



Rep. Mary Beth Canty

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10400HB3193ham001

LRB104 06092 RPS 24714 a

1 AMENDMENT TO HOUSE BILL 3193

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3193 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 15-112 and 15-148 as follows:

6 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

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

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

10 For an employee who is paid on an hourly basis or who  
11 receives an annual salary in installments during 12 months of  
12 each academic year, the average annual earnings during the 48  
13 consecutive calendar month period ending with the last day of  
14 final termination of employment or the 4 consecutive academic  
15 years of service in which the employee's earnings were the  
16 highest, whichever is greater. For any other employee, the

1 average annual earnings during the 4 consecutive academic  
2 years of service in which his or her earnings were the highest.  
3 For an employee with less than 48 months or 4 consecutive  
4 academic years of service, the average earnings during his or  
5 her entire period of service. The earnings of an employee with  
6 more than 36 months of service under item (a) of Section  
7 15-113.1 prior to the date of becoming a participant are, for  
8 such period, considered equal to the average earnings during  
9 the last 36 months of such service.

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

11 For an employee who is paid on an hourly basis or who  
12 receives an annual salary in installments during 12 months of  
13 each academic year, the average annual earnings obtained by  
14 dividing by 8 the total earnings of the employee during the 96  
15 consecutive months in which the total earnings were the  
16 highest within the last 120 months prior to termination or the  
17 average annual earnings during the 8 consecutive academic  
18 years of service within the 10 years of service prior to  
19 termination in which the employee's earnings were the highest,  
20 whichever is greater.

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

1 entire period of service.

2 The changes made to this subsection (b) by this amendatory  
3 Act of the 104th General Assembly are corrections and  
4 clarifications of existing law and are intended to be  
5 retroactive to January 1, 2011 (the effective date of Public  
6 Act 96-1490), notwithstanding the provisions of Section  
7 1-103.1 of this Code.

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

12 (d) For an employee on disability leave, earnings are  
13 assumed to be equal to the basic compensation on the date  
14 disability occurs or the average earnings during the 24 months  
15 immediately preceding the month in which disability occurs,  
16 whichever is greater.

17 (e) For a Tier 1 member who retires on or after August 22,  
18 1997 (the effective date of Public Act 90-511) ~~this amendatory~~  
19 ~~Act of 1997~~ with at least 20 years of service as a firefighter  
20 or police officer under this Article, the final rate of  
21 earnings shall be the annual rate of earnings received by the  
22 participant on his or her last day as a firefighter or police  
23 officer under this Article, if that is greater than the final  
24 rate of earnings as calculated under the other provisions of  
25 this Section.

26 (f) If a Tier 1 member is an employee for at least 6 months

1 during the academic year in which his or her employment is  
2 terminated, the annual final rate of earnings shall be 25% of  
3 the sum of (1) the annual basic compensation for that year, and  
4 (2) the amount earned during the 36 months immediately  
5 preceding that year, if this is greater than the final rate of  
6 earnings as calculated under the other provisions of this  
7 Section.

8 (g) In the determination of the final rate of earnings for  
9 an employee, that part of an employee's earnings for any  
10 academic year beginning after June 30, 1997, which exceeds the  
11 employee's earnings with that employer for the preceding year  
12 by more than 20% ~~20 percent~~ shall be excluded; in the event  
13 that an employee has more than one employer this limitation  
14 shall be calculated separately for the earnings with each  
15 employer. In making such calculation, only the basic  
16 compensation of employees shall be considered, without regard  
17 to vacation or overtime or to contracts for summer employment.  
18 Beginning September 1, 2024, this subsection (g) also applies  
19 to an employee who has been employed at 1/2 time or less for 3  
20 or more years.

21 (h) The following are not considered as earnings in  
22 determining the final rate of earnings: (1) severance or  
23 separation pay, (2) retirement pay, (3) payment for unused  
24 sick leave, and (4) payments from an employer for the period  
25 used in determining the final rate of earnings for any purpose  
26 other than (i) services rendered, (ii) leave of absence or

1 vacation granted during that period, and (iii) vacation of up  
2 to 56 work days allowed upon termination of employment; except  
3 that, if the benefit has been collectively bargained between  
4 the employer and the recognized collective bargaining agent  
5 pursuant to the Illinois Educational Labor Relations Act,  
6 payment received during a period of up to 2 academic years for  
7 unused sick leave may be considered as earnings in accordance  
8 with the applicable collective bargaining agreement, subject  
9 to the 20% increase limitation of this Section. Any unused  
10 sick leave considered as earnings under this Section shall not  
11 be taken into account in calculating service credit under  
12 Section 15-113.4.

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

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

16 (40 ILCS 5/15-148) (from Ch. 108 1/2, par. 15-148)

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

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

1 of a mental or physical disability.

2 A survivors insurance beneficiary or the personal  
3 representative of the estate of a deceased survivors insurance  
4 beneficiary or the personal representative of a survivors  
5 insurance beneficiary who is under a legal disability may  
6 waive the right to receive survivorship benefits, provided  
7 written notice of the waiver is given by the beneficiary or  
8 representative to the board within 6 months after the System  
9 notified that person of the benefits payable upon the death of  
10 the participant or annuitant and before any payment is made  
11 pursuant to an application filed by such person.

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

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.".