this Article, and all accumulated contributions and other credits of employees in this Fund, and the right of any person to receive an annuity or other benefit under this Article, or a refund or return of contributions, shall not be subject to judgment, execution, garnishment, attachment, or other seizure by process, in bankruptcy or otherwise, nor to sale, pledge, mortgage or other alienation, and shall not be assignable. Notwithstanding Section 1-103.1, the changes in this Section made by this amendatory Act of 1991 shall not be limited to persons in service on or after its effective date. All annuities and other benefits payable under this Fund and all accumulated credits of employees in the Fund shall be exempt from state and municipal taxes.

(b) The board, in its discretion, may:

1. Pay to the wife of any annuitant or employee such portion, or all, of any retirement annuity, disability

benefit, or separation benefit payable to an annuitant or employee, in the event of the disappearance or unexplained absence, or the failure to support such wife or children, as the board may consider necessary for the support of the wife or children of the annuitant or employee.

2. Where a temporary or total and permanent disability benefit becomes payable and the amount may be reduced by application of Section 7-148(b) or Section 7-152(b), postpone making the reduction, if there is a delay in the determination whether a disability benefit is payable under the Federal Social Security Act, until the determination has been made. The Board may retain out of any annuity or benefit to the participating employee or to any person taking through him the amount of any payment which is not reduced by reason of this paragraph.

3. Pay amounts payable to a minor or person under legal disability to a representative payee assuming responsibility for such minor or person under legal disability, waiving guardianship.

(c) The board may retain out of any annuity or benefit payable to any person such amount or amounts as the board may determine are owing to the fund because required employee contributions were not made, in whole or in part, or employee obligations to return refunds were not made, or because money was paid to any annuitant or employee through misrepresentation, fraud or error.

(d) The board and the fund shall be held free from any liability for any money retained or paid in accordance with this section and the employee shall be assumed to have assented and agreed to any such disposition of money due.

(e) An annuitant entitled to receive an annuity may, for personal reasons and without disclosure thereof, request the board in writing to suspend for any period payment of all or any part of such annuity otherwise payable hereunder. The board, on receipt of such request, shall authorize such suspension, in which event the annuitant shall be deemed to have forfeited all rights to the amount of annuity so suspended, but shall retain the right to have full annuity otherwise payable reinstated as to future monthly payments upon written notice to the board of his desire to revoke his prior request for a suspension under this paragraph.

(f) The board may reimburse any municipality or participating instrumentality for employee contributions due such municipality or participating instrumentality, from funds withheld by the board pursuant to this Section.

(g) An annuitant may authorize the withholding of a portion of his annuity for payment ~~of dues~~ to any labor organization designated by the annuitant; however, no portion of annuities may be withheld pursuant to this subsection for payment to any one labor organization unless a minimum of 100 annuitants authorize such withholding, except that the Board may allow such withholding for less than 100 annuitants during

a probationary period of between 3 and 6 months, as determined by the Board. The Board shall prescribe a form for the authorization of such withholding, and shall provide such forms to employees, annuitants and labor organizations upon request. Amounts withheld by the Board under this subsection shall be promptly paid over to the designated organizations.

(Source: P.A. 87-740.)

Article 23.

Section 23-5. The Illinois Pension Code is amended by changing Section 16-127 as follows:

(40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

Sec. 16-127. Computation of creditable service.

(a) Each member shall receive regular credit for all service as a teacher from the date membership begins, for which satisfactory evidence is supplied and all contributions have been paid.

(b) The following periods of service shall earn optional credit and each member shall receive credit for all such service for which satisfactory evidence is supplied and all contributions have been paid as of the date specified:

(1) Prior service as a teacher.

(2) Service in a capacity essentially similar or equivalent to that of a teacher, in the public common

schools in school districts in this State not included within the provisions of this System, or of any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, or under the auspices of any agency or department of any other State, and service during any period of professional speech correction or special education experience for a public agency within this State or any other State, territory, dependency or possession of the United States, and service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety, for a period not exceeding the lesser of 2/5 of the total creditable service of the member or 10 years. The maximum service of 10 years which is allowable under this paragraph shall be reduced by the service credit which is validated by other retirement systems under paragraph (i) of Section 15-113 and paragraph 1 of Section 17-133. Credit granted under this paragraph may not be used in determination of a retirement annuity or disability benefits unless the member has at least 5 years of creditable service earned subsequent to this employment with one or more of the following systems: Teachers' Retirement System of the State of Illinois, State Universities Retirement System, and the Public School Teachers' Pension and Retirement Fund of Chicago. Whenever such service credit exceeds the maximum allowed for all

purposes of this Article, the first service rendered in point of time shall be considered. The changes to this paragraph (2) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(3) Any periods immediately following teaching service, under this System or under Article 17, (or immediately following service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety) spent in active service with the military forces of the United States; periods spent in educational programs that prepare for return to teaching sponsored by the federal government following such active military service; if a teacher returns to teaching service within one calendar year after discharge or after the completion of the educational program, a further period, not exceeding one calendar year, between time spent in military service or in such educational programs and the return to employment as a teacher under this System; and a period of up to 2 years of active military service not immediately following employment as a teacher.

The changes to this Section and Section 16-128 relating to military service made by Public Act 87-794

shall apply not only to persons who on or after its effective date are in service as a teacher under the System, but also to persons whose status as a teacher terminated prior to that date, whether or not the person is an annuitant on that date. In the case of an annuitant who applies for credit allowable under this Section for a period of military service that did not immediately follow employment, and who has made the required contributions for such credit, the annuity shall be recalculated to include the additional service credit, with the increase taking effect on the date the System received written notification of the annuitant's intent to purchase the credit, if payment of all the required contributions is made within 60 days of such notice, or else on the first annuity payment date following the date of payment of the required contributions. In calculating the automatic annual increase for an annuity that has been recalculated under this Section, the increase attributable to the additional service allowable under Public Act 87-794 shall be included in the calculation of automatic annual increases accruing after the effective date of the recalculation.

Credit for military service shall be determined as follows: if entry occurs during the months of July, August, or September and the member was a teacher at the end of the immediately preceding school term, credit shall

be granted from July 1 of the year in which he or she entered service; if entry occurs during the school term and the teacher was in teaching service at the beginning of the school term, credit shall be granted from July 1 of such year. In all other cases where credit for military service is allowed, credit shall be granted from the date of entry into the service.

The total period of military service for which credit is granted shall not exceed 5 years for any member unless the service: (A) is validated before July 1, 1964, and (B) does not extend beyond July 1, 1963. Credit for military service shall be granted under this Section only if not more than 5 years of the military service for which credit is granted under this Section is used by the member to qualify for a military retirement allotment from any branch of the armed forces of the United States. The changes to this paragraph (3) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(4) Any periods served as a member of the General Assembly.

(5) (i) Any periods for which a teacher, as defined in Section 16-106, is granted a leave of absence, provided he

or she returns to teaching service creditable under this System or the State Universities Retirement System following the leave; (ii) periods during which a teacher is involuntarily laid off from teaching, provided he or she returns to teaching following the lay-off; (iii) periods prior to July 1, 1983 during which a teacher ceased covered employment due to pregnancy, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the pregnancy and submits evidence satisfactory to the Board documenting that the employment ceased due to pregnancy; and (iv) periods prior to July 1, 1983 during which a teacher ceased covered employment for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the adoption and submits evidence satisfactory to the Board documenting that the employment ceased for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age. However, total credit under this paragraph (5) may not exceed 3 years.

Any qualified member or annuitant may apply for credit under item (iii) or (iv) of this paragraph (5) without regard to whether service was terminated before June 27,

1997 (the effective date of Public Act 90-32). In the case of an annuitant who establishes credit under item (iii) or (iv), the annuity shall be recalculated to include the additional service credit. The increase in annuity shall take effect on the date the System receives written notification of the annuitant's intent to purchase the credit, if the required evidence is submitted and the required contribution paid within 60 days of that notification, otherwise on the first annuity payment date following the System's receipt of the required evidence and contribution. The increase in an annuity recalculated under this provision shall be included in the calculation of automatic annual increases in the annuity accruing after the effective date of the recalculation.

Optional credit may be purchased under this paragraph (5) for periods during which a teacher has been granted a leave of absence pursuant to Section 24-13 of the School Code. A teacher whose service under this Article terminated prior to the effective date of Public Act 86-1488 shall be eligible to purchase such optional credit. If a teacher who purchases this optional credit is already receiving a retirement annuity under this Article, the annuity shall be recalculated as if the annuitant had applied for the leave of absence credit at the time of retirement. The difference between the entitled annuity and the actual annuity shall be credited to the purchase

of the optional credit. The remainder of the purchase cost of the optional credit shall be paid on or before April 1, 1992.

The change in this paragraph made by Public Act 86-273 shall be applicable to teachers who retire after June 1, 1989, as well as to teachers who are in service on that date.

(6) Any days of unused and uncompensated accumulated sick leave earned by a teacher. The service credit granted under this paragraph shall be the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of 2 years of service credit. Prior to the member's retirement, each former employer shall certify to the System the number of unused and uncompensated accumulated sick leave days credited to the member at the time of termination of service. The period of unused sick leave shall not be considered in determining the effective date of retirement. A member is not required to make contributions in order to obtain service credit for unused sick leave.

Credit for sick leave shall, at retirement, be granted by the System for any retiring regional or assistant regional superintendent of schools at the rate of 6 days per year of creditable service or portion thereof established while serving as such superintendent or assistant superintendent.

(7) Periods prior to February 1, 1987 served as an employee of the Illinois Mathematics and Science Academy for which credit has not been terminated under Section 15-113.9 of this Code.

(8) Service as a substitute teacher for work performed prior to July 1, 1990.

(9) Service as a part-time teacher for work performed prior to July 1, 1990.

(10) Up to 2 years of employment with Southern Illinois University - Carbondale from September 1, 1959 to August 31, 1961, or with Governors State University from September 1, 1972 to August 31, 1974, for which the teacher has no credit under Article 15. To receive credit under this item (10), a teacher must apply in writing to the Board and pay the required contributions before May 1, 1993 and have at least 12 years of service credit under this Article.

(11) Periods of service as a student teacher as described in Section 24-8.5 of the School Code for which the student teacher received a salary.

(b-1) A member may establish optional credit for up to 2 years of service as a teacher or administrator employed by a private school recognized by the Illinois State Board of Education, provided that the teacher (i) was certified under the law governing the certification of teachers at the time the service was rendered, (ii) applies in writing on or before

June 30, 2028, (iii) supplies satisfactory evidence of the employment, (iv) completes at least 10 years of contributing service as a teacher as defined in Section 16-106, and (v) pays the contribution required in subsection (d-5) of Section 16-128. The member may apply for credit under this subsection and pay the required contribution before completing the 10 years of contributing service required under item (iv), but the credit may not be used until the item (iv) contributing service requirement has been met.

(b-2) A member may establish optional credit for up to 2 years of service as a career and technical educator, including, but not limited to, a career and technical education teacher, for which credit is not held in any other public employee pension fund or retirement system if the member (i) was certified or licensed under the law governing the certification or licensure of teachers at the time the service was rendered, (ii) applies in writing on or before June 30, 2028, (iii) supplies satisfactory evidence of the employment, (iv) completes at least 10 years of contributing service as a teacher as defined in Section 16-106, and (v) pays the contribution required in subsection (d-5) of Section 16-128. The member may apply for credit under this subsection and pay the required contribution before completing the 10 years of contributing service required under item (iv), but the credit may not be used until the item (iv) contributing service requirement has been met.

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

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

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

Credit may not be granted under this Section for service as an employee of an entity that provides substitute teaching services under Section 2-3.173 of the School Code and is not a school district.

(Source: P.A. 102-525, eff. 8-20-21; 103-17, eff. 6-9-23; 103-525, eff. 8-11-23; 103-605, eff. 7-1-24.)

Article 26.

Section 26-5. The Illinois Pension Code is amended by changing Sections 3-110.12 and 4-108 as follows:

(40 ILCS 5/3-110.12)

Sec. 3-110.12. Transfer to Article 4 fund.

(a) At any time during the 6 months following the effective date of this Section, an active member of an Article 4 firefighters' pension fund may apply for transfer to that fund of up to 6 years of his or her creditable service accumulated in the police pension fund under this Article that is administered by the same unit of local government if that active member was not subject to disciplinary action when he or she terminated employment with that police department. The creditable service shall be transferred upon payment by the police pension fund to the Article 4 fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer for the service to be transferred; and

(2) employer contributions in an amount equal to the amount determined under item (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in the police pension fund with respect to the transferred creditable service shall terminate on the date of transfer.

(a-5) At any time during the 6 months following the effective date of this amendatory Act of the 102nd General Assembly, an active member of an Article 4 firefighters'

pension fund may apply for transfer to that fund of up to 8 years of his or her creditable service accumulated in a police pension fund under this Article that is administered by a unit of local government if that active member was not subject to disciplinary action when he or she terminated employment with that police department. The creditable service shall be transferred upon payment by the police pension fund to the Article 4 fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer for the service to be transferred; and

(2) employer contributions in an amount equal to the amount determined under item (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in the police pension fund with respect to the transferred creditable service shall terminate on the date of transfer.

(a-10) At any time during the 6 months following the effective date of this amendatory Act of the 104th General Assembly, an active member of an Article 4 firefighters' pension fund may apply for transfer to that fund of up to 8 years of his or her creditable service accumulated in a police pension fund under this Article that is administered by a unit of local government if that active member was not subject to disciplinary action when he or she terminated employment with

that police department. The creditable service shall be transferred upon payment by the police pension fund to the Article 4 fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer for the service to be transferred; and

(2) employer contributions in an amount equal to the amount determined under item (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in the police pension fund with respect to the transferred creditable service shall terminate on the date of transfer.

(b) At the time of applying for transfer of creditable service under this Section, an active member of an Article 4 firefighters' pension fund may, for the purpose of that transfer, reinstate creditable service that was terminated by receipt of a refund, by payment to the police pension fund of the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of the refund to the date of payment.

(Source: P.A. 102-63, eff. 7-9-21.)

(40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

Sec. 4-108. Creditable service.

(a) Creditable service is the time served as a firefighter

of a municipality. In computing creditable service, furloughs and leaves of absence without pay exceeding 30 days in any one year shall not be counted, but leaves of absence for illness or accident regardless of length, and periods of disability for which a firefighter received no disability pension payments under this Article, shall be counted.

(b) Furloughs and leaves of absence of 30 days or less in any one year may be counted as creditable service, if the firefighter makes the contribution to the fund that would have been required had he or she not been on furlough or leave of absence. To qualify for this creditable service, the firefighter must pay the required contributions to the fund not more than 90 days subsequent to the termination of the furlough or leave of absence, to the extent that the municipality has not made such contribution on his or her behalf.

(c) Creditable service includes:

(1) Service in the military, naval or air forces of the United States entered upon when the person was an active firefighter, provided that, upon applying for a permanent pension, and in accordance with the rules of the board the firefighter pays into the fund the amount that would have been contributed had he or she been a regular contributor during such period of service, if and to the extent that the municipality which the firefighter served made no such contributions in his or her behalf. The total

amount of such creditable service shall not exceed 5 years, except that any firefighter who on July 1, 1973 had more than 5 years of such creditable service shall receive the total amount thereof as of that date.

(1.5) Up to 24 months of service in the military, naval, or air forces of the United States that was served prior to employment by a municipality or fire protection district as a firefighter. To receive the credit for the military service prior to the employment as a firefighter, the firefighter must apply in writing to the fund and must make contributions to the fund equal to (i) the employee contributions that would have been required had the service been rendered as a member, plus (ii) an amount determined by the fund to be equal to the employer's normal cost of the benefits accrued for that military service, plus (iii) interest at the actuarially assumed rate provided by the Public Pension Division of the Department of Insurance, compounded annually from the first date of membership in the fund to the date of payment on items (i) and (ii). The changes to this paragraph (1.5) by this amendatory Act of the 95th General Assembly apply only to participating employees in service on or after its effective date.

(2) Service prior to July 1, 1976 by a firefighter initially excluded from participation by reason of age who elected to participate and paid the required contributions

for such service.

(3) Up to 8 years of service by a firefighter as an officer in a statewide firefighters' association when he is on a leave of absence from a municipality's payroll, provided that (i) the firefighter has at least 10 years of creditable service as an active firefighter, (ii) the firefighter contributes to the fund the amount that he would have contributed had he remained an active member of the fund, (iii) the employee or statewide firefighter association contributes to the fund an amount equal to the employer's required contribution as determined by the board, and (iv) for all leaves of absence under this subdivision (3), including those beginning before the effective date of this amendatory Act of the 97th General Assembly, the firefighter continues to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute.

(4) Time spent as an on-call fireman for a municipality, calculated at the rate of one year of creditable service for each 5 years of time spent as an on-call fireman, provided that (i) the firefighter has at least 18 years of creditable service as an active firefighter, (ii) the firefighter spent at least 14 years as an on-call firefighter for the municipality, (iii) the firefighter applies for such creditable service within 30 days after the effective date of this amendatory Act of

1989, (iv) the firefighter contributes to the Fund an amount representing employee contributions for the number of years of creditable service granted under this subdivision (4), based on the salary and contribution rate in effect for the firefighter at the date of entry into the Fund, to be determined by the board, and (v) not more than 3 years of creditable service may be granted under this subdivision (4).

Except as provided in Section 4-108.5, creditable service shall not include time spent as a volunteer firefighter, whether or not any compensation was received therefor. The change made in this Section by Public Act 83-0463 is intended to be a restatement and clarification of existing law, and does not imply that creditable service was previously allowed under this Article for time spent as a volunteer firefighter.

(5) Time served between July 1, 1976 and July 1, 1988 in the position of protective inspection officer or administrative assistant for fire services, for a municipality with a population under 10,000 that is located in a county with a population over 3,000,000 and that maintains a firefighters' pension fund under this Article, if the position included firefighting duties, notwithstanding that the person may not have held an appointment as a firefighter, provided that application is made to the pension fund within 30 days after the

effective date of this amendatory Act of 1991, and the corresponding contributions are paid for the number of years of service granted, based upon the salary and contribution rate in effect for the firefighter at the date of entry into the pension fund, as determined by the Board.

(6) Service before becoming a participant by a firefighter initially excluded from participation by reason of age who becomes a participant under the amendment to Section 4-107 made by this amendatory Act of 1993 and pays the required contributions for such service.

(7) Up to 3 years of time during which the firefighter receives a disability pension under Section 4-110, 4-110.1, or 4-111, provided that (i) the firefighter returns to active service after the disability for a period at least equal to the period for which credit is to be established and (ii) the firefighter makes contributions to the fund based on the rates specified in Section 4-118.1 and the salary upon which the disability pension is based. These contributions may be paid at any time prior to the commencement of a retirement pension. The firefighter may, but need not, elect to have the contributions deducted from the disability pension or to pay them in installments on a schedule approved by the board. If not deducted from the disability pension, the contributions shall include interest at the rate of 6% per

year, compounded annually, from the date for which service credit is being established to the date of payment. If contributions are paid under this subdivision (c)(7) in excess of those needed to establish the credit, the excess shall be refunded. This subdivision (c)(7) applies to persons receiving a disability pension under Section 4-110, 4-110.1, or 4-111 on the effective date of this amendatory Act of the 91st General Assembly, as well as persons who begin to receive such a disability pension after that date.

(8) Up to 6 years of service as a police officer and participant in an Article 3 police pension fund administered by the unit of local government that employs the firefighter under this Article, provided that the service has been transferred to, and the required payment received by, the Article 4 fund in accordance with subsection (a) of Section 3-110.12 of this Code.

(9) Up to 8 years of service as a police officer and participant in an Article 3 police pension fund administered by a unit of local government, provided that the service has been transferred to, and the required payment received by, the Article 4 fund in accordance with subsection (a-5) of Section 3-110.12 of this Code.

(10) Up to 8 years of service as a police officer and participant in an Article 3 police pension fund administered by a unit of local government, provided that:

(1) the service has been transferred to, and the required payment has been received by, the Article 4 fund in accordance with subsection (a-10) of Section 3-110.12 of this Code; and (2) payment to the fund has been made in an amount, determined by the board, equal to (i) the difference between the amount of employee and employer contributions transferred to the fund under subsection (a-10) of Section 3-110.12 and the amounts that would have been contributed had such contributions been made at the rates applicable to a firefighter under this Article, plus (ii) interest thereon at the actuarially assumed rate, compounded annually, from the date of service to the date of payment.

(Source: P.A. 102-63, eff. 7-9-21; 103-426, eff. 8-4-23.)

Article 27.

Section 27-5. The Illinois Pension Code is amended by changing Section 9-179.1 as follows:

(40 ILCS 5/9-179.1) (from Ch. 108 1/2, par. 9-179.1)

Sec. 9-179.1. Military service. A contributing employee may elect to purchase creditable service for up to 24 months of active-duty military service, whether or not that service followed service as a county employee. The military service need not have been served in wartime, but the employee must not

have been dishonorably discharged. To establish this creditable service, the contributing employee must pay to the Fund, while in the service of the county, an amount determined by the Fund to represent (i) the employee contributions for the creditable service based on his or her rate of compensation on his or her last day as a contributor before the military service or on his or her first day as a contributor after the military service, whichever is greater, plus (ii) interest calculated at the effective rate from the date used to determine the rate of compensation for employee contributions under item (i) to the date of payment. A contributing employee may apply for creditable service for up to 2 years of military service whether or not the military service followed service as a county employee. The military service need not have been served in wartime, but the employee must not have been dishonorably discharged. To establish this creditable service the applicant must pay to the Fund, while in the service of the county, an amount determined by the Fund to represent the employee contributions for the creditable service established, based on the employee's rate of compensation on his or her last day as a contributor before the military service, or on his or her first day as a contributor after the military service, whichever is greater, plus interest at the effective rate from the date of discharge to the date of payment. If a person who has established any credit under this Section applies for or receives any early

~~retirement incentive under Section 9-134.2, the credit under this Section shall be forfeited and the amount paid to the Fund under this Section shall be refunded.~~

(Source: P.A. 103-529, eff. 8-11-23.)

Article 30.

Section 30-5. The Illinois Pension Code is amended by adding Sections 3-110.15 and 4-108.9 as follows:

(40 ILCS 5/3-110.15 new)

Sec. 3-110.15. Transfer from Article 4 fund. Until 6 months after the effective date of this amendatory Act of the 104th General Assembly, a person may transfer to a fund established under this Article up to 8 years of creditable service accumulated in a firefighter pension fund under Article 4 that is administered by a unit of local government, if that active member was not subject to disciplinary action when he or she terminated employment with that employer, upon payment to the fund of an amount to be determined by the board, equal to (i) the difference between the amount of employee and employer contributions transferred to the fund under Section 4-108.9 and the amounts that would have been contributed had such contributions been made at the rates applicable to a police officer under this Article, plus (ii) interest thereon at the actuarially assumed rate, compounded annually, from the

date of service to the date of payment.

(40 ILCS 5/4-108.9 new)

Sec. 4-108.9. Transfer to Article 3 fund.

(a) At any time during the 6 months following the effective date of this amendatory Act of the 104th General Assembly, an active member of an Article 3 police pension fund may apply for transfer to that fund of up to 8 years of his or her creditable service accumulated in a firefighter pension fund under this Article that is administered by a unit of local government if that active member was not subject to disciplinary action when he or she terminated employment with that employer. The creditable service shall be transferred upon payment by the firefighter pension fund to the Article 3 fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer for the service to be transferred; and

(2) employer contributions in an amount equal to the amount determined under item (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in the firefighter pension fund with respect to the transferred creditable service shall terminate on the date of transfer.

(b) At the time of applying for transfer of creditable

service under this Section, an active member of an Article 3 police pension fund may, for the purpose of that transfer, reinstate creditable service that was terminated by receipt of a refund, by payment to the police pension fund of the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of the refund to the date of payment.

Article 34.

Section 34-5. The Illinois Pension Code is amended by changing Sections 14-110 and 14-152.1 as follows:

(40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

(Text of Section from P.A. 102-813 and 103-34)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a retirement annuity computed as follows:

(i) for periods of service as a noncovered employee:

if retirement occurs on or after January 1, 2001, 3% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 2 1/4% of final average compensation for each of the first 10 years of creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20 years; and

(ii) for periods of eligible creditable service as a covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation if retirement occurs before January 1, 2001 or to a maximum of 80% of final average compensation if retirement occurs on or after January 1, 2001.

These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee which is not eligible creditable service shall be subject to the rates and provisions of Section 14-108.

(a-5) A member who is eligible to receive an alternative retirement annuity under this Section may elect to receive an estimated payment that shall commence no later than 30 days after the later of either the member's last day of employment or 30 days after the member files for the retirement benefit with the System. The estimated payment shall be the best estimate by the System of the total monthly amount due to the member based on the information that the System possesses at the time of the estimate. If the amount of the estimate is greater or less than the actual amount of the monthly annuity, the System shall pay or recover the difference within 6 months after the start of the monthly annuity.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

- (1) State policeman;
- (2) fire fighter in the fire protection service of a department;
- (3) air pilot;
- (4) special agent;
- (5) investigator for the Secretary of State;
- (6) conservation police officer;
- (7) investigator for the Department of Revenue or the Illinois Gaming Board;
- (8) security employee of the Department of Human Services;

(9) Central Management Services security police officer;

(10) security employee of the Department of Corrections or the Department of Juvenile Justice;

(11) dangerous drugs investigator;

(12) investigator for the Illinois State Police;

(13) investigator for the Office of the Attorney General;

(14) controlled substance inspector;

(15) investigator for the Office of the State's Attorneys Appellate Prosecutor;

(16) Commerce Commission police officer;

(17) arson investigator;

(18) State highway maintenance worker;

(19) security employee of the Department of Innovation and Technology; or

(20) transferred employee.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required basic police training course shall be deemed performance of the duties of the specified position, even though the person is

not a sworn peace officer at the time of the training.

A person under paragraph (20) is entitled to eligible creditable service for service credit earned under this Article on and after his or her transfer by Executive Order No. 2003-10, Executive Order No. 2004-2, or Executive Order No. 2016-1.

(c) For the purposes of this Section:

(1) The term "State policeman" includes any title or position in the Illinois State Police that is held by an individual employed under the Illinois State Police Act.

(2) The term "fire fighter in the fire protection service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.

(3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who possesses a pilot's license; however, the change in this definition made by Public Act 83-842 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control,

the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, the Division of Patrol, or any other Division or organizational entity in the Illinois State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Illinois State Police that is held by an individual employed under the Illinois State Police Act.

(5) The term "investigator for the Secretary of State" means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

The term "investigator for the Illinois Gaming Board" means any person employed as such by the Illinois Gaming Board and vested with such peace officer duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who (i) is employed at the Chester Mental Health Center and has daily contact with the residents thereof, (ii) is employed within a security

unit at a facility operated by the Department and has daily contact with the residents of the security unit, (iii) is employed at a facility operated by the Department that includes a security unit and is regularly scheduled to work at least 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health police officer" means any person employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the care, containment, and treatment of persons committed to the Department of Human Services as sexually violent persons, persons unfit to stand trial, or persons not guilty by reason of insanity. With respect to past employment, references to the Department of Human Services include its predecessor, the Department of Mental Health and Developmental Disabilities.

The changes made to this subdivision (c)(8) by Public Act 92-14 apply to persons who retire on or after January 1, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police

officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(10) For a member who first became an employee under this Article before July 1, 2005, the term "security employee of the Department of Corrections or the Department of Juvenile Justice" means any employee of the Department of Corrections or the Department of Juvenile Justice or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties. For a member who first becomes an employee under this Article on or after July 1, 2005, the term means an employee of the Department of Corrections or the Department of Juvenile Justice who is any of the following: (i) officially headquartered at a correctional facility or Juvenile facility operated by the Department of Juvenile Justice, (ii) a parole officer, (iii) a member of the apprehension unit, (iv) a member of the intelligence unit, (v) a member of the sort team, or (vi) an investigator.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Illinois State Police" means a person employed by the Illinois State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. The term

"controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full-time basis under the authority of Section 7.06 of the State's Attorneys Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible creditable service by paying to the System the difference between the employee contributions actually paid for that

service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" means a person who is either of the following:

(i) A person employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

(ii) A person employed on a full-time basis by the Illinois State Toll Highway Authority in the position of equipment operator/laborer H-4, equipment operator/laborer H-6, welder H-4, welder H-6, mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4, water/sewer H-6, sign maker/hanger H-4, sign maker/hanger H-6, roadway lighting H-4, roadway lighting H-6, structural H-4, structural H-6, painter H-4, or painter H-6; and whose principal responsibility is to perform, on the roadway, the

actual maintenance necessary to keep the Authority's tollways in serviceable condition for vehicular traffic.

(19) The term "security employee of the Department of Innovation and Technology" means a person who was a security employee of the Department of Corrections or the Department of Juvenile Justice, was transferred to the Department of Innovation and Technology pursuant to Executive Order 2016-01, and continues to perform similar job functions under that Department.

(20) "Transferred employee" means an employee who was transferred to the Department of Central Management Services by Executive Order No. 2003-10 or Executive Order No. 2004-2 or transferred to the Department of Innovation and Technology by Executive Order No. 2016-1, or both, and was entitled to eligible creditable service for services immediately preceding the transfer.

(d) A security employee of the Department of Corrections or the Department of Juvenile Justice, a security employee of the Department of Human Services who is not a mental health police officer, and a security employee of the Department of Innovation and Technology shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service requirements at the time of retirement:

(i) 25 years of eligible creditable service and age

55; or

(ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or

(iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections or the Department of Juvenile Justice, or the Department of Human Services in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(e) If a member enters military service while working in a

position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee,

provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) A State policeman may elect, not later than January 1, 1990, to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 1993, to establish eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer

contributions transferred to the System under Section 9-121.10 and the amounts that would have been contributed had those contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(h) Subject to the limitation in subsection (i), a State policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be

determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, a member of the county police department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), an investigator for the Office of the Attorney General, or an

investigator for the Department of Revenue, may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, or a member of the county police department under Article 9 by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, investigator for the Office of the Attorney General, an investigator for the Department of Revenue, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties, or law enforcement officer employed on a full-time basis by a forest preserve district under Article 7, a county corrections officer, or a court services officer under Article 9, by

filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, arson investigator, or Commerce Commission police officer may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, a court services officer under Article 9, or a firefighter under Article 4 by filing a written election with the Board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year,

compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a conservation police officer may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, or a court services officer under Article 9 by filing a written election with the Board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Notwithstanding the limitation in subsection (i), a State policeman or conservation police officer may elect to convert service credit earned under this Article to eligible creditable service, as defined by this Section, by filing a written election with the board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee contributions

originally paid for that service and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) the difference between the employer's normal cost of the credit prior to the conversion authorized by Public Act 102-210 and the employer's normal cost of the credit converted in accordance with Public Act 102-210, plus (iii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), (l), (l-5), and (o) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for

each year, compounded annually, from the date of service to the date of payment.

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(l) Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect,

not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(1-5) Subject to the limitation in subsection (i) of this Section, a State policeman may elect to establish eligible creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board no later than 3 years after January 1, 2020 (the effective date of Public Act 101-610), accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee

after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(m) The amendatory changes to this Section made by Public Act 94-696 apply only to: (1) security employees of the Department of Juvenile Justice employed by the Department of Corrections before June 1, 2006 (the effective date of Public Act 94-696) and transferred to the Department of Juvenile Justice by Public Act 94-696; and (2) persons employed by the Department of Juvenile Justice on or after June 1, 2006 (the effective date of Public Act 94-696) who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of Corrections to have any bachelor's or advanced degree from an accredited college or university or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training.

(n) A person employed in a position under subsection (b) of this Section who has purchased service credit under subsection (j) of Section 14-104 or subsection (b) of Section 14-105 in any other capacity under this Article may convert up

to 5 years of that service credit into service credit covered under this Section by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 14-133, plus (2) the additional employer contribution required under Section 14-131, plus (3) interest on items (1) and (2) at the actuarially assumed rate from the date of the service to the date of payment.

(o) Subject to the limitation in subsection (i), a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator subject to subsection (g) of Section 1-160 may elect to convert up to 8 years of service credit established before January 1, 2020 (the effective date of Public Act 101-610) as a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator under this Article into eligible creditable service by filing a written election with the Board no later than one year after January 1, 2020 (the effective date of Public Act 101-610), accompanied by payment of an amount to be determined by the Board equal to (i) the difference between the amount of the employee contributions actually paid for that service and the amount of the employee contributions that would have been paid had the employee contributions been made as a noncovered employee

serving in a position in which eligible creditable service, as defined in this Section, may be earned, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21; 102-813, eff. 5-13-22; 103-34, eff. 1-1-24.)

(Text of Section from P.A. 102-856 and 103-34)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a retirement annuity computed as follows:

(i) for periods of service as a noncovered employee: if retirement occurs on or after January 1, 2001, 3% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 2 1/4% of final average compensation for each of the first 10 years of creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20

years; and

(ii) for periods of eligible creditable service as a covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation if retirement occurs before January 1, 2001 or to a maximum of 80% of final average compensation if retirement occurs on or after January 1, 2001.

These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee which is not eligible creditable service shall be subject to the rates and provisions of Section 14-108.

(a-5) A member who is eligible to receive an alternative retirement annuity under this Section may elect to receive an estimated payment that shall commence no later than 30 days after the later of either the member's last day of employment or 30 days after the member files for the retirement benefit with the System. The estimated payment shall be the best estimate by the System of the total monthly amount due to the

member based on the information that the System possesses at the time of the estimate. If the amount of the estimate is greater or less than the actual amount of the monthly annuity, the System shall pay or recover the difference within 6 months after the start of the monthly annuity.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

- (1) State policeman;
- (2) fire fighter in the fire protection service of a department;
- (3) air pilot;
- (4) special agent;
- (5) investigator for the Secretary of State;
- (6) conservation police officer;
- (7) investigator for the Department of Revenue or the Illinois Gaming Board;
- (8) security employee of the Department of Human Services;
- (9) Central Management Services security police officer;
- (10) security employee of the Department of Corrections or the Department of Juvenile Justice;
- (11) dangerous drugs investigator;
- (12) investigator for the Illinois State Police;
- (13) investigator for the Office of the Attorney

General;

(14) controlled substance inspector;

(15) investigator for the Office of the State's
Attorneys Appellate Prosecutor;

(16) Commerce Commission police officer;

(17) arson investigator;

(18) State highway maintenance worker;

(19) security employee of the Department of Innovation
and Technology; or

(20) transferred employee.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required basic police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

A person under paragraph (20) is entitled to eligible creditable service for service credit earned under this Article on and after his or her transfer by Executive Order No. 2003-10, Executive Order No. 2004-2, or Executive Order No. 2016-1.

(c) For the purposes of this Section:

(1) The term "State policeman" includes any title or position in the Illinois State Police that is held by an individual employed under the Illinois State Police Act.

(2) The term "fire fighter in the fire protection service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.

(3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who possesses a pilot's license; however, the change in this definition made by Public Act 83-842 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control, the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, the Division of Patrol, or any other Division or organizational entity in the Illinois State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State,

enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Illinois State Police that is held by an individual employed under the Illinois State Police Act.

(5) The term "investigator for the Secretary of State" means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The term "Conservation Police Officer" includes the positions

of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

The term "investigator for the Illinois Gaming Board" means any person employed as such by the Illinois Gaming Board and vested with such peace officer duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who (i) is employed at the Chester Mental Health Center and has daily contact with the residents thereof, (ii) is employed within a security unit at a facility operated by the Department and has daily contact with the residents of the security unit, (iii) is employed at a facility operated by the Department that includes a security unit and is regularly scheduled to work at least 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health police officer" means any person

employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the care, containment, and treatment of persons committed to the Department of Human Services as sexually violent persons, persons unfit to stand trial, or persons not guilty by reason of insanity. With respect to past employment, references to the Department of Human Services include its predecessor, the Department of Mental Health and Developmental Disabilities.

The changes made to this subdivision (c)(8) by Public Act 92-14 apply to persons who retire on or after January 1, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(10) For a member who first became an employee under this Article before July 1, 2005, the term "security

employee of the Department of Corrections or the Department of Juvenile Justice" means any employee of the Department of Corrections or the Department of Juvenile Justice or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties. For a member who first becomes an employee under this Article on or after July 1, 2005, the term means an employee of the Department of Corrections or the Department of Juvenile Justice who is any of the following: (i) officially headquartered at a correctional facility or Juvenile facility operated by the Department of Juvenile Justice, (ii) a parole officer, (iii) a member of the apprehension unit, (iv) a member of the intelligence unit, (v) a member of the sort team, or (vi) an investigator.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Illinois State Police" means a person employed by the Illinois State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement

powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. The term "controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full-time basis under the authority of Section 7.06 of the State's Attorneys

Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible creditable service by paying to the System the difference between the employee contributions actually paid for that service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" means a person who is either of the following:

(i) A person employed on a full-time basis by the

Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

(ii) A person employed on a full-time basis by the Illinois State Toll Highway Authority in the position of equipment operator/laborer H-4, equipment operator/laborer H-6, welder H-4, welder H-6, mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4, water/sewer H-6, sign maker/hanger H-4, sign maker/hanger H-6, roadway lighting H-4, roadway lighting H-6, structural H-4, structural H-6, painter H-4, or painter H-6; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the Authority's tollways in serviceable condition for vehicular traffic.

(19) The term "security employee of the Department of Innovation and Technology" means a person who was a security employee of the Department of Corrections or the Department of Juvenile Justice, was transferred to the

Department of Innovation and Technology pursuant to Executive Order 2016-01, and continues to perform similar job functions under that Department.

(20) "Transferred employee" means an employee who was transferred to the Department of Central Management Services by Executive Order No. 2003-10 or Executive Order No. 2004-2 or transferred to the Department of Innovation and Technology by Executive Order No. 2016-1, or both, and was entitled to eligible creditable service for services immediately preceding the transfer.

(d) A security employee of the Department of Corrections or the Department of Juvenile Justice, a security employee of the Department of Human Services who is not a mental health police officer, and a security employee of the Department of Innovation and Technology shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service requirements at the time of retirement:

(i) 25 years of eligible creditable service and age 55; or

(ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or

(iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections or the Department of Juvenile Justice, or the Department of Human Services in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(e) If a member enters military service while working in a position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) A State policeman may elect, not later than January 1, 1990, to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 1993, to establish eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 9-121.10 and the amounts that would have been contributed had those contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(h) Subject to the limitation in subsection (i), a State

policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, a member of the county police department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), an investigator for the Office of the Attorney General, or an investigator for the Department of Revenue, may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, or a member of the county police department under Article 9 by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act

96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, investigator for the Office of the Attorney General, an investigator for the Department of Revenue, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties, or law enforcement officer employed on a full-time basis by a forest preserve district under Article 7, a county corrections officer, or a court services officer under Article 9, by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates

applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, arson investigator, or Commerce Commission police officer may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, a court services officer under Article 9, or a firefighter under Article 4 by filing a written election with the Board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a conservation police officer may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, or a

court services officer under Article 9 by filing a written election with the Board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), an investigator for the Department of Revenue, investigator for the Illinois Gaming Board, investigator for the Secretary of State, or arson investigator may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, a court services officer under Article 9, or a firefighter under Article 4 by filing a written election with the Board within 6 months after the effective date of this amendatory Act of the 102nd General Assembly and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that would have been contributed had such

contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Notwithstanding the limitation in subsection (i), a State policeman or conservation police officer may elect to convert service credit earned under this Article to eligible creditable service, as defined by this Section, by filing a written election with the board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee contributions originally paid for that service and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) the difference between the employer's normal cost of the credit prior to the conversion authorized by Public Act 102-210 and the employer's normal cost of the credit converted in accordance with Public Act 102-210, plus (iii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Notwithstanding the limitation in subsection (i), an investigator for the Department of Revenue, investigator for the Illinois Gaming Board, investigator for the Secretary of State, or arson investigator may elect to convert service credit earned under this Article to eligible creditable

service, as defined by this Section, by filing a written election with the Board within 6 months after the effective date of this amendatory Act of the 102nd General Assembly and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee contributions originally paid for that service and the amounts that would have been contributed had such contributions been made at the rates applicable to investigators for the Department of Revenue, investigators for the Illinois Gaming Board, investigators for the Secretary of State, or arson investigators, plus (ii) the difference between the employer's normal cost of the credit prior to the conversion authorized by this amendatory Act of the 102nd General Assembly and the employer's normal cost of the credit converted in accordance with this amendatory Act of the 102nd General Assembly, plus (iii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), (l), (l-5), and (o) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of

his service as a policeman under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then

applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(1) Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(1-5) Subject to the limitation in subsection (i) of this Section, a State policeman may elect to establish eligible creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for

which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board no later than 3 years after January 1, 2020 (the effective date of Public Act 101-610), accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(m) The amendatory changes to this Section made by Public Act 94-696 apply only to: (1) security employees of the Department of Juvenile Justice employed by the Department of Corrections before June 1, 2006 (the effective date of Public Act 94-696) and transferred to the Department of Juvenile Justice by Public Act 94-696; and (2) persons employed by the Department of Juvenile Justice on or after June 1, 2006 (the effective date of Public Act 94-696) who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of

Corrections to have any bachelor's or advanced degree from an accredited college or university or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training.

(n) A person employed in a position under subsection (b) of this Section who has purchased service credit under subsection (j) of Section 14-104 or subsection (b) of Section 14-105 in any other capacity under this Article may convert up to 5 years of that service credit into service credit covered under this Section by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 14-133, plus (2) the additional employer contribution required under Section 14-131, plus (3) interest on items (1) and (2) at the actuarially assumed rate from the date of the service to the date of payment.

(o) Subject to the limitation in subsection (i), a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator subject to subsection (g) of Section 1-160 may elect to convert up to 8 years of service credit established before January 1, 2020 (the effective date of Public Act 101-610) as a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or

the Illinois Gaming Board, or arson investigator under this Article into eligible creditable service by filing a written election with the Board no later than one year after January 1, 2020 (the effective date of Public Act 101-610), accompanied by payment of an amount to be determined by the Board equal to (i) the difference between the amount of the employee contributions actually paid for that service and the amount of the employee contributions that would have been paid had the employee contributions been made as a noncovered employee serving in a position in which eligible creditable service, as defined in this Section, may be earned, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21; 102-856, eff. 1-1-23; 103-34, eff. 1-1-24.)

(Text of Section from P.A. 102-956 and 103-34)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity,

a retirement annuity computed as follows:

(i) for periods of service as a noncovered employee: if retirement occurs on or after January 1, 2001, 3% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 2 1/4% of final average compensation for each of the first 10 years of creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20 years; and

(ii) for periods of eligible creditable service as a covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation if retirement occurs before January 1, 2001 or to a maximum of 80% of final average compensation if retirement occurs on or after January 1, 2001.

These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee

which is not eligible creditable service shall be subject to the rates and provisions of Section 14-108.

(a-5) A member who is eligible to receive an alternative retirement annuity under this Section may elect to receive an estimated payment that shall commence no later than 30 days after the later of either the member's last day of employment or 30 days after the member files for the retirement benefit with the System. The estimated payment shall be the best estimate by the System of the total monthly amount due to the member based on the information that the System possesses at the time of the estimate. If the amount of the estimate is greater or less than the actual amount of the monthly annuity, the System shall pay or recover the difference within 6 months after the start of the monthly annuity.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

- (1) State policeman;
- (2) fire fighter in the fire protection service of a department;
- (3) air pilot;
- (4) special agent;
- (5) investigator for the Secretary of State;
- (6) conservation police officer;
- (7) investigator for the Department of Revenue or the Illinois Gaming Board;

(8) security employee of the Department of Human Services;

(9) Central Management Services security police officer;

(10) security employee of the Department of Corrections or the Department of Juvenile Justice;

(11) dangerous drugs investigator;

(12) investigator for the Illinois State Police;

(13) investigator for the Office of the Attorney General;

(14) controlled substance inspector;

(15) investigator for the Office of the State's Attorneys Appellate Prosecutor;

(16) Commerce Commission police officer;

(17) arson investigator;

(18) State highway maintenance worker;

(19) security employee of the Department of Innovation and Technology; or

(20) transferred employee.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required basic

police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

A person under paragraph (20) is entitled to eligible creditable service for service credit earned under this Article on and after his or her transfer by Executive Order No. 2003-10, Executive Order No. 2004-2, or Executive Order No. 2016-1.

(c) For the purposes of this Section:

(1) The term "State policeman" includes any title or position in the Illinois State Police that is held by an individual employed under the Illinois State Police Act.

(2) The term "fire fighter in the fire protection service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.

(3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who possesses a pilot's license; however, the change in this definition made by Public Act 83-842 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control, the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, the Division of Patrol, or any other Division or organizational entity in the Illinois State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Illinois State Police that is held by an individual employed under the Illinois State Police Act.

(5) The term "investigator for the Secretary of State" means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance

with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

The term "investigator for the Illinois Gaming Board" means any person employed as such by the Illinois Gaming Board and vested with such peace officer duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who (i) is employed at the

Chester Mental Health Center and has daily contact with the residents thereof, (ii) is employed within a security unit at a facility operated by the Department and has daily contact with the residents of the security unit, (iii) is employed at a facility operated by the Department that includes a security unit and is regularly scheduled to work at least 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health police officer" means any person employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the care, containment, and treatment of persons committed to the Department of Human Services as sexually violent persons, persons unfit to stand trial, or persons not guilty by reason of insanity. With respect to past employment, references to the Department of Human Services include its predecessor, the Department of Mental Health and Developmental Disabilities.

The changes made to this subdivision (c)(8) by Public Act 92-14 apply to persons who retire on or after January

1, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(10) For a member who first became an employee under this Article before July 1, 2005, the term "security employee of the Department of Corrections or the Department of Juvenile Justice" means any employee of the Department of Corrections or the Department of Juvenile Justice or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties. For a member who first becomes an employee under this Article on or after July 1, 2005, the term means an employee of the Department of Corrections or the Department of Juvenile Justice who is any of the following: (i) officially headquartered at a correctional facility or Juvenile facility operated by the Department of Juvenile Justice, (ii) a parole officer, (iii) a member of the apprehension

unit, (iv) a member of the intelligence unit, (v) a member of the sort team, or (vi) an investigator.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Illinois State Police" means a person employed by the Illinois State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social

Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. The term "controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full-time basis under the authority of Section 7.06 of the State's Attorneys Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible

creditable service by paying to the System the difference between the employee contributions actually paid for that service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" means a person who is either of the following:

(i) A person employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

(ii) A person employed on a full-time basis by the Illinois State Toll Highway Authority in the position of equipment operator/laborer H-4, equipment operator/laborer H-6, welder H-4, welder H-6, mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4, water/sewer H-6, sign maker/hanger H-4, sign maker/hanger H-6, roadway lighting H-4, roadway lighting H-6, structural H-4, structural H-6,

painter H-4, or painter H-6; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the Authority's tollways in serviceable condition for vehicular traffic.

(19) The term "security employee of the Department of Innovation and Technology" means a person who was a security employee of the Department of Corrections or the Department of Juvenile Justice, was transferred to the Department of Innovation and Technology pursuant to Executive Order 2016-01, and continues to perform similar job functions under that Department.

(20) "Transferred employee" means an employee who was transferred to the Department of Central Management Services by Executive Order No. 2003-10 or Executive Order No. 2004-2 or transferred to the Department of Innovation and Technology by Executive Order No. 2016-1, or both, and was entitled to eligible creditable service for services immediately preceding the transfer.

(d) A security employee of the Department of Corrections or the Department of Juvenile Justice, a security employee of the Department of Human Services who is not a mental health police officer, and a security employee of the Department of Innovation and Technology shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service

requirements at the time of retirement:

(i) 25 years of eligible creditable service and age 55; or

(ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or

(iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections or the Department of Juvenile Justice, or the Department of Human Services in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of

increasing or calculating any benefit.

(e) If a member enters military service while working in a position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the

position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) A State policeman may elect, not later than January 1, 1990, to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 1993, to establish eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by filing a written election with the Board, accompanied by

payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 9-121.10 and the amounts that would have been contributed had those contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(h) Subject to the limitation in subsection (i), a State policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written

election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, a member of the county police department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), an investigator for the Office of the Attorney General, or an investigator for the Department of Revenue, may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, or a member of the county police department under Article 9 by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, investigator for the Office of the Attorney General, an investigator for the Department of Revenue, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties, or law enforcement officer employed on a full-time basis by a forest

preserve district under Article 7, a county corrections officer, or a court services officer under Article 9, by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, arson investigator, or Commerce Commission police officer may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, a court services officer under Article 9, or a firefighter under Article 4 by filing a written election with the Board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that would have been contributed had such contributions been made

at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a conservation police officer may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties under Article 7, a county corrections officer, or a court services officer under Article 9 by filing a written election with the Board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to the System an amount to be determined by the Board equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Notwithstanding the limitation in subsection (i), a State policeman or conservation police officer may elect to convert service credit earned under this Article to eligible creditable service, as defined by this Section, by filing a written election with the board within 6 months after July 30, 2021 (the effective date of Public Act 102-210) and paying to

the System an amount to be determined by the Board equal to (i) the difference between the amount of employee contributions originally paid for that service and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) the difference between the employer's normal cost of the credit prior to the conversion authorized by Public Act 102-210 and the employer's normal cost of the credit converted in accordance with Public Act 102-210, plus (iii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), (l), (l-5), (o), and (p) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such

contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(1) Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(1-5) Subject to the limitation in subsection (i) of this Section, a State policeman may elect to establish eligible creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board no later than 3 years after January 1, 2020 (the effective date of Public Act 101-610), accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions

for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(m) The amendatory changes to this Section made by Public Act 94-696 apply only to: (1) security employees of the Department of Juvenile Justice employed by the Department of Corrections before June 1, 2006 (the effective date of Public Act 94-696) and transferred to the Department of Juvenile Justice by Public Act 94-696; and (2) persons employed by the Department of Juvenile Justice on or after June 1, 2006 (the effective date of Public Act 94-696) who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of Corrections to have any bachelor's or advanced degree from an accredited college or university or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training.

(n) A person employed in a position under subsection (b) of this Section who has purchased service credit under

subsection (j) of Section 14-104 or subsection (b) of Section 14-105 in any other capacity under this Article may convert up to 5 years of that service credit into service credit covered under this Section by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 14-133, plus (2) the additional employer contribution required under Section 14-131, plus (3) interest on items (1) and (2) at the actuarially assumed rate from the date of the service to the date of payment.

(o) Subject to the limitation in subsection (i), a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator subject to subsection (g) of Section 1-160 may elect to convert up to 8 years of service credit established before January 1, 2020 (the effective date of Public Act 101-610) as a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator under this Article into eligible creditable service by filing a written election with the Board no later than one year after January 1, 2020 (the effective date of Public Act 101-610), accompanied by payment of an amount to be determined by the Board equal to (i) the difference between the amount of the employee contributions actually paid for that service and the amount of

the employee contributions that would have been paid had the employee contributions been made as a noncovered employee serving in a position in which eligible creditable service, as defined in this Section, may be earned, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(p) Subject to the limitation in subsection (i), an investigator for the Office of the Attorney General subject to subsection (g) of Section 1-160 may elect to convert up to 8 years of service credit established before the effective date of this amendatory Act of the 102nd General Assembly as an investigator for the Office of the Attorney General under this Article into eligible creditable service by filing a written election with the Board no later than one year after the effective date of this amendatory Act of the 102nd General Assembly, accompanied by payment of an amount to be determined by the Board equal to (i) the difference between the amount of the employee contributions actually paid for that service and the amount of the employee contributions that would have been paid had the employee contributions been made as a noncovered employee serving in a position in which eligible creditable service, as defined in this Section, may be earned, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;

102-956, eff. 5-27-22; 103-34, eff. 1-1-24.)

(40 ILCS 5/14-152.1)

Sec. 14-152.1. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 96-37, Public Act 100-23, Public Act 100-587, Public Act 100-611, Public Act 101-10, Public Act 101-610, Public Act 102-210, Public Act 102-856, Public Act 102-956, or this amendatory Act of the 104th General Assembly ~~this amendatory Act of the 102nd General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual

increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied

and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff. 1-1-23; 102-956, eff. 5-27-22.)

Article 35.

Section 35-5. The Illinois Pension Code is amended by changing Section 15-139.5 as follows:

(40 ILCS 5/15-139.5)

Sec. 15-139.5. Return to work by affected annuitant; notice and contribution by employer.

(a) An employer who employs or re-employs a person receiving a retirement annuity from the System in an academic year beginning on or after August 1, 2013 must notify the System of that employment within 60 days after employing the annuitant. The notice must include a summary of the contract of employment or specify the rate of compensation and the anticipated length of employment of that annuitant. The notice

must specify whether the annuitant will be compensated from federal, corporate, foundation, or trust funds or grants of State funds that identify the principal investigator by name. The notice must include the employer's determination of whether or not the annuitant is an "affected annuitant" as defined in subsection (b).

The employer must also record, document, and certify to the System (i) the amount of compensation paid to the annuitant for employment during the academic year, and (ii) the amount of that compensation, if any, that comes from either federal, corporate, foundation, or trust funds or grants of State funds that identify the principal investigator by name.

As used in this Section, "academic year" means the 12-month period beginning September 1.

For the purposes of this Section, an annuitant whose employment by an employer extends over more than one academic year shall be deemed to be re-employed by that employer in each of those academic years.

The System may specify the time, form, and manner of providing the determinations, notifications, certifications, and documentation required under this Section.

(b) A person receiving a retirement annuity from the System becomes an "affected annuitant" on the first day of the academic year following the academic year in which the annuitant first meets the following conditions:

(1) (Blank).

(2) While receiving a retirement annuity under this Article, the annuitant was employed on or after August 1, 2013 by one or more employers under this Article and received or became entitled to receive during an academic year compensation for that employment in excess of 40% of his or her highest annual earnings prior to retirement; except that compensation paid from federal, corporate, foundation, or trust funds or grants of State funds that identify the principal investigator by name is excluded.

(3) The annuitant received an annualized retirement annuity under this Article of at least \$10,000.

A person who becomes an affected annuitant remains an affected annuitant, except for (i) any period during which the person returns to active service and does not receive a retirement annuity from the System or (ii) any period on or after the effective date of this amendatory Act of the 100th General Assembly during which an annuitant received an annualized retirement annuity under this Article that is less than \$10,000.

(c) It is the obligation of the employer to determine whether an annuitant is an affected annuitant before employing the annuitant. For that purpose the employer may require the annuitant to disclose and document his or her relevant prior employment and earnings history. Failure of the employer to make this determination correctly and in a timely manner or to

include this determination with the notification required under subsection (a) does not excuse the employer from making the contribution required under subsection (e).

The System may assist the employer in determining whether a person is an affected annuitant. The System shall inform the employer if it discovers that the employer's determination is inconsistent with the employment and earnings information in the System's records.

(d) Upon the request of an annuitant, the System shall certify to the annuitant or the employer the following information as reported by the employers, as that information is indicated in the records of the System: (i) the annuitant's highest annual earnings prior to retirement, (ii) the compensation paid for that employment in each academic year, and (iii) whether any of that employment or compensation has been certified to the System as being paid from federal, corporate, foundation, or trust funds or grants of State funds that identify the principal investigator by name. The System shall only be required to certify information that is received from the employers.

(e) In addition to the requirements of subsection (a), an employer who employs an affected annuitant must pay to the System an employer contribution in the amount and manner provided in this Section, unless the annuitant is compensated by that employer solely from federal, corporate, foundation, or trust funds or grants of State funds that identify the

principal investigator by name.

The employer contribution required under this Section for employment of an affected annuitant in an academic year shall be equal to 12 times the amount of the gross monthly retirement annuity payable to the annuitant for the month in which the first paid day of that employment in that academic year occurs, after any reduction in that annuity that may be imposed under subsection (b) of Section 15-139.

If an affected annuitant is employed by more than one employer in an academic year, the employer contribution required under this Section shall be divided among those employers in proportion to their respective portions of the total compensation paid to the affected annuitant for that employment during that academic year.

If the System determines that an employer, without reasonable justification, has failed to make the determination of affected annuitant status correctly and in a timely manner, or has failed to notify the System or to correctly document or certify to the System any of the information required by this Section, and that failure results in a delayed determination by the System that a contribution is payable under this Section, then the amount of that employer's contribution otherwise determined under this Section shall be doubled.

The System shall deem a failure to correctly determine the annuitant's status to be justified if the employer establishes to the System's satisfaction that the employer, after due

diligence, made an erroneous determination that the annuitant was not an affected annuitant due to reasonable reliance on false or misleading information provided by the annuitant or another employer, or an error in the annuitant's official employment or earnings records.

(f) Whenever the System determines that an employer is liable for a contribution under this Section, it shall so notify the employer and certify the amount of the contribution. The employer may pay the required contribution without interest at any time within one year after receipt of the certification. If the employer fails to pay within that year, then interest shall be charged at a rate equal to the System's prescribed rate of interest, compounded annually from the 366th day after receipt of the certification from the System. Payment must be concluded within 2 years after receipt of the certification by the employer. If the employer fails to make complete payment, including applicable interest, within 2 years, then the System may, after giving notice to the employer, certify the delinquent amount to the State Comptroller, and the Comptroller shall thereupon deduct the certified delinquent amount from State funds payable to the employer and pay them instead to the System.

(g) If an employer is required to make a contribution to the System as a result of employing an affected annuitant and the annuitant later elects to forgo his or her annuity in that same academic year pursuant to subsection (c) of Section

15-139, then the required contribution by the employer shall be waived, and if the contribution has already been paid, it shall be refunded to the employer without interest.

(h) Notwithstanding any other provision of this Article, the employer contribution required under this Section shall not be included in the determination of any benefit under this Article or any other Article of this Code, regardless of whether the annuitant returns to active service, and is in addition to any other State or employer contribution required under this Article.

(i) Notwithstanding any other provision of this Section to the contrary, if an employer employs an affected annuitant in order to continue critical operations in the event of either an employee's unforeseen illness, accident, or death or a catastrophic incident or disaster, then, for one and only one academic year, the employer is not required to pay the contribution set forth in this Section for that annuitant. The employer shall, however, immediately notify the System upon employing a person subject to this subsection (i). For the purposes of this subsection (i), "critical operations" means teaching services, medical services, student welfare services, and any other services that are critical to the mission of the employer.

(i-5) An employer that is liable for aggregate contributions under this Section in excess of \$300,000 for employing the same affected annuitant during academic years

2021, 2022, and 2023 shall receive a credit for said contributions made by the employer against future contributions or penalties owed to the System by the employer.

(j) This Section shall be applied and coordinated with the regulatory obligations contained in the State Universities Civil Service Act. This Section shall not apply to an annuitant if the employer of that annuitant provides documentation to the System that (1) the annuitant is employed in a status appointment position, as that term is defined in 80 Ill. Adm. Code 250.80, and (2) due to obligations contained under the State Universities Civil Service Act, the employer does not have the ability to limit the earnings or duration of employment for the annuitant while employed in the status appointment position.

(Source: P.A. 100-556, eff. 12-8-17.)

Article 36.

Section 36-5. The Illinois Pension Code is amended by changing Section 7-132 as follows:

(40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

Sec. 7-132. Municipalities, instrumentalities and participating instrumentalities included and effective dates.

(A) Municipalities and their instrumentalities.

(a) The following described municipalities, but not including any with more than 1,000,000 inhabitants, and the instrumentalities thereof, shall be included within and be subject to this Article beginning upon the effective dates specified by the Board:

(1) Except as to the municipalities and instrumentalities thereof specifically excluded under this Article, every county shall be subject to this Article, and all cities, villages and incorporated towns having a population in excess of 5,000 inhabitants as determined by the last preceding decennial or subsequent federal census, shall be subject to this Article following publication of the census by the Bureau of the Census. Within 90 days after publication of the census, the Board shall notify any municipality that has become subject to this Article as a result of that census, and shall provide information to the corporate authorities of the municipality explaining the duties and consequences of participation. The notification shall also include a proposed date upon which participation by the municipality will commence.

However, for any city, village or incorporated town that attains a population over 5,000 inhabitants after having provided social security coverage for its employees under the Social Security Enabling Act, participation under this Article shall not be mandatory but may be elected in accordance with subparagraph (3) or (4) of this

paragraph (a), whichever is applicable.

(2) School districts, other than those specifically excluded under this Article, shall be subject to this Article, without election, with respect to all employees thereof.

(3) Towns and all other bodies politic and corporate which are formed by vote of, or are subject to control by, the electors in towns and are located in towns which are not participating municipalities on the effective date of this Act, may become subject to this Article by election pursuant to Section 7-132.1.

(4) Any other municipality (together with its instrumentalities), other than those specifically excluded from participation and those described in paragraph (3) above, may elect to be included either by referendum under Section 7-134 or by the adoption of a resolution or ordinance by its governing body. A copy of such resolution or ordinance duly authenticated and certified by the clerk of the municipality or other appropriate official of its governing body shall constitute the required notice to the board of such action.

(b) A municipality that is about to begin participation shall submit to the Board an application to participate, in a form acceptable to the Board, not later than 90 days prior to the proposed effective date of participation. The Board shall act upon the application within 90 days, and if it finds that

the application is in conformity with its requirements and the requirements of this Article, participation by the applicant shall commence on a date acceptable to the municipality and specified by the Board, but in no event more than one year from the date of application.

(c) A participating municipality which succeeds to the functions of a participating municipality which is dissolved or terminates its existence shall assume and be transferred the net accumulation balance in the municipality reserve and the municipality account receivable balance of the terminated municipality.

(d) In the case of a Veterans Assistance Commission whose employees were being treated by the Fund on January 1, 1990 as employees of the county served by the Commission, the Fund may continue to treat the employees of the Veterans Assistance Commission as county employees for the purposes of this Article, unless the Commission becomes a participating instrumentality in accordance with subsection (B) of this Section.

(B) Participating instrumentalities.

(a) The participating instrumentalities designated in paragraph (b) of this subsection shall be included within and be subject to this Article if:

- (1) an application to participate, in a form acceptable to the Board and adopted by a two-thirds vote

of the governing body, is presented to the Board not later than 90 days prior to the proposed effective date; and

(2) the Board finds that the application is in conformity with its requirements, that the applicant has reasonable expectation to continue as a political entity for a period of at least 10 years and has the prospective financial capacity to meet its current and future obligations to the Fund, and that the actuarial soundness of the Fund may be reasonably expected to be unimpaired by approval of participation by the applicant.

The Board shall notify the applicant of its findings within 90 days after receiving the application, and if the Board approves the application, participation by the applicant shall commence on the effective date specified by the Board.

(b) The following participating instrumentalities, so long as they meet the requirements of Section 7-108 and the area served by them or within their jurisdiction is not located entirely within a municipality having more than one million inhabitants, may be included hereunder:

i. Township School District Trustees.

ii. Multiple County and Consolidated Health Departments created under Division 5-25 of the Counties Code or its predecessor law.

iii. Public Building Commissions created under the Public Building Commission Act, and located in counties of less than 1,000,000 inhabitants.

iv. A multitype, consolidated or cooperative library system created under the Illinois Library System Act. Any library system created under the Illinois Library System Act that has one or more predecessors that participated in the Fund may participate in the Fund upon application. The Board shall establish procedures for implementing the transfer of rights and obligations from the predecessor system to the successor system.

v. Regional Planning Commissions created under Division 5-14 of the Counties Code or its predecessor law.

vi. Local Public Housing Authorities created under the Housing Authorities Act, located in counties of less than 1,000,000 inhabitants.

vii. Illinois Municipal League.

viii. Northeastern Illinois Metropolitan Area Planning Commission.

ix. Southwestern Illinois Metropolitan Area Planning Commission.

x. Illinois Association of Park Districts.

xi. Illinois Supervisors, County Commissioners and Superintendents of Highways Association.

xii. Tri-City Regional Port District.

xiii. An association, or not-for-profit corporation, membership in which is authorized under Section 85-15 of the Township Code.

xiv. Drainage Districts operating under the Illinois

Drainage Code.

xv. Local mass transit districts created under the Local Mass Transit District Act.

xvi. Soil and water conservation districts created under the Soil and Water Conservation Districts Law.

xvii. Commissions created to provide water supply or sewer services or both under Division 135 or Division 136 of Article 11 of the Illinois Municipal Code.

xviii. Public water districts created under the Public Water District Act.

xix. Veterans Assistance Commissions established under Section 9 of the Military Veterans Assistance Act that serve counties with a population of less than 1,000,000.

xx. The governing body of an entity, other than a vocational education cooperative, created under an intergovernmental cooperative agreement established between participating municipalities under the Intergovernmental Cooperation Act, which by the terms of the agreement is the employer of the persons performing services under the agreement under the usual common law rules determining the employer-employee relationship. The governing body of such an intergovernmental cooperative entity established prior to July 1, 1988 may make participation retroactive to the effective date of the agreement and, if so, the effective date of participation shall be the date the required application is filed with

the fund. If any such entity is unable to pay the required employer contributions to the fund, then the participating municipalities shall make payment of the required contributions and the payments shall be allocated as provided in the agreement or, if not so provided, equally among them.

xxi. The Illinois Municipal Electric Agency.

xxii. The Waukegan Port District.

xxiii. The Fox Waterway Agency created under the Fox Waterway Agency Act.

xxiv. The Illinois Municipal Gas Agency.

xxv. The Kaskaskia Regional Port District.

xxvi. The Southwestern Illinois Development Authority.

xxvii. The Cairo Public Utility Company.

xxviii. Except with respect to employees who elect to participate in the State Employees' Retirement System of Illinois under Section 14-104.13 of this Code, the Chicago Metropolitan Agency for Planning created under the Regional Planning Act, provided that, with respect to the benefits payable pursuant to Sections 7-146, 7-150, and 7-164 and the requirement that eligibility for such benefits is conditional upon satisfying a minimum period of service or a minimum contribution, any employee of the Chicago Metropolitan Agency for Planning that was immediately prior to such employment an employee of the Chicago Area Transportation Study or the Northeastern

Illinois Planning Commission, such employee's service at the Chicago Area Transportation Study or the Northeastern Illinois Planning Commission and contributions to the State Employees' Retirement System of Illinois established under Article 14 and the Illinois Municipal Retirement Fund shall count towards the satisfaction of such requirements.

xxix. United Counties Council (formerly the Urban Counties Council), but only if the Council has a ruling from the United States Internal Revenue Service that it is a governmental entity.

xxx. The Will County Governmental League, but only if the League has a ruling from the United States Internal Revenue Service that it is a governmental entity.

xxxi. The Firefighters' Pension Investment Fund.

xxxii. The Police Officers' Pension Investment Fund.

xxxiii. The Joliet Regional Port District.

(c) The governing boards of special education joint agreements created under Section 10-22.31 of the School Code without designation of an administrative district shall be included within and be subject to this Article as participating instrumentalities when the joint agreement becomes effective. However, the governing board of any such special education joint agreement in effect before September 5, 1975 shall not be subject to this Article unless the joint agreement is modified by the school districts to provide that

the governing board is subject to this Article, except as otherwise provided by this Section.

The governing board of the Special Education District of Lake County shall become subject to this Article as a participating instrumentality on July 1, 1997. Notwithstanding subdivision (a)1 of Section 7-139, on the effective date of participation, employees of the governing board of the Special Education District of Lake County shall receive creditable service for their prior service with that employer, up to a maximum of 5 years, without any employee contribution. Employees may establish creditable service for the remainder of their prior service with that employer, if any, by applying in writing and paying an employee contribution in an amount determined by the Fund, based on the employee contribution rates in effect at the time of application for the creditable service and the employee's salary rate on the effective date of participation for that employer, plus interest at the effective rate from the date of the prior service to the date of payment. Application for this creditable service must be made before July 1, 1998; the payment may be made at any time while the employee is still in service. The employer may elect to make the required contribution on behalf of the employee.

The governing board of a special education joint agreement created under Section 10-22.31 of the School Code for which an administrative district has been designated, if there are employees of the cooperative educational entity who are not

employees of the administrative district, may elect to participate in the Fund and be included within this Article as a participating instrumentality, subject to such application procedures and rules as the Board may prescribe.

The Boards of Control of cooperative or joint educational programs or projects created and administered under Section 3-15.14 of the School Code, whether or not the Boards act as their own administrative district, shall be included within and be subject to this Article as participating instrumentalities when the agreement establishing the cooperative or joint educational program or project becomes effective.

The governing board of a special education joint agreement entered into after June 30, 1984 and prior to September 17, 1985 which provides for representation on the governing board by less than all the participating districts shall be included within and subject to this Article as a participating instrumentality. Such participation shall be effective as of the date the joint agreement becomes effective.

The governing boards of educational service centers established under Section 2-3.62 of the School Code shall be included within and subject to this Article as participating instrumentalities. The governing boards of vocational education cooperative agreements created under the Intergovernmental Cooperation Act and approved by the State Board of Education shall be included within and be subject to

this Article as participating instrumentalities. If any such governing boards or boards of control are unable to pay the required employer contributions to the fund, then the school districts served by such boards shall make payment of required contributions as provided in Section 7-172. The payments shall be allocated among the several school districts in proportion to the number of students in average daily attendance for the last full school year for each district in relation to the total number of students in average attendance for such period for all districts served. If such educational service centers, vocational education cooperatives or cooperative or joint educational programs or projects created and administered under Section 3-15.14 of the School Code are dissolved, the assets and obligations shall be distributed among the districts in the same proportions unless otherwise provided.

The governing board of Paris Cooperative High School shall be included within and be subject to this Article as a participating instrumentality on the effective date of this amendatory Act of the 96th General Assembly. If the governing board of Paris Cooperative High School is unable to pay the required employer contributions to the fund, then the school districts served shall make payment of required contributions as provided in Section 7-172. The payments shall be allocated among the several school districts in proportion to the number of students in average daily attendance for the last full school year for each district in relation to the total number

of students in average attendance for such period for all districts served. If Paris Cooperative High School is dissolved, then the assets and obligations shall be distributed among the districts in the same proportions unless otherwise provided.

The Philip J. Rock Center and School shall be included within and be subject to this Article as a participating instrumentality on the effective date of this amendatory Act of the 97th General Assembly. The Philip J. Rock Center and School shall certify to the Fund the dates of service of all employees within 90 days of the effective date of this amendatory Act of the 97th General Assembly. The Fund shall transfer to the IMRF account of the Philip J. Rock Center and School all creditable service and all employer contributions made on behalf of the employees for service at the Philip J. Rock Center and School that were reported and paid to IMRF by another employer prior to this date. If the Philip J. Rock Center and School is unable to pay the required employer contributions to the Fund, then the amount due will be paid by all employers as defined in item (2) of paragraph (a) of subsection (A) of this Section. The payments shall be allocated among these employers in proportion to the number of students in average daily attendance for the last full school year for each district in relation to the total number of students in average attendance for such period for all districts. If the Philip J. Rock Center and School is

dissolved, then its IMRF assets and obligations shall be distributed in the same proportions unless otherwise provided.

Financial Oversight Panels established under Article 1H of the School Code shall be included within and be subject to this Article as a participating instrumentality on the effective date of this amendatory Act of the 97th General Assembly. If the Financial Oversight Panel is unable to pay the required employer contributions to the fund, then the school districts served shall make payment of required contributions as provided in Section 7-172. If the Financial Oversight Panel is dissolved, then the assets and obligations shall be distributed to the district served.

(d) The governing boards of special recreation joint agreements created under Section 8-10b of the Park District Code, operating without designation of an administrative district or an administrative municipality appointed to administer the program operating under the authority of such joint agreement shall be included within and be subject to this Article as participating instrumentalities when the joint agreement becomes effective. However, the governing board of any such special recreation joint agreement in effect before January 1, 1980 shall not be subject to this Article unless the joint agreement is modified, by the districts and municipalities which are parties to the agreement, to provide that the governing board is subject to this Article.

If the Board returns any employer and employee

contributions to any employer which erroneously submitted such contributions on behalf of a special recreation joint agreement, the Board shall include interest computed from the end of each year to the date of payment, not compounded, at the rate of 7% per annum.

(e) Each multi-township assessment district, the board of trustees of which has adopted this Article by ordinance prior to April 1, 1982, shall be a participating instrumentality included within and subject to this Article effective December 1, 1981. The contributions required under Section 7-172 shall be included in the budget prepared under and allocated in accordance with Section 2-30 of the Property Tax Code.

(f) The Illinois Medical District Commission created under the Illinois Medical District Act may be included within and subject to this Article as a participating instrumentality, notwithstanding that the location of the District is entirely within the City of Chicago. To become a participating instrumentality, the Commission must apply to the Board in the manner set forth in paragraph (a) of this subsection (B). If the Board approves the application, under the criteria and procedures set forth in paragraph (a) and any other applicable rules, criteria, and procedures of the Board, participation by the Commission shall commence on the effective date specified by the Board.

(C) Prospective participants.

Beginning January 1, 1992, each prospective participating municipality or participating instrumentality shall pay to the Fund the cost, as determined by the Board, of a study prepared by the Fund or its actuary, detailing the prospective costs of participation in the Fund to be expected by the municipality or instrumentality.

(Source: P.A. 102-637, eff. 8-27-21.)

Article 99.

Section 99-90. The State Mandates Act is amended by adding Section 8.49 as follows:

(30 ILCS 805/8.49 new)

Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 104th General Assembly.

Section 99-99. Effective date. This Article and Articles 1, 9, 11, 12, 15, 26, 33, 34, 35, and 36 take effect upon becoming law.