

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 2-121.3, 7-141, 14-121.1, 15-135, 16-142.3, and  
6 18-128.3 as follows:

7 (40 ILCS 5/2-121.3) (from Ch. 108 1/2, par. 2-121.3)

8 Sec. 2-121.3. Required distributions. (a) A person who  
9 would be eligible to receive a survivor's annuity under this  
10 Article but for the fact that the person has not yet attained  
11 age 50, shall be eligible for a monthly distribution under this  
12 subsection (a), provided that the payment of such distribution  
13 is required by federal law.

14 The distribution shall become payable on (i) July 1, 1987,  
15 (ii) December 1 of the calendar year immediately following the  
16 calendar year in which the deceased spouse died, or (iii)  
17 December 1 of the calendar year in which the deceased spouse  
18 would have attained age 72 ~~70-1/2~~, whichever occurs last, and  
19 shall remain payable until the first of the following to occur:  
20 (1) the person becomes eligible to receive a survivor's annuity  
21 under this Article; (2) the end of the month in which the  
22 person ceases to be eligible to receive a survivor's annuity  
23 upon attainment of age 50, due to remarriage or death; or (3)

1 the end of the month in which such distribution ceases to be  
2 required by federal law.

3 The amount of the distribution shall be fixed at the time  
4 the distribution first becomes payable, and shall be calculated  
5 in the same manner as a survivor's annuity under Sections  
6 2-121, 2-121.1 and 2-121.2, but excluding: (A) any requirement  
7 for an application for the distribution; (B) any automatic  
8 annual increases, supplemental increases, or one-time  
9 increases that may be provided by law for survivor's annuities;  
10 and (C) any lump-sum or death benefit.

11 (b) For the purpose of this Section, a distribution shall  
12 be deemed to be required by federal law if: (1) directly  
13 mandated by federal statute, rule, or administrative or court  
14 decision; or (2) indirectly mandated through imposition of  
15 substantial tax or other penalties for noncompliance.

16 (c) Notwithstanding Section 1-103.1 of this Code, a member  
17 need not be in service on or after the effective date of this  
18 amendatory Act of 1989 for the member's surviving spouse to be  
19 eligible for a distribution under this Section.

20 (Source: P.A. 86-273.)

21 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

22 Sec. 7-141. Retirement annuities - Conditions. Retirement  
23 annuities shall be payable as hereinafter set forth:

24 (a) A participating employee who, regardless of cause, is  
25 separated from the service of all participating municipalities

1 and instrumentalities thereof and participating  
2 instrumentalities shall be entitled to a retirement annuity  
3 provided:

4 1. He is at least age 55, or in the case of a person who  
5 is eligible to have his annuity calculated under Section  
6 7-142.1, he is at least age 50;

7 2. He is not entitled to receive earnings for  
8 employment in a position requiring him, or entitling him to  
9 elect, to be a participating employee;

10 3. The amount of his annuity, before the application of  
11 paragraph (b) of Section 7-142 is at least \$10 per month;

12 4. If he first became a participating employee after  
13 December 31, 1961, he has at least 8 years of service. This  
14 service requirement shall not apply to any participating  
15 employee, regardless of participation date, if the General  
16 Assembly terminates the Fund.

17 (b) Retirement annuities shall be payable:

18 1. As provided in Section 7-119;

19 2. Except as provided in item 3, upon receipt by the  
20 fund of a written application. The effective date may be  
21 not more than one year prior to the date of the receipt by  
22 the fund of the application;

23 3. Upon attainment of the required age of distribution  
24 under Section 401(a)(9) of the Internal Revenue Code of  
25 1986, as amended, age 70 1/2 if the member (i) is no longer  
26 in service, and (ii) is otherwise entitled to an annuity

1 under this Article;

2 4. To the beneficiary of the deceased annuitant for the  
3 unpaid amount accrued to date of death, if any.

4 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

5 (40 ILCS 5/14-121.1) (from Ch. 108 1/2, par. 14-121.1)

6 Sec. 14-121.1. Required distributions. (a) A person who  
7 would be eligible to receive a widow's or survivor's annuity  
8 under this Article but for the fact that the person has not yet  
9 attained age 50, shall be eligible for a monthly distribution  
10 under this subsection (a), provided that the payment of such  
11 distribution is required by federal law.

12 The distribution shall become payable on (i) July 1, 1987,  
13 (ii) December 1 of the calendar year immediately following the  
14 calendar year in which the deceased spouse died, or (iii)  
15 December 1 of the calendar year in which the deceased spouse  
16 would have attained age 72 ~~70-1/2~~, whichever occurs last, and  
17 shall remain payable until the first of the following to occur:  
18 (1) the person becomes eligible to receive a widow's or  
19 survivor's annuity under this Article; (2) the end of the month  
20 in which the person ceases to be eligible to receive a widow's  
21 or survivor's annuity upon attainment of age 50, due to  
22 remarriage or death; or (3) the end of the month in which such  
23 distribution ceases to be required by federal law.

24 The amount of the distribution shall be fixed at the time  
25 the distribution first becomes payable, and shall be calculated

1 in the same manner as a survivor's annuity under Sections  
2 14-120, 14-121 and 14-122 (or, in the case of a person who has  
3 elected to receive a widow's annuity instead of a survivor's  
4 annuity, in the same manner as the widow's annuity under  
5 Sections 14-118 and 14-119), but excluding: (A) any requirement  
6 for an application for the distribution; (B) any automatic  
7 annual increases, supplemental increases, or one-time  
8 increases that may be provided by law for survivor's or widow's  
9 annuities; and (C) any lump-sum or death benefit.

10 (b) For the purpose of this Section, a distribution shall  
11 be deemed to be required by federal law if: (1) directly  
12 mandated by federal statute, rule, or administrative or court  
13 decision; or (2) indirectly mandated through imposition of  
14 substantial tax or other penalties for noncompliance.

15 (c) Notwithstanding Section 1-103.1 of this Code, a member  
16 need not be in service on or after the effective date of this  
17 amendatory Act of 1989 for the member's surviving spouse to be  
18 eligible for a distribution under this Section.

19 (Source: P.A. 86-273.)

20 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

21 Sec. 15-135. Retirement annuities - Conditions.

22 (a) This subsection (a) applies only to a Tier 1 member. A  
23 participant who retires in one of the following specified years  
24 with the specified amount of service is entitled to a  
25 retirement annuity at any age under the retirement program

1 applicable to the participant:

2 35 years if retirement is in 1997 or before;

3 34 years if retirement is in 1998;

4 33 years if retirement is in 1999;

5 32 years if retirement is in 2000;

6 31 years if retirement is in 2001;

7 30 years if retirement is in 2002 or later.

8 A participant with 8 or more years of service after  
9 September 1, 1941, is entitled to a retirement annuity on or  
10 after attainment of age 55.

11 A participant with at least 5 but less than 8 years of  
12 service after September 1, 1941, is entitled to a retirement  
13 annuity on or after attainment of age 62.

14 A participant who has at least 25 years of service in this  
15 system as a police officer or firefighter is entitled to a  
16 retirement annuity on or after the attainment of age 50, if  
17 Rule 4 of Section 15-136 is applicable to the participant.

18 (a-5) A Tier 2 member is entitled to a retirement annuity  
19 upon written application if he or she has attained age 67 and  
20 has at least 10 years of service credit and is otherwise  
21 eligible under the requirements of this Article. A Tier 2  
22 member who has attained age 62 and has at least 10 years of  
23 service credit and is otherwise eligible under the requirements  
24 of this Article may elect to receive the lower retirement  
25 annuity provided in subsection (b-5) of Section 15-136 of this  
26 Article.

1 (a-10) A Tier 2 member who has at least 20 years of service  
2 in this system as a police officer or firefighter is entitled  
3 to a retirement annuity upon written application on or after  
4 the attainment of age 60 if Rule 4 of Section 15-136 is  
5 applicable to the participant. The changes made to this  
6 subsection by this amendatory Act of the 101st General Assembly  
7 apply retroactively to January 1, 2011.

8 (b) The annuity payment period shall begin on the date  
9 specified by the participant or the recipient of a disability  
10 retirement annuity submitting a written application. For a  
11 participant, the date on which the annuity payment period  
12 begins shall not be prior to termination of employment or more  
13 than one year before the application is received by the board;  
14 however, if the participant is not an employee of an employer  
15 participating in this System or in a participating system as  
16 defined in Article 20 of this Code on April 1 of the calendar  
17 year next following the calendar year in which the participant  
18 attains the age specified under Section 401(a)(9) of the  
19 Internal Revenue Code of 1986, as amended ~~70-1/2~~, the annuity  
20 payment period shall begin on that date regardless of whether  
21 an application has been filed. For a recipient of a disability  
22 retirement annuity, the date on which the annuity payment  
23 period begins shall not be prior to the discontinuation of the  
24 disability retirement annuity under Section 15-153.2.

25 (c) An annuity is not payable if the amount provided under  
26 Section 15-136 is less than \$10 per month.

1 (Source: P.A. 100-556, eff. 12-8-17; 101-610, eff. 1-1-20.)

2 (40 ILCS 5/16-142.3) (from Ch. 108 1/2, par. 16-142.3)

3 Sec. 16-142.3. Required distributions.

4 (a) A person who would be eligible to receive a monthly  
5 survivor benefit under this Article but for the fact that the  
6 person has not yet attained age 50, and who has not elected to  
7 receive a lump sum distribution under subsection (a) of Section  
8 16-141, shall be eligible for a monthly distribution under this  
9 subsection (a), provided that the payment of such distribution  
10 is required by federal law.

11 The distribution shall become payable on (i) July 1, 1987,  
12 (ii) December 1 of the calendar year immediately following the  
13 calendar year in which the member or annuitant died, or (iii)  
14 December 1 of the calendar year in which the deceased member or  
15 annuitant would have attained age 72 ~~70-1/2~~, whichever occurs  
16 latest, and shall remain payable until the first of the  
17 following to occur: (1) the person becomes eligible to receive  
18 a monthly survivor benefit under this Article; (2) the day  
19 following the date on which the member ceases to be eligible to  
20 receive a monthly survivor benefit upon attainment of age 50,  
21 due to remarriage or death; or (3) the day on which such  
22 distribution ceases to be required by federal law.

23 The amount of the distribution shall be fixed at the time  
24 the distribution first becomes payable, and shall be calculated  
25 in the same manner as the monthly survivor benefit under



1 Sections 16-141, 16-142, 16-142.1 and 16-142.2, but excluding  
2 any automatic annual increases, supplemental increases, or  
3 one-time increases that may be provided by law for monthly  
4 survivor benefits.

5 (b) For the purpose of this Section, a distribution shall  
6 be deemed to be required by federal law if: (1) directly  
7 mandated by federal statute, rule, or administrative or court  
8 decision; or (2) indirectly mandated through imposition of  
9 substantial tax or other penalties for noncompliance.

10 (c) Notwithstanding Section 1-103.1 of this Code, a member  
11 need not be in service on or after the effective date of this  
12 amendatory Act of 1989 for the member's surviving spouse to be  
13 eligible for a distribution under this Section.

14 (Source: P.A. 86-273.)

15 (40 ILCS 5/18-128.3) (from Ch. 108 1/2, par. 18-128.3)

16 Sec. 18-128.3. Required distributions. (a) A person who  
17 would be eligible to receive a survivor's annuity under this  
18 Article but for the fact that the person has not yet attained  
19 age 50, shall be eligible for a monthly distribution under this  
20 subsection (a), provided that the payment of such distribution  
21 is required by federal law.

22 The distribution shall become payable on (i) July 1, 1987,  
23 (ii) December 1 of the calendar year immediately following the  
24 calendar year in which the deceased spouse died, or (iii)  
25 December 1 of the calendar year in which the deceased spouse

1 would have attained age 72 ~~70-1/2~~, whichever occurs last, and  
2 shall remain payable until the first of the following to occur:  
3 (1) the person becomes eligible to receive a survivor's annuity  
4 under this Article; (2) the end of the month in which the  
5 person ceases to be eligible to receive a survivor's annuity  
6 upon attainment of age 50, due to remarriage or death; or (3)  
7 the end of the month in which such distribution ceases to be  
8 required by federal law.

9 The amount of the distribution shall be fixed at the time  
10 the distribution first becomes payable, and shall be calculated  
11 in the same manner as a survivor's annuity under Sections  
12 18-128 through 18-128.2, but excluding: (A) any requirement for  
13 an application for the distribution; (B) any automatic annual  
14 increases, supplemental increases, or one-time increases that  
15 may be provided by law for survivor's annuities; and (C) any  
16 lump-sum or death benefit.

17 (b) For the purpose of this Section, a distribution shall  
18 be deemed to be required by federal law if: (1) directly  
19 mandated by federal statute, rule, or administrative or court  
20 decision; or (2) indirectly mandated through imposition of  
21 substantial tax or other penalties for noncompliance.

22 (c) Notwithstanding Section 1-103.1 of this Code, a member  
23 need not be in service on or after the effective date of this  
24 amendatory Act of 1989 for the member's surviving spouse to be  
25 eligible for a distribution under this Section.

26 (Source: P.A. 86-273.)

1 Section 90. The State Mandates Act is amended by adding  
2 Section 8.44 as follows:

3 (30 ILCS 805/8.44 new)

4 Sec. 8.44. Exempt mandate. Notwithstanding Sections 6 and 8  
5 of this Act, no reimbursement by the State is required for the  
6 implementation of any mandate created by this amendatory Act of  
7 the 101st General Assembly.

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.