



begin to accrue on the first day of month following the month of application, but in no event sooner than January 1, 2008. Any refund of survivor contributions would have to be repaid, with interest (5% annually).

*Parent's Annuity*

Currently, dependent parents are not eligible for survivor's annuities under the Chicago Teachers' Article of the Pension Code. SB 0219 provides that if there is no eligible surviving spouse or eligible children, a parent's annuity is created for eligible parents of a deceased teacher. Eligible parents are defined as a parent of a deceased teacher who is disabled and was dependent upon the deceased teacher at the time of his or her death. The annuity would equal 30% final average salary for one eligible parent and 60% final average salary for two eligible parents.

*Refunds*

Currently, upon the death of an annuitant of the Chicago Teachers' Pension Fund, no refund is payable to the teacher's designated beneficiaries or estate until the deaths of all the beneficiaries and survivors who are entitled to benefits. The refund is equal to the excess in total contributions over the amount of pension payments made, plus the amount of any uncashed or withheld checks. SB 0219 changes these provisions to reflect the expanded definition of eligible child and the creation of a dependent parent benefit.

SB 0219 amends the State Mandates Act to require implementation without reimbursement.

DH:bs

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