

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Section 16-128 as follows:

(40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

Sec. 16-128. Creditable service; required ~~service~~
~~required~~ contributions.

(a) In order to receive the creditable service specified under subsection (b) of Section 16-127, a member is required to make the following contributions: (i) an amount equal to the contributions which would have been required had such service been rendered as a member under this System; (ii) for military service not immediately following employment and for service established under subdivision (b)(10) of Section 16-127, an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued for such service; and (iii) interest from the date the contributions would have been due (or, in the case of a person establishing credit for military service under subdivision (b)(3) of Section 16-127, the date of first membership in the System, if that date is later) to the date of payment, at the following rate of interest, compounded annually: for periods prior to

July 1, 1965, regular interest; from July 1, 1965 to June 30, 1977, 4% per year; on and after July 1, 1977, regular interest.

(b) In order to receive creditable service under paragraph (2) of subsection (b) of Section 16-127 for those who were not members on June 30, 1963, the minimum required contribution shall be \$420 per year of service together with interest at 4% per year compounded annually from July 1, preceding the date of membership until June 30, 1977 and at regular interest compounded annually thereafter to the date of payment.

(c) In determining the contribution required in order to receive creditable service under paragraph (3) of subsection (b) of Section 16-127, the salary rate for the remainder of the school term in which a member enters military service shall be assumed to be equal to the member's salary rate at the time of entering military service. However, for military service not immediately following employment, the salary rate on the last date as a participating teacher prior to such military service, or on the first date as a participating teacher after such military service, whichever is greater, shall be assumed to be equal to the member's salary rate at the time of entering military service. For each school term thereafter, the member's salary rate shall be assumed to be 5% higher than the salary rate in the previous school term.

(d) In determining the contribution required in order to receive creditable service under paragraph (5) of subsection (b) of Section 16-127, a member's salary rate during the

period for which credit is being established shall be assumed to be equal to the member's last salary rate immediately preceding that period.

(d-5) For each year of service credit to be established under subsection (b-1) of Section 16-127, a member is required to contribute to the System (i) the employee and employer contribution that would have been required had such service been rendered as a member based on the annual salary rate during the first year of full-time employment as a teacher under this Article following the private or parochial school service, plus (ii) regular interest thereon ~~at the actuarially assumed rate~~ from the date of first full-time employment as a teacher under this Article following the private or parochial school service to the date of payment, compounded annually, at a rate determined by the Board.

(d-10) For service credit established under paragraph (6) of subsection (b) of Section 16-127 for days granted by an employer in excess of the member's normal annual sick leave allotment, the employer is required to pay the normal cost of benefits based upon such service credit. This subsection (d-10) does not apply to sick leave granted to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005 (the effective date of Public Act 94-4). The employer contributions required under this subsection (d-10) shall be paid in the form of a lump sum within 30 days after receipt of the bill after the teacher

begins receiving benefits under this Article.

(e) Except for contributions under subsection (d-10), the contributions required under this Section may be made from the date the statement for such creditable service is issued until retirement date. All such required contributions must be made before any retirement annuity is granted.

(Source: P.A. 96-546, eff. 8-17-09.)