

1 AMENDMENT TO SENATE BILL 1704

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1704 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 5-129.1, 5-132, 5-167.2, 5-167.4, 5-168,  
6 6-111, 6-128, 6-128.2, 6-128.4, 6-142, 6-143, 6-151.1, 6-160,  
7 6-164, 6-165, 6-210.1, 6-211, 6-222, 8-137, 8-150.1, 8-167,  
8 8-172, 8-174, 8-174.1, 8-192, 11-134.1, 11-145.1, 11-163,  
9 11-167, 11-170.1, 11-178, 11-181, 12-133, and 12-149 and  
10 adding Sections 6-124.1, 6-141.2, 6-210.2, 6-210.3, 8-138.4,  
11 8-138.5, 8-172.1, 11-133.3, 11-133.4, 12-133.6, and 12-133.7  
12 as follows:

13 (40 ILCS 5/5-129.1)

14 Sec. 5-129.1. Withdrawal at mandatory retirement age -  
15 amount of annuity.

16 (a) In lieu of any annuity provided in the other  
17 provisions of this Article, a policeman who is required to  
18 withdraw from service on or after January 1, 2000 due to  
19 attainment of mandatory retirement age and has at least 10  
20 but less than 20 years of service credit may elect to receive  
21 an annuity equal to 30% of average salary for the first 10  
22 years of service plus 2% of average salary for each completed

1 year of service or fraction thereof in excess of 10, but not  
2 to exceed a maximum of 48% of average salary.

3 (b) For the purpose of this Section, "average salary"  
4 means the average of the highest 4 consecutive years of  
5 salary within the last 10 years of service, or such shorter  
6 period as may be used to calculate a minimum retirement  
7 annuity under Section 5-132.

8 (c) For the purpose of qualifying for the annual  
9 increases provided in Section 5-167.1, a policeman whose  
10 retirement annuity is calculated under this Section shall be  
11 deemed to qualify for a minimum annuity.

12 (d) A policeman with less than 20 years of service  
13 credit who was required to withdraw from service on or after  
14 January 1, 2000 but before June 28, 2002 due to attainment of  
15 mandatory retirement age is also entitled to have his or her  
16 retirement annuity calculated in accordance with this  
17 Section. If payment of the annuity has already begun, the  
18 annuity shall be recalculated. The resulting increase, if  
19 any, shall accrue from the starting date of the annuity; the  
20 amount of the increase relating to the period before the  
21 annuity is recalculated shall be paid to the annuitant in a  
22 lump sum, without interest.

23 (Source: P.A. 92-599, eff. 6-28-02.)

24 (40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)

25 Sec. 5-132. Minimum annuity. Any policeman who withdraws  
26 on or after July 8, 1957, or any policeman transferred to the  
27 police service of the city under the Exchange of Functions  
28 Act of 1957 who withdraws on or after July 17, 1959, after  
29 completing at least 20 years of service, for whom the annuity  
30 otherwise provided in this Article is less than that stated  
31 in this Section has a right to receive annuity as follows:

32 (a) If he is age 55 or more on withdrawal, his annuity  
33 after such withdrawal, shall be equal to 2% of the average

1 salary for 4 consecutive years of highest salaries within the  
2 last 10 years of service before withdrawal, for each year of  
3 service, together with 1/6 of 1% of such average salary for  
4 each complete month of service of each fractional year, but  
5 not in excess of 75% of the average annual salary.

6 (b) If he is age 50 or more but less than age 55 on  
7 withdrawal, his annuity shall be equal to 2% of the average  
8 salary for the 4 highest consecutive years of the last 10  
9 years of service for each year of service, together with 1/16  
10 of 1% of such average salary for each month of each  
11 fractional year of service, reduced by 1/2 of 1% for each  
12 month that he is less than age 55.

13 (c) If he is less than age 50 on withdrawal, he may,  
14 upon attainment of age 50 or over, become entitled to the  
15 annuity provided in this Section or, he may, upon application  
16 before age 50, receive a refund of the deductions from  
17 salary, plus interest at 1 1/2% per annum if he is entitled  
18 to refund under Section 5-163.

19 (d) In lieu of the annuity provided in the foregoing  
20 provisions of this Section 5-132 any policeman who withdraws  
21 from the service after December 31, 1973, after having  
22 attained age 53 in the service with 23 or more years of  
23 service credit shall be entitled to an annuity computed as  
24 follows if such annuity is greater than that provided in the  
25 foregoing paragraphs of this Section 5-132: An annuity equal  
26 to 50% of the average salary for the 4 highest consecutive  
27 years of the last 10 years of service plus additional annuity  
28 equal to 2% of such average salary for each completed year of  
29 service or fraction thereof rendered after his attainment of  
30 age 53 and the completion of 23 years of service.

31 Any policeman who has completed 23 years of service prior  
32 to his attainment of age 53 in the service and continues in  
33 the service until his attainment of age 53 shall have added  
34 to his annuity, computed as provided in the immediately

1 preceding paragraph, an additional annuity equal to 1% of  
2 such average salary for each completed year of service or  
3 fraction thereof in excess of 23 years up to age 53.

4 (e) In lieu of the annuity provided in the foregoing  
5 provisions of this Section any policeman who withdraws from  
6 the service either (i) after December 31, 1983 with at least  
7 22 years of service credit and having attained age 52 in the  
8 service, or (ii) after December 31, 1984 with at least 21  
9 years of service credit and having attained age 51 in the  
10 service, or (iii) after December 31, 1985 with at least 20  
11 years of service credit and having attained age 50 in the  
12 service, or (iv) after December 31, 1990, with at least 20  
13 years of service credit regardless of age, shall be entitled  
14 to an annuity to begin not earlier than upon attainment of  
15 age 50 if under such age at withdrawal, computed as follows:  
16 an annuity equal to 50% of the average salary for the 4  
17 highest consecutive years of the last 10 years of service,  
18 plus additional annuity equal to 2% of such average salary  
19 for each completed year of service or fraction thereof  
20 rendered after his completion of the minimum number of years  
21 of service required for him to be eligible under this  
22 subsection (e). In lieu of any annuity provided in the  
23 foregoing provisions of this Section, any policeman who  
24 withdraws from the service after December 31, 2003, with at  
25 least 20 years of service credit regardless of age, shall be  
26 entitled to an annuity to begin not earlier than upon  
27 attainment of age 50, if under that age at withdrawal, equal  
28 to 2.5% of the average salary for the 4 highest consecutive  
29 years of the last 10 years of service for each completed year  
30 of service or fraction thereof. However, the annuity provided  
31 under this subsection (e) may not exceed 75% of such average  
32 salary.

33 (f) A policeman withdrawing after September 1, 1969,  
34 may, in addition, be entitled to the benefits provided by

1 Section 5-167.1 of this Article if he so qualifies under that  
2 Section.

3 If, on withdrawal, total service is less than 20 years,  
4 the policeman shall not be entitled to an annuity under this  
5 Section but may receive an annuity under the other provisions  
6 of this Article or, if entitled thereto under Section 5--163,  
7 a refund of the deductions from salary, including, in the  
8 case of policemen transferred to the police service of the  
9 city under the Exchange of Functions Act of 1957, the  
10 additional contribution paid on salary received from August  
11 1, 1957, to July 17, 1959, as provided in the Park  
12 Policemen's Annuity Act, together with interest at 1 1/2% per  
13 annum.

14 Moneys voluntarily contributed under the Policemen's  
15 Annuity and Benefit Fund Act of the Illinois Municipal Code,  
16 or the Park Policemen's Annuity Act, shall be refunded to the  
17 contributing policemen who were in service on January 1,  
18 1954, or in the case of policemen transferred to the police  
19 service of the city under the Exchange of Functions Act of  
20 1957, who were in service on July 17, 1959.

21 The age and service annuity formula in this Section shall  
22 not apply to any policeman who, having retired before July 8,  
23 1957, or before July 17, 1959, in the case of a policeman  
24 transferred under the provisions of the Exchange of Functions  
25 Act of 1957, re-enters the police service after such dates,  
26 whichever are applicable.

27 (Source: P.A. 86-1488.)

28 (40 ILCS 5/5-167.2) (from Ch. 108 1/2, par. 5-167.2)

29 Sec. 5-167.2. Retirement before September 1, 1967. A  
30 retired policeman, qualifying for minimum annuity or who  
31 retired from service with 20 or more years of service, before  
32 September 1, 1967, shall, in January of the year following  
33 the year he attains the age of 65, or in January of the year

1 1970, if then more than 65 years of age, have his then fixed  
2 and payable monthly annuity increased by an amount equal to  
3 2% of the original grant of annuity, for each year the  
4 policeman was in receipt of annuity payments after the year  
5 in which he attains, or did attain the age of 63. An  
6 additional 2% increase in such then fixed and payable  
7 original granted annuity shall accrue in each January  
8 thereafter. Beginning January 1, 1986, the rate of such  
9 increase shall be 3% instead of 2%.

10 The provisions of the preceding paragraph of this Section  
11 apply only to a retired policeman eligible for such increases  
12 in his annuity who contributes to the Fund a sum equal to \$5  
13 for each full year of credited service upon which his annuity  
14 was computed. All such sums contributed shall be placed in a  
15 Supplementary Payment Reserve and shall be used for the  
16 purposes of such Fund account.

17 Beginning with the monthly annuity payment due in July,  
18 1982, the fixed and granted monthly annuity payment for any  
19 policeman who retired from the service, before September 1,  
20 1976, at age 50 or over with 20 or more years of service and  
21 entitled to an annuity on January 1, 1974, shall be not less  
22 than \$400. It is the intent of the General Assembly that the  
23 change made in this Section by this amendatory Act of 1982  
24 shall apply retroactively to July 1, 1982.

25 Beginning with the monthly annuity payment due on January  
26 1, 1986, the fixed and granted monthly annuity payment for  
27 any policeman who retired from the service before January 1,  
28 1986, at age 50 or over with 20 or more years of service, or  
29 any policeman who retired from service due to termination of  
30 disability and who is entitled to an annuity on January 1,  
31 1986, shall be not less than \$475.

32 Beginning with the monthly annuity payment due on January  
33 1, 1992, the fixed and granted monthly annuity payment for  
34 any policeman who retired from the service before January 1,

1 1992, at age 50 or over with 20 or more years of service, and  
2 for any policeman who retired from service due to termination  
3 of disability and who is entitled to an annuity on January 1,  
4 1992, shall be not less than \$650.

5 Beginning with the monthly annuity payment due on January  
6 1, 1993, the fixed and granted monthly annuity payment for  
7 any policeman who retired from the service before January 1,  
8 1993, at age 50 or over with 20 or more years of service, and  
9 for any policeman who retired from service due to termination  
10 of disability and who is entitled to an annuity on January 1,  
11 1993, shall be not less than \$750.

12 Beginning with the monthly annuity payment due on January  
13 1, 1994, the fixed and granted monthly annuity payment for  
14 any policeman who retired from the service before January 1,  
15 1994, at age 50 or over with 20 or more years of service, and  
16 for any policeman who retired from service due to termination  
17 of disability and who is entitled to an annuity on January 1,  
18 1994, shall be not less than \$850.

19 Beginning with the monthly annuity payment due on January  
20 1, 2004, the fixed and granted monthly annuity payment for  
21 any policeman who retired from the service before January 1,  
22 2004, at age 50 or over with 20 or more years of service, and  
23 for any policeman who retired from service due to termination  
24 of disability and who is entitled to an annuity on January 1,  
25 2004, shall be not less than \$950.

26 Beginning with the monthly annuity payment due on January  
27 1, 2005, the fixed and granted monthly annuity payment for  
28 any policeman who retired from the service before January 1,  
29 2005, at age 50 or over with 20 or more years of service, and  
30 for any policeman who retired from service due to termination  
31 of disability and who is entitled to an annuity on January 1,  
32 2005, shall be not less than \$1,050.

33 The difference in amount between the original fixed and  
34 granted monthly annuity of any such policeman on the date of

1 his retirement from the service and the monthly annuity  
2 provided for in the immediately preceding paragraph shall be  
3 paid as a supplement in the manner set forth in the  
4 immediately following paragraph.

5 To defray the annual cost of the increases indicated in  
6 the preceding part of this Section, the annual interest  
7 income accruing from investments held by this Fund, exclusive  
8 of gains or losses on sales or exchanges of assets during the  
9 year, over and above 4% a year shall be used to the extent  
10 necessary and available to finance the cost of such increases  
11 for the following year and such amount shall be transferred  
12 as of the end of each year beginning with the year 1969 to a  
13 Fund account designated as the Supplementary Payment Reserve  
14 from the Interest and Investment Reserve set forth in Section  
15 5-207.

16 In the event the funds in the Supplementary Payment  
17 Reserve in any year arising from: (1) the interest income  
18 accruing in the preceding year above 4% a year and (2) the  
19 contributions by retired persons are insufficient to make the  
20 total payments to all persons entitled to the annuity  
21 specified in this Section and (3) any interest earnings over  
22 4% a year beginning with the year 1969 which were not  
23 previously used to finance such increases and which were  
24 transferred to the Prior Service Annuity Reserve, may be used  
25 to the extent necessary and available to provide sufficient  
26 funds to finance such increases for the current year and such  
27 sums shall be transferred from the Prior Service Annuity  
28 Reserve. In the event the total money available in the  
29 Supplementary Payment Reserve from such sources are  
30 insufficient to make the total payments to all persons  
31 entitled to such increases for the year, a proportionate  
32 amount computed as the ratio of the money available to the  
33 total of the total payments specified for that year shall be  
34 paid to each person for that year.



1 The Fund shall be obligated for the payment of the  
2 increases in annuity as provided for in this Section only to  
3 the extent that the assets for such purpose are available.

4 (Source: P.A. 91-357, eff. 7-29-99.)

5 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

6 Sec. 5-167.4. Widow annuitant minimum annuity.

7 (a) Notwithstanding any other provision of this Article,  
8 beginning January 1, 1996, the minimum amount of widow's  
9 annuity payable to any person who is entitled to receive a  
10 widow's annuity under this Article is \$700 per month, without  
11 regard to whether the deceased policeman is in service on or  
12 after the effective date of this amendatory Act of 1995.

13 Notwithstanding any other provision of this Article,  
14 beginning January 1, 1999, the minimum amount of widow's  
15 annuity payable to any person who is entitled to receive a  
16 widow's annuity under this Article is \$800 per month, without  
17 regard to whether the deceased policeman is in service on or  
18 after the effective date of this amendatory Act of 1998.

19 Notwithstanding any other provision of this Article,  
20 beginning January 1, 2004, the minimum amount of widow's  
21 annuity payable to any person who is entitled to receive a  
22 widow's annuity under this Article is \$900 per month, without  
23 regard to whether the deceased policeman is in service on or  
24 after the effective date of this amendatory Act of the 93rd  
25 General Assembly.

26 Notwithstanding any other provision of this Article,  
27 beginning January 1, 2005, the minimum amount of widow's  
28 annuity payable to any person who is entitled to receive a  
29 widow's annuity under this Article is \$1,000 per month,  
30 without regard to whether the deceased policeman is in  
31 service on or after the effective date of this amendatory Act  
32 of the 93rd General Assembly.

33 (b) Effective January 1, 1994, the minimum amount of

1 widow's annuity shall be \$700 per month for the following  
2 classes of widows, without regard to whether the deceased  
3 policeman is in service on or after the effective date of  
4 this amendatory Act of 1993: (1) the widow of a policeman who  
5 dies in service with at least 10 years of service credit, or  
6 who dies in service after June 30, 1981; and (2) the widow of  
7 a policeman who withdraws from service with 20 or more years  
8 of service credit and does not withdraw a refund, provided  
9 that the widow is married to the policeman before he  
10 withdraws from service.

11 (c) The city, in addition to the contributions otherwise  
12 made by it under the other provisions of this Article, shall  
13 make such contributions as are necessary for the minimum  
14 widow's annuities provided under this Section in the manner  
15 prescribed in Section 5-175.

16 (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

17 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)  
18 Sec. 5-168. Financing.

19 (a) Except as expressly provided in this Section, the  
20 city shall levy a tax annually upon all taxable property  
21 therein for the purpose of providing revenue for the fund.

22 The tax shall be at a rate that will produce a sum which,  
23 when added to the amounts deducted from the policemen's  
24 salaries and the amounts deposited in accordance with  
25 subsection (g), is sufficient for the purposes of the fund.

26 For the years 1968 and 1969, the city council shall levy  
27 a tax annually at a rate on the dollar of the assessed  
28 valuation of all taxable property that will produce, when  
29 extended, not to exceed \$9,700,000. Beginning with the year  
30 1970 and each year thereafter the city council shall levy a  
31 tax annually at a rate on the dollar of the assessed  
32 valuation of all taxable property that will produce when  
33 extended an amount not to exceed the total amount of

1 contributions by the policemen to the Fund made in the  
2 calendar year 2 years before the year for which the  
3 applicable annual tax is levied, multiplied by 1.40 for the  
4 tax levy year 1970; by 1.50 for the year 1971; by 1.65 for  
5 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975  
6 through 1981; by 2.00 for 1982 and for each year thereafter.

7 (b) The tax shall be levied and collected in like manner  
8 with the general taxes of the city, and is in addition to all  
9 other taxes which the city is now or may hereafter be  
10 authorized to levy upon all taxable property therein, and is  
11 exclusive of and in addition to the amount of tax the city is  
12 now or may hereafter be authorized to levy for general  
13 purposes under any law which may limit the amount of tax  
14 which the city may levy for general purposes. The county  
15 clerk of the county in which the city is located, in reducing  
16 tax levies under Section 8-3-1 of the Illinois Municipal  
17 Code, shall not consider the tax herein authorized as a part  
18 of the general tax levy for city purposes, and shall not  
19 include the tax in any limitation of the percent of the  
20 assessed valuation upon which taxes are required to be  
21 extended for the city.

22 (c) On or before January 10 of each year, the board  
23 shall notify the city council of the requirement that the tax  
24 herein authorized be levied by the city council for that  
25 current year. The board shall compute the amounts necessary  
26 for the purposes of this fund to be credited to the reserves  
27 established and maintained within the fund; shall make an  
28 annual determination of the amount of the required city  
29 contributions; and shall certify the results thereof to the  
30 city council.

31 As soon as any revenue derived from the tax is collected  
32 it shall be paid to the city treasurer of the city and shall  
33 be held by him for the benefit of the fund in accordance with  
34 this Article.

1 (d) If the funds available are insufficient during any  
2 year to meet the requirements of this Article, the city may  
3 issue tax anticipation warrants against the tax levy for the  
4 current fiscal year.

5 (e) The various sums, including interest, to be  
6 contributed by the city, shall be taken from the revenue  
7 derived from such tax or otherwise as expressly provided in  
8 this Section. Any moneys of the city derived from any source  
9 other than the tax herein authorized shall not be used for  
10 any purpose of the fund nor the cost of administration  
11 thereof, unless applied to make the deposit expressly  
12 authorized in this Section or the additional city  
13 contributions required under subsection (h).

14 (f) If it is not possible or practicable for the city to  
15 make its contributions at the time that salary deductions are  
16 made, the city shall make such contributions as soon as  
17 possible thereafter, with interest thereon to the time it is  
18 made.

19 (g) In lieu of levying all or a portion of the tax  
20 required under this Section in any year, the city may deposit  
21 with the city treasurer no later than March 1 of that year  
22 for the benefit of the fund, to be held in accordance with  
23 this Article, an amount that, together with the taxes levied  
24 under this Section for that year, is not less than the amount  
25 of the city contributions for that year as certified by the  
26 board to the city council. The deposit may be derived from  
27 any source legally available for that purpose, including, but  
28 not limited to, the proceeds of city borrowings. The making  
29 of a deposit shall satisfy fully the requirements of this  
30 Section for that year to the extent of the amounts so  
31 deposited. Amounts deposited under this subsection may be  
32 used by the fund for any of the purposes for which the  
33 proceeds of the tax levied under this Section may be used,  
34 including the payment of any amount that is otherwise

1 required by this Article to be paid from the proceeds of that  
2 tax.

3 (h) In addition to the contributions required under the  
4 other provisions of this Article, by November 1 of the  
5 following specified years, the city shall deposit with the  
6 city treasurer for the benefit of the fund, to be held and  
7 used in accordance with this Article, the following specified  
8 amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000  
9 in 2001; \$5,040,000 in 2002; \$4,620,000 in 2003; and  
10 ~~\$4,200,000 in 2004; \$3,780,000 in 2005; \$3,360,000 in 2006;~~  
11 ~~\$2,940,000 in 2007; \$2,520,000 in 2008; \$2,100,000 in 2009;~~  
12 ~~\$1,680,000 in 2010; \$1,260,000 in 2011; \$840,000 in 2012; and~~  
13 ~~\$420,000 in 2013.~~

14 The additional city contributions required under this  
15 subsection are intended to decrease the unfunded liability of  
16 the fund and shall not decrease the amount of the city  
17 contributions required under the other provisions of this  
18 Article. The additional city contributions made under this  
19 subsection may be used by the fund for any of its lawful  
20 purposes.

21 (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

22 (40 ILCS 5/6-111) (from Ch. 108 1/2, par. 6-111)  
23 Sec. 6-111. Salary. "Salary": Subject to Section 6-211,  
24 the annual salary of a fireman, as follows:

25 (a) For age and service annuity, minimum annuity, and  
26 disability benefits, the actual amount of the annual salary,  
27 except as otherwise provided in this Article.

28 (b) For prior service annuity, widow's annuity, widow's  
29 prior service annuity and child's annuity to and including  
30 August 31, 1957, the amount of the annual salary up to a  
31 maximum of \$3,000.

32 (c) Except as otherwise provided in Section 6-141.1, for  
33 widow's annuity, beginning September 1, 1957, the amount of

1 annual salary up to a maximum of \$6,000.

2 (d) "Salary" means the actual amount of the annual  
3 salary attached to the permanent career service rank held by  
4 the fireman, except as provided in subsection (e).

5 (e) In the case of a fireman who holds an exempt  
6 position above career service rank:

7 (1) For the purpose of computing employee and city  
8 contributions, "salary" means the actual salary attached  
9 to the exempt rank position held by the fireman.

10 (2) For the purpose of computing benefits: "salary"  
11 means the actual salary attached to the exempt rank  
12 position held by the fireman, if (i) the contributions  
13 specified in Section 6-211 have been made, (ii) the  
14 fireman has held one or more exempt positions for at  
15 least 5 consecutive years and has held the rank of  
16 battalion chief or field officer for at least 5 years  
17 during the exempt period, and (iii) the fireman was born  
18 before 1955; otherwise, "salary" means the salary  
19 attached to the permanent career service rank held by the  
20 fireman, as provided in subsection (d).

21 (f) Beginning on the effective date of this amendatory  
22 Act of the 93rd General Assembly, and for any prior periods  
23 for which contributions have been paid under subsection (g)  
24 of this Section, all salary payments made to any active or  
25 former fireman who holds or previously held the permanent  
26 assigned position or classified career service rank, grade,  
27 or position of ambulance commander shall be included as  
28 salary for all purposes under this Article.

29 (g) Any active or former fireman who held the permanent  
30 assigned position or classified career service rank, grade,  
31 or position of ambulance commander may elect to have the full  
32 amount of the salary attached to that permanent assigned  
33 position or classified career service rank, grade, or  
34 position included in the calculation of his or her salary for

1 any period during which the fireman held the permanent  
2 assigned position or classified career service rank, grade,  
3 or position of ambulance commander by applying in writing and  
4 making all employee and employer contributions, without  
5 interest, related to the actual salary payments corresponding  
6 to the permanent assigned position or classified career  
7 service rank, grade, or position of ambulance commander for  
8 all periods beginning on or after January 1, 1995. All  
9 applicable contributions must be paid in full to the Fund  
10 before January 1, 2006 before the payment of any benefit  
11 under this subsection (g) will made made.

12 Any former fireman or widow of a fireman who (i) held the  
13 permanent assigned position or classified career service  
14 rank, grade, or position of ambulance commander, (ii) is in  
15 receipt of annuity on the effective date of this amendatory  
16 Act of the 93rd General Assembly, and (iii) pays to the Fund  
17 contributions under this subsection (g) for salary payments  
18 at the permanent assigned position or classified career  
19 service rank, grade, or position of ambulance commander shall  
20 have his or her annuity recalculated to reflect the ambulance  
21 commander salary and the resulting increase shall become  
22 payable on the next annuity payment date following the date  
23 the contribution is received by the Fund.

24 In the case of an active or former fireman who (i) dies  
25 before January 1, 2006 without making an election under this  
26 subsection and (ii) was eligible to make an election under  
27 this subsection at the time of death (or would have been  
28 eligible had the death occurred after the effective date of  
29 this amendatory Act), any surviving spouse, child, or parent  
30 of the fireman who is eligible to receive a benefit under  
31 this Article based on the fireman's salary may make that  
32 election and pay the required contributions on behalf of the  
33 deceased fireman. If the death occurs within the 30 days  
34 immediately preceding January 1, 2006, the deadline for

1 application and payment is extended to January 31, 2006.

2 Any portion of the compensation received for service as  
3 an ambulance commander for which the corresponding  
4 contributions have not been paid shall not be included in the  
5 calculation of salary.

6 (h) Beginning January 1, 1999, with respect to a fireman  
7 who is licensed by the State as an Emergency Medical  
8 Technician, references in this Article to the fireman's  
9 salary or the salary attached to or appropriated for the  
10 permanent assigned position or classified career service  
11 rank, grade, or position of the fireman shall be deemed to  
12 include any additional compensation payable to the fireman by  
13 virtue of being licensed as an Emergency Medical Technician,  
14 as provided under a collective bargaining agreement with the  
15 city.

16 (i) Beginning on the effective date of this amendatory  
17 Act of the 93rd General Assembly (and for any period prior to  
18 that date for which contributions have been paid under  
19 subsection (j) of this Section), the salary of a fireman, as  
20 calculated for any purpose under this Article, shall include  
21 any duty availability pay received by the fireman (i)  
22 pursuant to a collective bargaining agreement or (ii)  
23 pursuant to an appropriation ordinance in an amount  
24 equivalent to the amount of duty availability pay received by  
25 other firemen pursuant to a collective bargaining agreement,  
26 and references in this Article to the salary attached to or  
27 appropriated for the permanent assigned position or  
28 classified career service rank, grade, or position of the  
29 fireman shall be deemed to include that duty availability  
30 pay.

31 (j) An active or former fireman who received duty  
32 availability pay at any time after December 31, 1994 and  
33 before the effective date of this amendatory Act of the 93rd  
34 General Assembly and who either (1) retired during that



1 period or (2) had attained age 46 and at least 16 years of  
2 service by the effective date of this amendatory Act may  
3 elect to have that duty availability pay included in the  
4 calculation of his or her salary for any portion of that  
5 period for which the pay was received, by applying in writing  
6 and paying to the Fund, before January 1, 2006, the  
7 corresponding employee contribution, without interest.

8 In the case of an applicant who is receiving an annuity  
9 at the time the application and contribution are received by  
10 the Fund, the annuity shall be recalculated and the resulting  
11 increase shall become payable on the next annuity payment  
12 date following the date the contribution is received by the  
13 Fund.

14 In the case of an active or former fireman who (i) dies  
15 before January 1, 2006 without making an election under this  
16 subsection and (ii) was eligible to make an election under  
17 this subsection at the time of death (or would have been  
18 eligible had the death occurred after the effective date of  
19 this amendatory Act), any surviving spouse, child, or parent  
20 of the fireman who is eligible to receive a benefit under  
21 this Article based on the fireman's salary may make that  
22 election and pay the required contribution on behalf of the  
23 deceased fireman. If the death occurs within the 30 days  
24 immediately preceding January 1, 2006, the deadline for  
25 application and payment is extended to January 31, 2006.

26 Any duty availability pay for which the corresponding  
27 employee contribution has not been paid shall not be included  
28 in the calculation of salary.

29 (k) The changes to this Section made by this amendatory  
30 Act of the 93rd General Assembly are not limited to firemen  
31 in service on or after the effective date of this amendatory  
32 Act.

33 (Source: P.A. 83-1362.)

(40 ILCS 5/6-124.1 new)

Sec. 6-124.1. Withdrawal at compulsory retirement age - amount of annuity.

(a) In lieu of any annuity provided in the other provisions of this Article, a fireman who is required to withdraw from service due to attainment of compulsory retirement age and has at least 10 but less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service plus 2% of average salary for each completed year of service or remaining fraction thereof in excess of 10, but not to exceed a maximum of 50% of average salary.

(b) For the purpose of this Section, "average salary" means the average of the fireman's highest 4 consecutive years of salary within the last 10 years of service.

(c) For the purpose of qualifying for the annual increases provided in Section 6-164, a fireman whose retirement annuity is calculated under this Section shall be deemed to qualify for a minimum annuity.

(40 ILCS 5/6-128) (from Ch. 108 1/2, par. 6-128)

Sec. 6-128. (a) A future entrant who withdraws on or after July 21, 1959, after completing at least 23 years of service, and for whom the annuity otherwise provided in this Article is less than that stated in this Section, has a right to receive annuity as follows:

If he is age 53 or more on withdrawal, his annuity after withdrawal, shall be equal to 50% of his average salary determined--by--striking--an--average--of--4--consecutive--highest years--of--salary--within--the--last--10--years--of--service immediately-preceding-the-date-of-withdrawal.

An employee who reaches compulsory retirement age and who has less than 23 years of service shall be entitled to a minimum annuity equal to an amount determined by the product

1 of (1) his years of service and (2) 2% of his average salary  
2 for-the-4-consecutive-highest-years-of-salary-within-the-last  
3 10-years-of-service-immediately-prior-to-his-reaching  
4 compulsory-retirement-age.

5 An employee who remains in service after qualifying for  
6 annuity under this Section shall have added to this annuity  
7 an additional 1% of average salary for each completed year of  
8 service or fraction thereof rendered until July 21, 1959, and  
9 an additional 1% for a total of 2% of average salary from  
10 July 21, 1959. Each future entrant who has completed 23  
11 years of service before reaching age 53 shall have added to  
12 this annuity 1% of average salary for each completed year of  
13 service or fraction thereof in excess of 23 years up to age  
14 53. "Salary"--as--referred--to--in--this--paragraph--shall--be  
15 determined--by--striking--an--average--of--the--4--consecutive  
16 highest--years--of--salary--within--the--last--10--years--of--service  
17 immediately-preceding-withdrawal.

18 (b) In lieu of the annuity provided in the foregoing  
19 provisions of this Section any future entrant who withdraws  
20 from the service either (i) after December 31, 1983 with at  
21 least 22 years of service credit and having attained age 52  
22 in the service, or (ii) after December 31, 1984 with at least  
23 21 years of service credit and having attained age 51 in the  
24 service, or (iii) after December 31, 1985 with at least 20  
25 years of service credit and having attained age 50 in the  
26 service, or (iv) after December 31, 1990 with at least 20  
27 years of service regardless of age, may elect to receive an  
28 annuity, to begin not earlier than upon attainment of age 50  
29 if under that age at withdrawal, computed as follows: an  
30 annuity equal to 50% of the average salary for-the-4-highest  
31 consecutive-years-of-the-last-10-years-of-service, plus  
32 additional annuity equal to 2% of such average salary for  
33 each completed year of service or fraction thereof rendered  
34 after his completion of the minimum number of years of

1 service required for him to be eligible under this subsection  
2 (b). However, the annuity provided under this subsection (b)  
3 may not exceed 75% of such average salary.

4 (c) In lieu of the annuity provided in any other  
5 provision of this Section, a future entrant who withdraws  
6 from service after the effective date of this amendatory Act  
7 of the 93rd General Assembly with at least 20 years of  
8 service may elect to receive an annuity, to begin no earlier  
9 than upon attainment of age 50 if under that age at  
10 withdrawal, equal to 50% of average salary plus 2.5% of  
11 average salary for each completed year of service or fraction  
12 thereof over 20, but not to exceed 75% of average salary.

13 (d) For the purpose of this Section, "average salary"  
14 means the average of the highest 4 consecutive years of  
15 salary within the last 10 years of service.

16 (Source: P.A. 86-1488.)

17 (40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

18 Sec. 6-128.2. Minimum retirement annuities.

19 (a) Beginning with the monthly payment due in January,  
20 1988, the monthly annuity payment for any person who is  
21 entitled to receive a retirement annuity under this Article  
22 in January, 1990 and has retired from service at age 50 or  
23 over with 20 or more years of service, and for any person who  
24 retires from service on or after January 24, 1990 at age 50  
25 or over with 20 or more years of service, shall not be less  
26 than \$475 per month. The \$475 minimum annuity is exclusive of  
27 any automatic annual increases provided by Sections 6-164 and  
28 6-164.1, but not exclusive of previous raises in the minimum  
29 annuity as provided by any Section of this Article.

30 Beginning January 1, 1992, the minimum retirement annuity  
31 payable to any person who has retired from service at age 50  
32 or over with 20 or more years of service and is entitled to  
33 receive a retirement annuity under this Article on that date,

1 or who retires from service at age 50 or over with 20 or more  
2 years of service after that date, shall be \$650 per month.

3 Beginning January 1, 1993, the minimum retirement annuity  
4 payable to any person who has retired from service at age 50  
5 or over with 20 or more years of service and is entitled to  
6 receive a retirement annuity under this Article on that date,  
7 or who retires from service at age 50 or over with 20 or more  
8 years of service after that date, shall be \$750 per month.

9 Beginning January 1, 1994, the minimum retirement annuity  
10 payable to any person who has retired from service at age 50  
11 or over with 20 or more years of service and is entitled to  
12 receive a retirement annuity under this Article on that date,  
13 or who retires from service at age 50 or over with 20 or more  
14 years of service after that date, shall be \$850 per month.

15 Beginning January 1, 2004, the minimum retirement annuity  
16 payable to any person who has retired from service at age 50  
17 or over with 20 or more years of service and is entitled to  
18 receive a retirement annuity under this Article on that date,  
19 or who retires from service at age 50 or over with 20 or more  
20 years of service after that date, shall be \$950 per month.

21 Beginning January 1, 2005, the minimum retirement annuity  
22 payable to any person who has retired from service at age 50  
23 or over with 20 or more years of service and is entitled to  
24 receive a retirement annuity under this Article on that date,  
25 or who retires from service at age 50 or over with 20 or more  
26 years of service after that date, shall be \$1,050 per month.

27 The minimum annuities established by this subsection (a)  
28 do include previous raises in the minimum annuity as provided  
29 by any Section of this Article, but do not include any sums  
30 which have been added or will be added to annuity payments by  
31 the automatic annual increases provided by Sections 6-164 and  
32 6-164.1. Such annual increases shall be paid in addition to  
33 the minimum amounts specified in this subsection.

34 (b) Notwithstanding any other provision of this Article,

1 beginning January 1, 1990, the minimum retirement annuity  
2 payable to any person who is entitled to receive a retirement  
3 annuity under this Article on that date shall be \$475 per  
4 month.

5 (c) The changes made to this Section by this amendatory  
6 Act of the 93rd General Assembly shall apply to all persons  
7 receiving a retirement annuity under this Article, without  
8 regard to whether the retirement of the fireman occurred  
9 prior to the effective date of this amendatory Act of 1993.

10 (Source: P.A. 86-273; 86-1027; 86-1028; 86-1475; 87-849;  
11 87-1265.)

12 (40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)  
13 Sec. 6-128.4. Minimum widow's annuities.

14 (a) Notwithstanding any other provision of this Article,  
15 beginning January 1, 1996, the minimum amount of widow's  
16 annuity payable to any person who is entitled to receive a  
17 widow's annuity under this Article is \$700 per month, without  
18 regard to whether the deceased fireman is in service on or  
19 after the effective date of this amendatory Act of 1995.

20 (b) Notwithstanding Section 6-128.3, beginning January  
21 1, 1994, the minimum widow's annuity under this Article shall  
22 be \$700 per month for (1) all persons receiving widow's  
23 annuities on that date who are survivors of employees who  
24 retired at age 50 or over with at least 20 years of service,  
25 and (2) persons who become eligible for widow's annuities and  
26 are survivors of employees who retired at age 50 or over with  
27 at least 20 years of service.

28 (c) Notwithstanding Section 6-128.3, beginning January  
29 1, 1999, the minimum widow's annuity under this Article shall  
30 be \$800 per month for (1) all persons receiving widow's  
31 annuities on that date who are survivors of employees who  
32 retired at age 50 or over with at least 20 years of service,  
33 and (2) persons who become eligible for widow's annuities and

1 are survivors of employees who retired at age 50 or over with  
2 at least 20 years of service.

3 (d) Notwithstanding Section 6-128.3, beginning January  
4 1, 2004, the minimum widow's annuity under this Article shall  
5 be \$900 per month for all persons receiving widow's annuities  
6 on or after that date, without regard to whether the deceased  
7 fireman is in service on or after the effective date of this  
8 amendatory Act of the 93rd General Assembly.

9 (e) Notwithstanding Section 6-128.3, beginning January  
10 1, 2005, the minimum widow's annuity under this Article shall  
11 be \$1,000 per month for all persons receiving widow's  
12 annuities on or after that date, without regard to whether  
13 the deceased fireman is in service on or after the effective  
14 date of this amendatory Act of the 93rd General Assembly.

15 (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

16 (40 ILCS 5/6-141.2 new)

17 Sec. 6-141.2. Minimum annuity for certain widows.  
18 Notwithstanding the other provisions of this Article, the  
19 widow's annuity payable to the widow of a fireman who dies on  
20 or after July 1, 1997 while an active fireman with at least  
21 10 years of creditable service shall be no less than 50% of  
22 the retirement annuity that the deceased fireman would have  
23 been eligible to receive if he had attained age 50 and 20  
24 years of service on the day before his death and retired on  
25 that day. In the case of a widow's annuity that is payable  
26 on the effective date of this amendatory Act of the 93rd  
27 General Assembly, the increase provided by this Section, if  
28 any, shall begin to accrue on the first annuity payment date  
29 following that effective date.

30 (40 ILCS 5/6-142) (from Ch. 108 1/2, par. 6-142)

31 Sec. 6-142. Wives and widows not entitled to annuities.

32 (A) Except as provided in subsection (B), the following

1 wives or widows have no right to annuity from the fund:

2 (a) A wife or widow married subsequent to the effective  
3 date of a fireman who dies in service if she was not married  
4 to him before he attained age 63;

5 (b) A wife or widow of a fireman who withdraws, whether  
6 or not he enters upon annuity, and dies while out of service,  
7 if the marriage occurred after the effective date and she was  
8 not his wife while he was in service and before he attained  
9 age 63;

10 (c) A wife or widow of a fireman who (1) has served 10  
11 or more years, (2) dies out of service after he has withdrawn  
12 from service, and (3) has withdrawn or applied for refund of  
13 the sums to his credit for annuity to which he had a right to  
14 refund;

15 (d) A wife or widow of a fireman who dies out of service  
16 after he has withdrawn before age 63, and who has not served  
17 at least 10 years;

18 (e) A wife whose marriage was dissolved or widow of a  
19 fireman whose judgment of dissolution of marriage from her  
20 fireman husband is annulled, vacated or set aside by  
21 proceedings in court subsequent to the death of the fireman,  
22 unless (1) such proceedings are filed within 5 years after  
23 the date of the dissolution of marriage and within one year  
24 after the death of the fireman and (2) the board is made a  
25 party to the proceedings;

26 (f) A wife or widow who married the fireman while he was  
27 in receipt of disability benefit or disability pension from  
28 this fund, unless he returned to the service subsequent to  
29 the marriage and remained therein for a period or periods  
30 aggregating one year, or died while in service.

31 (B) Beginning on the effective date of this amendatory  
32 Act of the 93rd General Assembly, the limitation on marriage  
33 after withdrawal under subdivision (A)(b) and the limitation  
34 on marriage during disability under subdivision (A)(f) no



1 longer apply to a widow who was married to the deceased  
2 fireman before the fireman begins to receive a retirement  
3 annuity and for at least one year immediately preceding the  
4 date of death, regardless of whether the deceased fireman is  
5 in service on or after the effective date of this amendatory  
6 Act of the 93rd General Assembly; except that this subsection  
7 (B) does not apply to the widow of a fireman who received a  
8 refund of contributions for widow's annuity under Section  
9 6-160, unless the refund is repaid to the Fund, with interest  
10 at the rate of 4% per year, compounded annually, from the  
11 date of the refund to the date of repayment. If the widow of  
12 a fireman who died before the effective date of this  
13 amendatory Act becomes eligible for a widow's annuity because  
14 of this amendatory Act, the annuity shall begin to accrue on  
15 the date of application for the annuity, but in no event  
16 sooner than the effective date of this amendatory Act.

17 (Source: P.A. 81-230.)

18 (40 ILCS 5/6-143) (from Ch. 108 1/2, par. 6-143)

19 Sec. 6-143. Widow's remarriage.

20 (a) Beginning on the effective date of this amendatory  
21 Act of the 93rd General Assembly, a widow's annuity shall no  
22 longer be subject to termination or suspension under this  
23 Section due to remarriage. Any widow's annuity that was  
24 previously terminated or suspended under this Section by  
25 reason of remarriage shall, upon application, be resumed as  
26 of the date of the application, but in no event sooner than  
27 the effective date of this amendatory Act. The resumption  
28 shall not be retroactive. This subsection (a) applies  
29 regardless of whether or not the deceased fireman was in  
30 service on or after the effective date of this amendatory  
31 Act.

32 (b) This subsection (b) does not apply on or after the  
33 effective date of this amendatory Act of the 93rd General

1 Assembly.

2 Any annuity granted to a widow who remarries on or after  
3 December 31, 1989 shall be suspended when she remarries,  
4 unless (i) she remarries after attaining the age of 60  
5 regardless of whether or not the deceased fireman was in  
6 service on or after the effective date of this amendatory Act  
7 of 1995 or (ii) she has been granted a Section 6-140 annuity  
8 as the widow of a fireman killed in performance of duty. An  
9 annuity suspended under this Section shall, upon application,  
10 be resumed if the subsequent marriage ends by dissolution of  
11 marriage, declaration of invalidity of marriage, or the death  
12 of the husband; this resumption shall not be retroactive.

13 If a widow remarries after attaining age 60 or after she  
14 has been granted an annuity under Section 6-140 and the  
15 remarriage takes place after December 31, 1989, regardless of  
16 whether or not the deceased fireman was in service on or  
17 after the effective date of this amendatory Act of 1995, the  
18 widow's annuity shall continue without interruption.

19 Any widow's annuity that was previously terminated by  
20 reason of remarriage prior to December 31, 1989 or suspended  
21 shall, upon application, be resumed, as of the date of the  
22 application, if the subsequent marriage ended by dissolution  
23 of marriage, declaration of invalidity of marriage, or the  
24 death of the husband, regardless of whether or not the  
25 deceased fireman was in service on the effective date of this  
26 amendatory Act of 1995; this resumption shall not be  
27 retroactive.

28 When a widow dies, if she has not received, in the form  
29 of an annuity, an amount equal to the accumulated employee  
30 contributions for widow's annuity, the difference between  
31 such accumulated contributions and the sum received by her,  
32 along with any part of the accumulated contributions for age  
33 and service annuity remaining in the fund at her death, shall  
34 be refunded to the fireman's children, in equal parts to

1 each; except that if a child is less than age 18, the part of  
2 any such amount that is required to pay an annuity to the  
3 child shall be transferred to the child's annuity reserve.  
4 If no children or descendants thereof survive the fireman,  
5 the refund shall be paid to the estate of the fireman. In  
6 making refunds under this Section, no interest shall be  
7 considered upon either the total of annuity payments made or  
8 the amounts subject to refund.

9 (Source: P.A. 89-136, eff. 7-14-95.)

10 (40 ILCS 5/6-151.1) (from Ch. 108 1/2, par. 6-151.1)

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

25 Any active fireman who has completed 7 ~~ten~~ or more years  
26 of service and is unable to perform his duties in the Fire  
27 Department by reason of heart disease, tuberculosis, or any  
28 disease of the lungs or respiratory tract, AIDS, hepatitis C,  
29 or stroke resulting solely from his service as a fireman,  
30 shall be entitled to receive an occupational disease  
31 disability benefit during any period of such disability for  
32 which he does not have a right to receive salary.

33 Any active fireman who has completed 7 ~~ten~~ or more years

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

12 Any fireman who shall enter the service after the  
13 effective date of this amendatory Act shall be examined by  
14 one or more practicing physicians appointed by the Board, and  
15 if that said examination discloses impairment of the heart,  
16 lungs, or respiratory tract, or the existence of AIDS,  
17 hepatitis C, stroke, or any cancer, then the such fireman  
18 shall not be entitled to receive an occupational disease  
19 disability benefit unless and until a subsequent examination  
20 reveals no such impairment, AIDS, hepatitis C, stroke, or  
21 cancer.

22 The occupational disease disability benefit shall be 65%  
23 of the fireman's salary at the time of his removal from the  
24 Department payroll. However, beginning January 1, 1994, no  
25 occupational disease disability benefit that has been payable  
26 under this Section for at least 10 years shall be less than  
27 50% of the current salary attached from time to time to the  
28 rank and grade held by the fireman at the time of his removal  
29 from the Department payroll, regardless of whether that  
30 removal occurred before the effective date of this amendatory  
31 Act of 1993.

32 Such fireman also shall have a right to receive child's  
33 disability benefit of \$30 per month on account of each  
34 unmarried child who is less than 18 years of age or

1 handicapped, dependent upon the fireman for support, and  
2 either the issue of the fireman or legally adopted by him.  
3 The total amount of child's disability benefit payable to the  
4 fireman, when added to his occupational disease disability  
5 benefit, shall not exceed 75% of the amount of salary which  
6 he was receiving at the time of the grant of occupational  
7 disease disability benefit.

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

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

25 (Source: P.A. 88-528.)

26 (40 ILCS 5/6-160) (from Ch. 108 1/2, par. 6-160)

27 Sec. 6-160. Refund - Widow's annuity contributions. When  
28 a fireman attains age 63 in service and is not then married,  
29 or when an unmarried fireman withdraws before age 63 and  
30 enters upon annuity, his contributions for widow's annuity  
31 shall then be refunded to him, upon request. A refund under  
32 this Section may be repaid as provided in Section 6-142(B).

33 (Source: P.A. 81-1536.)

1 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

2 Sec. 6-164. Automatic annual increase; retirement after  
3 September 1, 1959.

4 (a) A fireman qualifying for a minimum annuity who  
5 retires from service after September 1, 1959 shall, upon  
6 either the first of the month following the first anniversary  
7 of his date of retirement if he is age 60 (age 55 if born  
8 before January 1, 1955 ~~1945~~) or over on that anniversary  
9 date, or upon the first of the month following his attainment  
10 of age 60 (age 55 if born before January 1, 1955 ~~1945~~) if  
11 that occurs after the first anniversary of his retirement  
12 date, have his then fixed and payable monthly annuity  
13 increased by 1 1/2%, and such first fixed annuity as granted  
14 at retirement increased by an additional 1 1/2% in January of  
15 each year thereafter up to a maximum increase of 30%.  
16 Beginning July 1, 1982 for firemen born before January 1,  
17 1930, and beginning January 1, 1990 for firemen born after  
18 December 31, 1929 and before January 1, 1940, and beginning  
19 January 1, 1996 for firemen born after December 31, 1939 but  
20 before January 1, 1945, and beginning January 1, 2004, for  
21 firemen born after December 31, 1944 but before January 1,  
22 1955, such increases shall be 3% and such firemen shall not  
23 be subject to the 30% maximum increase.

24 Any fireman born before January 1, 1945 who qualifies for  
25 a minimum annuity and retires after September 1, 1967 but has  
26 not received the initial increase under this subsection  
27 before January 1, 1996 is entitled to receive the initial  
28 increase under this subsection on (1) January 1, 1996, (2)  
29 the first anniversary of the date of retirement, or (3)  
30 attainment of age 55, whichever occurs last. The changes to  
31 this Section made by this amendatory Act of 1995 apply  
32 beginning January 1, 1996 and apply without regard to whether  
33 the fireman or annuitant terminated service before the  
34 effective date of this amendatory Act of 1995.

1       Any fireman born before January 1, 1955 who qualifies for  
2       a minimum annuity and retires after September 1, 1967 but has  
3       not received the initial increase under this subsection  
4       before January 1, 2004 is entitled to receive the initial  
5       increase under this subsection on (1) January 1, 2004, (2)  
6       the first anniversary of the date of retirement, or (3)  
7       attainment of age 55, whichever occurs last. The changes to  
8       this Section made by this amendatory Act of the 93rd General  
9       Assembly apply without regard to whether the fireman or  
10       annuitant terminated service before the effective date of  
11       this amendatory Act.

12       (b) Subsection (a) of this Section is not applicable to  
13       an employee receiving a term annuity.

14       (c) To help defray the cost of such increases in  
15       annuity, there shall be deducted, beginning September 1,  
16       1959, from each payment of salary to a fireman, 1/8 of 1% of  
17       each such salary payment and an additional 1/8 of 1%  
18       beginning on September 1, 1961, and September 1, 1963,  
19       respectively, concurrently with and in addition to the salary  
20       deductions otherwise made for annuity purposes.

21       Each such additional 1/8 of 1% deduction from salary  
22       which shall, on September 1, 1963, result in a total increase  
23       of 3/8 of 1% of salary, shall be credited to the Automatic  
24       Increase Reserve, to be used, together with city  
25       contributions as provided in this Article, to defray the cost  
26       of the 1 1/2% annuity increments herein specified. Any  
27       balance in such reserve as of the beginning of each calendar  
28       year shall be credited with interest at the rate of 3% per  
29       annum.

30       The salary deductions provided in this Section are not  
31       subject to refund, except to the fireman himself, in any case  
32       in which a fireman withdraws prior to qualification for  
33       minimum annuity and applies for refund, or applies for  
34       annuity, and also where a term annuity becomes payable. In

1 such cases, the total of such salary deductions shall be  
2 refunded to the fireman, without interest, and charged to the  
3 aforementioned reserve.

4 (Source: P.A. 89-136, eff. 7-14-95.)

5 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

6 Sec. 6-165. Financing; tax.

7 (a) Except as expressly provided in this Section, each  
8 city shall levy a tax annually upon all taxable property  
9 therein for the purpose of providing revenue for the fund.  
10 For the years prior to the year 1960, the tax rate shall be  
11 as provided for in the "Firemen's Annuity and Benefit Fund of  
12 the Illinois Municipal Code". The tax, from and after  
13 January 1, 1968 to and including the year 1971, shall not  
14 exceed .0863% of the value, as equalized or assessed by the  
15 Department of Revenue, of all taxable property in the city.  
16 Beginning with the year 1972 and each year thereafter the  
17 city shall levy a tax annually at a rate on the dollar of the  
18 value, as equalized or assessed by the Department of Revenue  
19 of all taxable property within such city that will produce,  
20 when extended, not to exceed an amount equal to the total  
21 amount of contributions by the employees to the fund made in  
22 the calendar year 2 years prior to the year for which the  
23 annual applicable tax is levied, multiplied by 2.23 through  
24 the calendar year 1981, and by 2.26 for the year 1982 and for  
25 each year thereafter.

26 To provide revenue for the ordinary death benefit  
27 established by Section 6-150 of this Article, in addition to  
28 the contributions by the firemen for this purpose, the city  
29 council shall for the year 1962 and each year thereafter  
30 annually levy a tax, which shall be in addition to and  
31 exclusive of the taxes authorized to be levied under the  
32 foregoing provisions of this Section, upon all taxable  
33 property in the city, as equalized or assessed by the



1 Department of Revenue, at such rate per cent of the value of  
2 such property as shall be sufficient to produce for each year  
3 the sum of \$142,000.

4 The amounts produced by the taxes levied annually,  
5 together with the deposit expressly authorized in this  
6 Section, shall be sufficient, when added to the amounts  
7 deducted from the salaries of firemen and applied to the  
8 fund, to provide for the purposes of the fund.

9 (b) The taxes shall be levied and collected in like  
10 manner with the general taxes of the city, and shall be in  
11 addition to all other taxes which the city may levy upon all  
12 taxable property therein and shall be exclusive of and in  
13 addition to the amount of tax the city may levy for general  
14 purposes under Section 8-3-1 of the Illinois Municipal Code,  
15 approved May 29, 1961, as amended, or under any other law or  
16 laws which may limit the amount of tax which the city may  
17 levy for general purposes.

18 (c) The amounts of the taxes to be levied in each year  
19 shall be certified to the city council by the board.

20 (d) As soon as any revenue derived from such taxes is  
21 collected, it shall be paid to the city treasurer and held  
22 for the benefit of the fund, and all such revenue shall be  
23 paid into the fund in accordance with the provisions of this  
24 Article.

25 (e) If the funds available are insufficient during any  
26 year to meet the requirements of this Article, the city may  
27 issue tax anticipation warrants, against the tax levies  
28 herein authorized for the current fiscal year.

29 (f) The various sums, hereinafter stated, including  
30 interest, to be contributed by the city, shall be taken from  
31 the revenue derived from the taxes or otherwise as expressly  
32 provided in this Section. Except for defraying the cost of  
33 administration of the fund during the calendar year in which  
34 a city first attains a population of 500,000 and comes under

1 the provisions of this Article and the first calendar year  
 2 thereafter, any money of the city derived from any source  
 3 other than these taxes or the sale of tax anticipation  
 4 warrants shall not be used to provide revenue for the fund,  
 5 nor to pay any part of the cost of administration thereof,  
 6 unless applied to make the deposit expressly authorized in  
 7 this Section or the additional city contributions required  
 8 under subsection (h).

9 (g) In lieu of levying all or a portion of the tax  
 10 required under this Section in any year, the city may deposit  
 11 with the city treasurer no later than March 1 of that year  
 12 for the benefit of the fund, to be held in accordance with  
 13 this Article, an amount that, together with the taxes levied  
 14 under this Section for that year, is not less than the amount  
 15 of the city contributions for that year as certified by the  
 16 board to the city council. The deposit may be derived from  
 17 any source legally available for that purpose, including, but  
 18 not limited to, the proceeds of city borrowings. The making  
 19 of a deposit shall satisfy fully the requirements of this  
 20 Section for that year to the extent of the amounts so  
 21 deposited. Amounts deposited under this subsection may be  
 22 used by the fund for any of the purposes for which the  
 23 proceeds of the taxes levied under this Section may be used,  
 24 including the payment of any amount that is otherwise  
 25 required by this Article to be paid from the proceeds of  
 26 those taxes.

27 (h) In addition to the contributions required under the  
 28 other provisions of this Article, by November 1 of the  
 29 following specified years, the city shall deposit with the  
 30 city treasurer for the benefit of the fund, to be held and  
 31 used in accordance with this Article, the following specified  
 32 amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000  
 33 in 2001; \$5,040,000 in 2002; and \$4,620,000 in 2003;  
 34 ~~\$4,200,000 in 2004; \$3,780,000 in 2005; \$3,360,000 in 2006;~~

1 \$2,940,000--in--2007;-\$2,520,000-in-2008;-\$2,100,000-in-2009;  
 2 \$1,680,000-in-2010;-\$1,260,000-in-2011;-\$840,000-in-2012;-and  
 3 \$420,000-in-2013.

4 The additional city contributions required under this  
 5 subsection are intended to decrease the unfunded liability of  
 6 the fund and shall not decrease the amount of the city  
 7 contributions required under the other provisions of this  
 8 Article. The additional city contributions made under this  
 9 subsection may be used by the fund for any of its lawful  
 10 purposes.

11 (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

12 (40 ILCS 5/6-210.1) (from Ch. 108 1/2, par. 6-210.1)  
 13 Sec. 6-210.1. Credit for former employment with the fire  
 14 department.

15 (a) Any fireman who (1) accumulated service credit in  
 16 the Article 8 fund for service as an employee of the Chicago  
 17 Fire Department and (2) has terminated that Article 8 service  
 18 credit and received a refund of contributions therefor, may  
 19 establish service credit in this Fund for all or any part of  
 20 that period of service under the Article 8 fund by making  
 21 written application to the Board by January 1, 2000 and  
 22 paying to this Fund (i) employee contributions based upon the  
 23 actual salary received and the rates in effect for members of  
 24 this Fund at the time of such service, plus (ii) interest  
 25 thereon calculated as follows:

26 (1) For applications received by the Board before  
 27 July 14, ~~the--effective--date--of--this--amendatory--Act--of~~  
 28 1995, interest shall be calculated on the amount of  
 29 employee contributions determined under item (i) above,  
 30 at the rate of 4% per annum, compounded annually, from  
 31 the date of termination of such service to the date of  
 32 payment.

33 (2) For applications received by the Board on or

1 after July 14, the-effective-date-of-this-amendatory-Act  
 2 of 1995, interest shall be calculated on the amount of  
 3 employee contributions determined under item (i) above,  
 4 at the rate of 4% per annum, compounded annually, from  
 5 the first date of the period for which credit is being  
 6 established under this subsection (a) to the date of  
 7 payment.

8 (b) A fireman who, at any time during the period 1970  
 9 through 1983, was an employee of the Chicago Fire Department  
 10 but did not participate in any pension fund subject to this  
 11 Code with respect to that employment may establish service  
 12 credit in this Fund for all or any part of that employment by  
 13 making written application to the Board by January 1, 2005  
 14 2000 and paying to this Fund (i) employee contributions based  
 15 upon the actual salary received and the rates in effect for  
 16 members of this Fund at the time of that employment, plus  
 17 (ii) interest thereon calculated at the rate of 4% per annum,  
 18 compounded annually, from the first date of the employment  
 19 for which credit is being established under this subsection  
 20 (b) to the date of payment.

21 (c) A fireman may pay the contributions required for  
 22 service credit under this Section established on or after  
 23 July 14, the-effective-date-of-this-amendatory-Act-of 1995 in  
 24 the form of payroll deductions, in accordance with such  
 25 procedures and limitations as may be established by Board  
 26 rule and any applicable rules or ordinances of the employer.

27 (d) Employer contributions shall be transferred as  
 28 provided in Sections 6-210.2 and 8-172.1. The employer shall  
 29 not be responsible for making any additional employer  
 30 contributions for any credit established under this Section.

31 (Source: P.A. 89-136, eff. 7-14-95.)

32 (40 ILCS 5/6-210.2 new)

33 Sec. 6-210.2. City contributions for paramedics.

1 Municipality credits computed and credited under Article 8  
 2 for all firemen who (1) accumulated service credit in the  
 3 Article 8 fund for service as a paramedic, (2) have  
 4 terminated that Article 8 service credit and received a  
 5 refund of contributions, and (3) are participants in this  
 6 Article 6 fund on the effective date of this amendatory Act  
 7 of the 93rd General Assembly shall be transferred by the  
 8 Article 8 fund to this Fund, together with interest at the  
 9 rate of 11% per annum, compounded annually, to the date of  
 10 the transfer, as provided in Section 8-172.1 of this Code.  
 11 These city contributions shall be credited to the individual  
 12 fireman only if he or she pays for prior service as a  
 13 paramedic in full to this Fund.

14 (40 ILCS 5/6-210.3 new)

15 Sec. 6-210.3. Payments and rollovers.

16 (a) The Board may adopt rules prescribing the manner of  
 17 repaying refunds and purchasing any other credits permitted  
 18 under this Article. The rules may prescribe the manner of  
 19 calculating interest when payments or repayments are made in  
 20 installments.

21 (b) Rollover contributions from other retirement plans  
 22 qualified under the Internal Revenue Code of 1986 may be used  
 23 to purchase any optional credit or repay any refund permitted  
 24 under this Article.

25 (40 ILCS 5/6-211) (from Ch. 108 1/2, par. 6-211)

26 Sec. 6-211. Permanent and temporary positions; exempt  
 27 positions above career service rank.

28 (a) Except as specified in subsection (b), no annuity,  
 29 pension or other benefit shall be paid to a fireman or widow,  
 30 under this Article, based upon any salary paid by virtue of a  
 31 temporary appointment, and, all contributions, annuities and  
 32 benefits shall be related to the salary which attaches to the

1 permanent position of the fireman.

2 Any fireman temporarily serving in a position or rank  
3 other than that to which he has received permanent  
4 appointment shall be considered, while so serving, as though  
5 he were in his permanent position or rank, except that no  
6 increase in any pension, annuity or other benefit hereunder  
7 shall accrue to him by virtue of any service performed by him  
8 subsequent to attaining the compulsory retirement age  
9 provided by law or ordinance.

10 This Section ~~does~~ shall not apply to any person certified  
11 to the fire department by the civil service commission of the  
12 city, during the period of probationary service.

13 A fireman who holds a position at the will of the Fire  
14 Commissioner or other appointing authority, whether or not  
15 such position is an "exempt" position, shall be deemed to  
16 hold a temporary position, ~~and such employee's contributions~~  
17 ~~and benefits shall be based upon the employee's permanent~~  
18 ~~career service salary. The provisions of this paragraph~~  
19 ~~shall be retroactive to January 1, 1976.~~

20 (b) Beginning on the effective date of this amendatory  
21 Act of the 93rd General Assembly, for service in an exempt  
22 position above career service rank, employee contributions  
23 shall be based on the actual full salary attached to the  
24 exempt rank position held by the fireman.

25 For service in an exempt position above career service  
26 rank, benefit computations under this Article shall be based  
27 on the actual full salary attached to the exempt rank  
28 position held by the fireman if and only if:

29 (1) employee contributions have been paid on the  
30 actual full salary attached to the exempt rank position  
31 held by the fireman for all service on or after January  
32 1, 1994 in an exempt position above career service rank;

33 (2) the fireman has held one or more exempt  
34 positions for at least 5 consecutive years (or, in the

1 case of a fireman who retired due to attainment of  
2 compulsory retirement age before December 1, 2003, held  
3 one or more exempt positions for a consecutive period of  
4 at least 3 years and 9 months and made the payment  
5 required under subsection (c) for a period of at least 5  
6 years) and has held the rank of battalion chief or field  
7 officer for at least 5 years (at least 3 years and 9  
8 months in the case of a fireman who retired due to  
9 attainment of compulsory retirement age before December  
10 1, 2003) during the exempt period; and

11 (3) the fireman was born before 1955.

12 (c) For service prior to the effective date of this  
13 amendatory Act of the 93rd General Assembly in an exempt  
14 position above career service rank for which contributions  
15 have been paid only on the salary attached to the fireman's  
16 permanent career service rank, a fireman may make the  
17 contributions required under subsection (b) by paying to the  
18 Fund before the later of the date of retirement or 6 months  
19 after the effective date of this amendatory Act, but in no  
20 event later than July 1, 2005, an amount equal to the  
21 difference between the employee contributions actually made  
22 for that service and the employee contributions that would  
23 have been made based on the actual full salary attached to  
24 the exempt rank position held by the fireman on or after  
25 January 1, 1994, plus interest thereon at the rate of 4% per  
26 year, compounded annually, from the date of the service to  
27 the date of payment (or to the date of retirement if  
28 retirement is before the effective date of this amendatory  
29 Act). In the case of a fireman who retired in an exempt rank  
30 position after January 1, 1994 and before January 1, 1999 and  
31 in the case of a fireman who retired due to attaining  
32 compulsory retirement age before December 1, 2003, the  
33 payment under this subsection (c) shall be for a period of at  
34 least 5 years.

1 If a fireman dies while eligible to make the  
2 contributions required under subsection (b) but before the  
3 contributions are paid, the fireman's widow may elect to make  
4 the contributions.

5 (d) Subsection (e) of Section 6-111 and the changes made  
6 to this Section by this amendatory Act of the 93rd General  
7 Assembly apply to a fireman who retires (or becomes disabled)  
8 on or after January 1, 1994. In the case of a benefit  
9 payable on the effective date of this amendatory Act, the  
10 resulting increase in benefit shall begin to accrue with the  
11 first benefit payment period commencing after the required  
12 contributions are paid.

13 (e) If a fireman or his survivors do not qualify to have  
14 benefits computed on the full amount of salary received for  
15 service in an exempt position as provided in subsection (b),  
16 benefits shall be computed on the basis of the salary  
17 attached to the permanent career service rank, and a refund  
18 of any employee contributions paid on the difference between  
19 the actual salary and the salary attached to the permanent  
20 career service rank shall be payable to the fireman upon  
21 termination of service, or to the fireman's widow or estate  
22 upon the fireman's death.

23 (f) The tax levy computed under Section 6-165 shall be  
24 based on employee contributions, including the payments of  
25 employee contributions under subsections (a), (b), and (c) of  
26 this Section 6-211.

27 (g) The city shall pay to the Fund on an annual basis,  
28 in addition to the usual city contributions, an amount at  
29 least equal to the sum of (1) the increase in normal cost  
30 resulting from subsection (e) of Section 6-111 and the  
31 changes made to this Section by this amendatory Act of the  
32 93rd General Assembly, plus (2) amortization (over a period  
33 of 30 years from the effective date of this amendatory Act)  
34 of the initial unfunded liability resulting from subsection



1 (e) of Section 6-111 and the changes made to this Section by  
2 this amendatory Act of the 93rd General Assembly. The  
3 payment required under this subsection shall be no less than  
4 \$400,000 per year. Payment shall begin with the first  
5 calendar year commencing after the effective date of this  
6 amendatory Act and shall be in addition to the tax levy  
7 otherwise calculated under Section 6-165. The city may  
8 increase that tax levy by the amount of the payment required  
9 under this subsection, or it may utilize any funds  
10 appropriated for this purpose.

11 (Source: P.A. 83-16.)

12 (40 ILCS 5/6-222) (from Ch. 108 1/2, par. 6-222)

13 Sec. 6-222. Administrative review.

14 (a) The provisions of the Administrative Review Law, and  
15 all amendments and modifications thereof and the rules  
16 adopted pursuant thereto shall apply to and govern all  
17 proceedings for the judicial review of final administrative  
18 decisions of the retirement board hereunder. The term  
19 "administrative decision" is as defined in Section 3-101 of  
20 the Code of Civil Procedure.

21 (b) If any fireman whose application for either a duty  
22 disability benefit under Section 6-151 or for an occupational  
23 disease disability benefit under Section 6-151.1 has been  
24 denied by the Retirement Board brings an action for  
25 administrative review challenging the denial of disability  
26 benefits and the fireman prevails in the action in  
27 administrative review, then the prevailing fireman shall be  
28 entitled to recover from the Fund court costs and litigation  
29 expenses, including reasonable attorney's fees, as part of  
30 the costs of the action.

31 (Source: P.A. 82-783.)

32 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

1           Sec. 8-137. Automatic increase in annuity.

2           (a) An employee who retired or retires from service  
3 after December 31, 1959 and before January 1, 1987, having  
4 attained age 60 or more, shall, in January of the year after  
5 the year in which the first anniversary of retirement occurs,  
6 have the amount of his then fixed and payable monthly annuity  
7 increased by 1 1/2%, and such first fixed annuity as granted  
8 at retirement increased by a further 1 1/2% in January of  
9 each year thereafter. Beginning with January of the year  
10 1972, such increases shall be at the rate of 2% in lieu of  
11 the aforesaid specified 1 1/2%, and beginning with January of  
12 the year 1984 such increases shall be at the rate of 3%.  
13 Beginning in January of 1999, such increases shall be at the  
14 rate of 3% of the currently payable monthly annuity,  
15 including any increases previously granted under this  
16 Article. An employee who retires on annuity after December  
17 31, 1959 and before January 1, 1987, but before age 60, shall  
18 receive such increases beginning in January of the year after  
19 the year in which he attains age 60.

20           An employee who retires from service on or after January  
21 1, 1987 shall, upon the first annuity payment date following  
22 the first anniversary of the date of retirement, or upon the  
23 first annuity payment date following attainment of age 60,  
24 whichever occurs later, have his then fixed and payable  
25 monthly annuity increased by 3%, and such annuity shall be  
26 increased by an additional 3% of the original fixed annuity  
27 on the same date each year thereafter. Beginning in January  
28 of 1999, such increases shall be at the rate of 3% of the  
29 currently payable monthly annuity, including any increases  
30 previously granted under this Article.

31           (a-5) Notwithstanding the provisions of subsection (a),  
32 upon the first annuity payment date following (1) the third  
33 anniversary of retirement, (2) the attainment of age 53, or  
34 (3) January 1, 2002, ~~the date 60 days after the effective~~

1 ~~date of this amendatory Act of the 92nd General Assembly,~~  
2 whichever occurs latest, the monthly annuity of an employee  
3 who retires on annuity prior to the attainment of age 60 and  
4 who has not received an increase under subsection (a) shall  
5 be increased by 3%, and the such annuity shall be increased  
6 by an additional 3% of the current payable monthly annuity,  
7 including any such increases previously granted under this  
8 Article, on the same date each year thereafter. The  
9 increases provided under this subsection are in lieu of the  
10 increases provided in subsection (a).

11 (a-6) Notwithstanding the provisions of subsections (a)  
12 and (a-5), for all calendar years following the year in which  
13 this amendatory Act of the 93rd General Assembly takes  
14 effect, an increase in annuity under this Section that would  
15 otherwise take effect at any time during the year shall  
16 instead take effect in January of that year.

17 (b) Subsections (a), and (a-5), and (a-6) are not  
18 applicable to an employee retiring and receiving a term  
19 annuity, as herein defined, nor to any otherwise qualified  
20 employee who retires before he makes employee contributions  
21 (at the 1/2 of 1% rate as provided in this Act) for this  
22 additional annuity for not less than the equivalent of one  
23 full year. Such employee, however, shall make arrangement to  
24 pay to the fund a balance of such 1/2 of 1% contributions,  
25 based on his final salary, as will bring such 1/2 of 1%  
26 contributions, computed without interest, to the equivalent  
27 of or completion of one year's contributions.

28 Beginning with January, 1960, each employee shall  
29 contribute by means of salary deductions 1/2 of 1% of each  
30 salary payment, concurrently with and in addition to the  
31 employee contributions otherwise made for annuity purposes.

32 Each such additional contribution shall be credited to an  
33 account in the prior service annuity reserve, to be used,  
34 together with city contributions, to defray the cost of the

1 specified annuity increments. Any balance in such account at  
2 the beginning of each calendar year shall be credited with  
3 interest at the rate of 3% per annum.

4 Such additional employee contributions are not  
5 refundable, except to an employee who withdraws and applies  
6 for refund under this Article, and in cases where a term  
7 annuity becomes payable. In such cases his contributions  
8 shall be refunded, without interest, and charged to such  
9 account in the prior service annuity reserve.

10 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
11 revised 8-26-02.)

12 (40 ILCS 5/8-138.4 new)

13 Sec. 8-138.4. Early retirement incentive.

14 (a) To be eligible for the benefits provided in this  
15 Section, an employee must:

16 (1) be a current contributor to the Fund who (i) on  
17 October 15, 2003, is in active payroll status as an  
18 employee; (ii) returns to active payroll status from an  
19 approved leave of absence prior to December 15, 2003; or  
20 (iii) on October 15, 2003, is receiving ordinary or duty  
21 disability benefits under Section 8-160 or 8-161;

22 (2) have not previously retired under this Article;

23 (3) file with the Board before December 15, 2003, a  
24 written election requesting the benefits provided in this  
25 Section;

26 (4) withdraw from service on or after December 31,  
27 2003 and on or before January 31, 2004 (or the date  
28 established under subsection (a-5), if applicable); and

29 (5) by the date of withdrawal or by January 31,  
30 2004, whichever is earlier, have attained age 50 with at  
31 least 10 years of creditable service in this Fund,  
32 without including any creditable service established  
33 under this Section, and a total of at least 70 combined

1 years of age and creditable service, without including  
2 any creditable service established under this Section, in  
3 one or more of the participating systems under the  
4 Retirement Systems Reciprocal Act.

5 A person is not eligible for the benefits provided in  
6 this Section if the person (i) elects to receive the  
7 alternative annuity for city officers under Section 8-243.2,  
8 or (ii) elects to receive a retirement annuity calculated  
9 under the alternative formula formerly set forth in Section  
10 20-122.

11 (a-5) To ensure that the efficient operation of  
12 employers under this Article is not jeopardized by the  
13 simultaneous retirement of large numbers of critical  
14 personnel, each employer may, for its critical employees,  
15 extend the January 31, 2004 deadline for terminating  
16 employment under this Article established in subdivision  
17 (a)(4) of this Section to a date not later than April 30,  
18 2004 by so notifying the Fund by December 31, 2003.

19 (b) An eligible employee may establish up to 5 years of  
20 creditable service under this Section, in increments of one  
21 month, by making the contributions specified in subsection  
22 (d). In addition, for each month of creditable service  
23 established under this Section, a person's age at retirement  
24 shall be deemed to be one month older than it actually is,  
25 except for determination of eligibility for automatic annual  
26 increases under Sections 8-137 and 8-137.1. Furthermore, an  
27 eligible employee must establish at least the amount of age  
28 and creditable service necessary to bring his or her age and  
29 total creditable service, including service in this Fund,  
30 service established under this Section, and service in any of  
31 the other participating systems under the Retirement Systems  
32 Reciprocal Act, to a minimum that will satisfy the  
33 requirements of Section 8-138.

34 The creditable service under this Section may be used for

1 all purposes under this Article and the Retirement Systems  
2 Reciprocal Act, except for the computation of average annual  
3 salary and the determination of salary, earnings, or  
4 compensation under this or any other Article of this Code.

5 (c) An eligible employee shall be entitled to have his  
6 or her retirement annuity calculated in accordance with the  
7 formula provided in Section 8-138, except that the annuity  
8 shall not be subject to reduction because of withdrawal or  
9 commencement of the annuity before attainment of age 60.

10 (d) For each month of creditable service established  
11 under this Section, the employee must pay to the Fund an  
12 employee contribution, to be calculated by the Fund, equal to  
13 4.25% of the member's monthly salary rate on October 15,  
14 2003. The employee may elect to pay the entire contribution  
15 before the retirement annuity commences, or to have it  
16 deducted from the annuity over a period not longer than 24  
17 months. If the retired employee dies before the contribution  
18 has been paid in full, the unpaid installments may be  
19 deducted from any annuity or other benefit payable to the  
20 employee's survivors.

21 All employee contributions paid under this Section shall  
22 not be deemed contributions made by employees for annuity  
23 purposes under Section 8-173, and shall be made and credited  
24 to a special reserve, without interest. Employee  
25 contributions paid under this Section may be refunded under  
26 the same terms and conditions as are applicable to other  
27 employee contributions for retirement annuity.

28 (e) Notwithstanding Section 8-165, an annuitant who  
29 reenters service under this Article after receiving a  
30 retirement annuity based on benefits provided under this  
31 Section thereby forfeits the right to continue to receive  
32 those benefits, and shall have his or her retirement annuity  
33 recalculated at the appropriate time without the benefits  
34 provided in this Section.

1 (40 ILCS 5/8-138.5 new)

2 Sec. 8-138.5. Early retirement incentive for employees  
3 who have earned maximum pension benefits.

4 (a) A person who is eligible for the benefits provided  
5 under Section 8-138.4 and who, if he or she had retired on or  
6 before January 31, 2004, would have been entitled to a  
7 pension equal to 80% of his or her highest average annual  
8 salary for any 4 consecutive years within the last 10 years  
9 of service immediately preceding January 31, 2004 without  
10 receiving the benefits provided in Section 8-138.4, may  
11 elect, by filing written election with the Fund by December  
12 15, 2003, to receive a lump sum from the Fund equal to 100%  
13 of his or her salary on January 31, 2004 or the date of  
14 withdrawal, whichever is earlier. To be eligible to receive  
15 the benefit provided under this Section, the person must  
16 withdraw from service on or after December 31, 2003 and on or  
17 before January 31, 2004 (or the date established under  
18 subsection (b), if applicable). If a person elects to  
19 receive the benefit provided under this Section, his or her  
20 retirement annuity otherwise payable under Section 8-138  
21 shall be reduced by an amount equal to the actuarial  
22 equivalent of the lump sum.

23 (b) To ensure that the efficient operation of employers  
24 under this Article is not jeopardized by the simultaneous  
25 retirement of large numbers of critical personnel, each  
26 employer may, for its critical employees, extend the January  
27 31, 2004 deadline for terminating employment under this  
28 Article established in subdivision (a) of this Section to a  
29 date not later than April 30, 2004 by so notifying the Fund  
30 by December 31, 2003.

31 (40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

32 Sec. 8-150.1. Minimum annuities for widows. The widow  
33 (otherwise eligible for widow's annuity under other Sections

1 of this Article 8) of an employee hereinafter described, who  
2 retires from service or dies while in the service subsequent  
3 to the effective date of this amendatory provision, and for  
4 which widow the amount of widow's annuity and widow's prior  
5 service annuity combined, fixed or provided for such widow  
6 under other provisions of this Article is less than the  
7 amount provided in this Section, shall, from and after the  
8 date her otherwise provided annuity would begin, in lieu of  
9 such otherwise provided widow's and widow's prior service  
10 annuity, be entitled to the following indicated amount of  
11 annuity:

12 (a) The widow of any employee who dies while in service  
13 on or after the date on which he attains age 60 if the death  
14 occurs before July 1, 1990, or on or after the date on which  
15 he attains age 55 if the death occurs on or after July 1,  
16 1990, with at least 20 years of service, or on or after the  
17 date on which he attains age 50 if the death occurs on or  
18 after the effective date of this amendatory Act of 1997 with  
19 at least 30 years of service, shall be entitled to an annuity  
20 equal to one-half of the amount of annuity which her deceased  
21 husband would have been entitled to receive had he withdrawn  
22 from the service on the day immediately preceding the date of  
23 his death, conditional upon such widow having attained the  
24 age of 60 or more years on such date if the death occurs  
25 before July 1, 1990, or age 55 or more if the death occurs on  
26 or after July 1, 1990, or age 50 or more if the death occurs  
27 on or after January 1, 1998 and the employee is age 50 or  
28 over with at least 30 years of service or age 55 or over with  
29 at least 25 years of service. Except as provided in  
30 subsection (k), this widow's annuity shall not, however,  
31 exceed the sum of \$500 a month if the employee's death in  
32 service occurs before January 23, 1987. The widow's annuity  
33 shall not be limited to a maximum dollar amount if the  
34 employee's death in service occurs on or after January 23,



1 1987.

2 If the employee dies in service before July 1, 1990, and  
3 if such widow of such described employee shall not be 60 or  
4 more years of age on such date of death, the amount provided  
5 in the immediately preceding paragraph for a widow 60 or more  
6 years of age, shall, in the case of such younger widow, be  
7 reduced by 0.25% for each month that her then attained age is  
8 less than 60 years if the employee was born before January 1,  
9 1936 or dies in service on or after January 1, 1988, or by  
10 0.5% for each month that her then attained age is less than  
11 60 years if the employee was born on or after July 1, 1936  
12 and dies in service before January 1, 1988.

13 If the employee dies in service on or after July 1, 1990,  
14 and if the widow of the employee has not attained age 55 on  
15 or before the employee's date of death, the amount otherwise  
16 provided in this subsection (a) shall be reduced by 0.25% for  
17 each month that her then attained age is less than 55 years;  
18 except that if the employee dies in service on or after  
19 January 1, 1998 at age 50 or over with at least 30 years of  
20 service or at age 55 or over with at least 25 years of  
21 service, there shall be no reduction due to the widow's age  
22 if she has attained age 50 on or before the employee's date  
23 of death, and if the widow has not attained age 50 on or  
24 before the employee's date of death the amount otherwise  
25 provided in this subsection (a) shall be reduced by 0.25% for  
26 each month that her then attained age is less than 50 years.

27 (b) The widow of any employee who dies subsequent to the  
28 date of his retirement on annuity, and who so retired on or  
29 after the date on which he attained the age of 60 or more  
30 years if retirement occurs before July 1, 1990, or on or  
31 after the date on which he attained age 55 if retirement  
32 occurs on or after July 1, 1990, with at least 20 years of  
33 service, or on or after the date on which he attained age 50  
34 if the retirement occurs on or after the effective date of

1 this amendatory Act of 1997 with at least 30 years of  
2 service, shall be entitled to an annuity equal to one-half of  
3 the amount of annuity which her deceased husband received as  
4 of the date of his retirement on annuity, conditional upon  
5 such widow having attained the age of 60 or more years on the  
6 date of her husband's retirement on annuity if retirement  
7 occurs before July 1, 1990, or age 55 or more if retirement  
8 occurs on or after July 1, 1990, or age 50 or more if the  
9 retirement on annuity occurs on or after January 1, 1998 and  
10 the employee is age 50 or over with at least 30 years of  
11 service or age 55 or over with at least 25 years of service.  
12 Except as provided in subsection (k), this widow's annuity  
13 shall not, however, exceed the sum of \$500 a month if the  
14 employee's death occurs before January 23, 1987. The widow's  
15 annuity shall not be limited to a maximum dollar amount if  
16 the employee's death occurs on or after January 23, 1987,  
17 regardless of the date of retirement; provided that, if  
18 retirement was before January 23, 1987, the employee or  
19 eligible spouse repays the excess spouse refund with interest  
20 at the effective rate from the date of refund to the date of  
21 repayment.

22 If the date of the employee's retirement on annuity is  
23 before July 1, 1990, and if such widow of such described  
24 employee shall not have attained such age of 60 or more years  
25 on such date of her husband's retirement on annuity, the  
26 amount provided in the immediately preceding paragraph for a  
27 widow 60 or more years of age on the date of her husband's  
28 retirement on annuity, shall, in the case of such then  
29 younger widow, be reduced by 0.25% for each month that her  
30 then attained age was less than 60 years if the employee was  
31 born before January 1, 1936 or withdraws from service on or  
32 after January 1, 1988, or by 0.5% for each month that her  
33 then attained age is less than 60 years if the employee was  
34 born on or after January 1, 1936 and withdraws from service

1 before January 1, 1988.

2 If the date of the employee's retirement on annuity is on  
3 or after July 1, 1990, and if the widow of the employee has  
4 not attained age 55 by the date of the employee's retirement  
5 on annuity, the amount otherwise provided in this subsection  
6 (b) shall be reduced by 0.25% for each month that her then  
7 attained age is less than 55 years; except that if the  
8 employee retires on annuity on or after January 1, 1998 at  
9 age 50 or over with at least 30 years of service or at age 55  
10 or over with at least 25 years of service, there shall be no  
11 reduction due to the widow's age if she has attained age 50  
12 on or before the employee's date of death, and if the widow  
13 has not attained age 50 on or before the employee's date of  
14 death the amount otherwise provided in this subsection (b)  
15 shall be reduced by 0.25% for each month that her then  
16 attained age is less than 50 years.

17 (c) The foregoing provisions relating to minimum  
18 annuities for widows shall not apply to the widow of any  
19 former municipal employee receiving an annuity from the fund  
20 on August 9, 1965 or on the effective date of this amendatory  
21 provision, who re-enters service as a municipal employee,  
22 unless such employee renders at least 3 years of additional  
23 service after the date of re-entry.

24 (d) In computing the amount of annuity which the husband  
25 specified in the foregoing paragraphs (a) and (b) of this  
26 Section would have been entitled to receive, or received,  
27 such amount shall be the annuity to which such husband would  
28 have been, or was entitled, before reduction in the amount of  
29 his annuity for the purposes of the voluntary optional  
30 reversionary annuity provided for in Section 8-139 of this  
31 Article, if such option was elected.

32 (e) (Blank).

33 (f) (Blank).

34 (g) The amendatory provisions of this amendatory Act of

1 1985 relating to annuity discount because of age for widows  
2 of employees born before January 1, 1936, shall apply only to  
3 qualifying widows of employees withdrawing or dying in  
4 service on or after July 18, 1985.

5 (h) Beginning on January 1, 1999, the minimum amount of  
6 widow's annuity shall be \$800 per month for life for the  
7 following classes of widows, without regard to the fact that  
8 the death of the employee occurred prior to the effective  
9 date of this amendatory Act of 1998:

10 (1) any widow annuitant alive and receiving a life  
11 annuity on the effective date of this amendatory Act of  
12 1998, except a reciprocal annuity;

13 (2) any widow annuitant alive and receiving a term  
14 annuity on the effective date of this amendatory Act of  
15 1998, except a reciprocal annuity;

16 (3) any widow annuitant alive and receiving a  
17 reciprocal annuity on the effective date of this  
18 amendatory Act of 1998, whose employee spouse's service  
19 in this fund was at least 5 years;

20 (4) the widow of an employee with at least 10 years  
21 of service in this fund who dies after retirement, if the  
22 retirement occurred prior to the effective date of this  
23 amendatory Act of 1998;

24 (5) the widow of an employee with at least 10 years  
25 of service in this fund who dies after retirement, if  
26 withdrawal occurs on or after the effective date of this  
27 amendatory Act of 1998;

28 (6) the widow of an employee who dies in service  
29 with at least 5 years of service in this fund, if the  
30 death in service occurs on or after the effective date of  
31 this amendatory Act of 1998.

32 The increases granted under items (1), (2), (3) and (4)  
33 of this subsection (h) shall not be limited by any other  
34 Section of this Act.

1           (i) The widow of an employee who retired or died in  
2 service on or after January 1, 1985 and before July 1, 1990,  
3 at age 55 or older, and with at least 35 years of service  
4 credit, shall be entitled to have her widow's annuity  
5 increased, effective January 1, 1991, to an amount equal to  
6 50% of the retirement annuity that the deceased employee  
7 received on the date of retirement, or would have been  
8 eligible to receive if he had retired on the day preceding  
9 the date of his death in service, provided that if the widow  
10 had not attained age 60 by the date of the employee's  
11 retirement or death in service, the amount of the annuity  
12 shall be reduced by 0.25% for each month that her then  
13 attained age was less than age 60 if the employee's  
14 retirement or death in service occurred on or after January  
15 1, 1988, or by 0.5% for each month that her attained age is  
16 less than age 60 if the employee's retirement or death in  
17 service occurred prior to January 1, 1988. However, in cases  
18 where a refund of excess contributions for widow's annuity  
19 has been paid by the Fund, the increase in benefit provided  
20 by this subsection (i) shall be contingent upon repayment of  
21 the refund to the Fund with interest at the effective rate  
22 from the date of refund to the date of payment.

23           (j) If a deceased employee is receiving a retirement  
24 annuity at the time of death and that death occurs on or  
25 after June 27, 1997, the widow may elect to receive, in lieu  
26 of any other annuity provided under this Article, 50% of the  
27 deceased employee's retirement annuity at the time of death  
28 reduced by 0.25% for each month that the widow's age on the  
29 date of death is less than 55; except that if the employee  
30 dies on or after January 1, 1998 and withdrew from service on  
31 or after June 27, 1997 at age 50 or over with at least 30  
32 years of service or at age 55 or over with at least 25 years  
33 of service, there shall be no reduction due to the widow's  
34 age if she has attained age 50 on or before the employee's

1 date of death, and if the widow has not attained age 50 on or  
2 before the employee's date of death the amount otherwise  
3 provided in this subsection (j) shall be reduced by 0.25% for  
4 each month that her age on the date of death is less than 50  
5 years. However, in cases where a refund of excess  
6 contributions for widow's annuity has been paid by the Fund,  
7 the benefit provided by this subsection (j) is contingent  
8 upon repayment of the refund to the Fund with interest at the  
9 effective rate from the date of refund to the date of  
10 payment.

11 (k) For widows of employees who died before January 23,  
12 1987 after retirement on annuity or in service, the maximum  
13 dollar amount limitation on widow's annuity shall cease to  
14 apply, beginning with the first annuity payment after the  
15 effective date of this amendatory Act of 1997; except that if  
16 a refund of excess contributions for widow's annuity has been  
17 paid by the Fund, the increase resulting from this subsection  
18 (k) shall not begin before the refund has been repaid to the  
19 Fund, together with interest at the effective rate from the  
20 date of the refund to the date of repayment.

21 (l) In lieu of any other annuity provided in this  
22 Article, an eligible spouse of an employee who dies in  
23 service on or after January 1, 2002 (regardless of whether  
24 that death in service occurs prior to at-least-60-days--after  
25 the effective date of this amendatory Act of the 93rd 92nd  
26 General Assembly) with at least 10 years of service shall be  
27 entitled to an annuity of 50% of the minimum formula annuity  
28 earned and accrued to the credit of the employee at the date  
29 of death. For the purposes of this subsection, the minimum  
30 formula annuity earned and accrued to the credit of the  
31 employee is equal to 2.40% for each year of service of the  
32 highest average annual salary for any 4 consecutive years  
33 within the last 10 years of service immediately preceding the  
34 date of death, up to a maximum of 80% of the highest average

1 annual salary. This annuity shall not be reduced due to the  
 2 age of the employee or spouse. In addition to any other  
 3 eligibility requirements under this Article, the spouse is  
 4 eligible for this annuity only if the marriage was in effect  
 5 for 10 full years or more.

6 (Source: P.A. 92-599, eff. 6-28-02.)

7 (40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

8 Sec. 8-167. Restoration of rights. An employee who has  
 9 withdrawn as a refund the amounts credited for annuity  
 10 purposes, and who (i) re-enters service of the employer and  
 11 serves for periods comprising at least 90 days 2-years after  
 12 the date of the last refund paid to him or (ii) has completed  
 13 at least 2 years of service under a participating system (as  
 14 defined in the Retirement Systems Reciprocal Act) other than  
 15 this Fund after the date of the last refund, shall have his  
 16 annuity rights restored by compliance with the following  
 17 provisions:

18 (a) After that 90 day or such 2 year period, whichever  
 19 applies, he shall repay in full to the fund, while in  
 20 service, ~~in-full~~ all refunds received, together with interest  
 21 at the effective rate from the dates of refund to the date of  
 22 repayment. ~~;-or~~

23 (b) If payment is not made in a single sum, the  
 24 repayment may be made in installments by deductions from  
 25 salary or otherwise in such manner and amounts and manner as  
 26 the board, by rule, may prescribe, with interest at the  
 27 effective rate accruing on unpaid balances. ~~;-or~~

28 (c) If the employee withdraws from service or dies in  
 29 service before full repayment is made, service credit shall  
 30 be restored in accordance with Section 8-230.3(b).

31 (d) If the employee repays the refund while  
 32 participating in a participating system (as defined in the  
 33 Retirement Systems Reciprocal Act) other than this Fund, the

1 service credit restored must be used for a proportional  
2 annuity calculated in accordance with the Retirement Systems  
3 Reciprocal Act. If not so used, the restored service credit  
4 shall be forfeited and the amount of the repayment shall be  
5 refunded, without interest. ~~such rights shall not be~~  
6 ~~restored, but the amount, including interest, repaid by him,~~  
7 ~~but without any further interest otherwise normally credited,~~  
8 ~~shall be refunded to him or to his widow, or in the manner~~  
9 ~~provided by the refund provisions of this Article if no widow~~  
10 ~~survives.~~

11 This Section applies also to any person who received a  
12 refund from any annuity and benefit fund or pension fund  
13 which was merged into and superseded by the annuity and  
14 benefit fund provided for in this Article on or after  
15 December 31, 1959. Upon repayment such person shall receive  
16 credit for all annuity purposes in the annuity and benefit  
17 fund provided for in this Article for the period of service  
18 covered by the repayment such refund.

19 The amount of refund repayment is considered as salary  
20 deductions for age and service annuity and widow's annuity  
21 purposes in the case of a male person. In the latter case the  
22 amount of refund repayment is allocated in the applicable  
23 proportion for age and service and widow's annuity purposes.  
24 Such person shall also be credited with city contributions  
25 for age and service annuity, and widow's annuity if a male  
26 employee, in the amount which would have been credited and  
27 accrued if such person had been a participant in and  
28 contributor to the annuity and benefit fund provided for in  
29 this Article during the period of such service on the basis  
30 of his salary during such period.

31 (Source: P.A. 81-1536.)

32 (40 ILCS 5/8-172) (from Ch. 108 1/2, par. 8-172)

33 Sec. 8-172. Refunds - Transfer of city contributions.



1 Whenever any amount is refunded as provided in Sections 8-168  
 2 and 8-169, except in the case of a male employee who becomes  
 3 a widower while in service after he becomes age 65, the  
 4 amounts to the credit of the male employee from contributions  
 5 by the city, shall be transferred to the prior service  
 6 annuity reserve. Thereafter, except as otherwise provided in  
 7 Section 8-172.1, any such amounts shall become a credit to  
 8 the city and, with interest thereon at the effective rate, be  
 9 used to reduce the amount which the city would otherwise pay  
 10 during a succeeding year.

11 (Source: Laws 1963, p. 161.)

12 (40 ILCS 5/8-172.1 new)

13 Sec. 8-172.1. Transfer of city contributions for  
 14 paramedics.

15 (a) Municipality credits computed and credited under  
 16 this Article 8 for all persons who (1) accumulated service  
 17 credit in this Article 8 fund for service as a paramedic, (2)  
 18 have terminated that Article 8 service credit and received a  
 19 refund of contributions, and (3) are participants in the  
 20 Article 6 fund on the effective date of this amendatory Act  
 21 of the 93rd General Assembly shall be transferred by this  
 22 Article 8 fund to the Article 6 fund together with interest  
 23 at the rate of 11% per annum, compounded annually, to the  
 24 date of transfer. The city shall not be responsible for  
 25 making any additional employer contributions to the Fund to  
 26 replace the amounts transferred under this Section.

27 (b) Municipality credits computed and credited under  
 28 this Article 8 for all persons who (1) accumulated service  
 29 credit in this Article 8 fund for service as a paramedic, (2)  
 30 have terminated that Article 8 service credit and received a  
 31 refund of contributions, and (3) are not participants in the  
 32 Article 6 fund on the effective date of this amendatory Act  
 33 of the 93rd General Assembly shall be used as provided in

1 Section 8-172.

2 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

3 Sec. 8-174. Contributions for age and service annuities  
4 for present employees and future entrants. (a) Beginning on  
5 the effective date and prior to July 1, 1947, 3 1/4%; and  
6 beginning on July 1, 1947 and prior to July 1, 1953, 5%; and  
7 beginning July 1, 1953, and prior to January 1, 1972, 6%; and  
8 beginning January 1, 1972, 6-1/2% of each payment of the  
9 salary of each present employee and future entrant shall be  
10 contributed to the fund as a deduction from salary for age  
11 and service annuity.

12 Such deductions beginning on the effective date and prior  
13 to July 1, 1947 shall be made for a future entrant while he  
14 is in the service until he attains age 65 and for a present  
15 employee while he is in the service until the amount so  
16 deducted from his salary with the amount deducted from his  
17 salary or paid by him according to law to any municipal  
18 pension fund in force on the effective date with interest on  
19 both such amounts at 4% per annum equals the sum that would  
20 have been to his credit from sums deducted from his salary if  
21 deductions at the rate herein stated had been made during his  
22 entire service until he attained age 65 with interest at 4%  
23 per annum for the period subsequent to his attainment of age  
24 65. Such deductions beginning July 1, 1947 shall be made and  
25 continued for employees while in the service.

26 (b) Concurrently with each employee contribution  
27 beginning on the effective date and prior to July 1, 1947 the  
28 city shall contribute 5 3/4%; and beginning on July 1, 1947  
29 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6%  
30 of each payment of such salary until the employee attains age  
31 65. Notwithstanding any provision of this subsection (b) to  
32 the contrary, the city shall not make a contribution for any  
33 credit established by an employee under subsection (b) of

1 Section 8-138.4.

2 (c) Each employee contribution made prior to the date  
3 the age and service annuity for an employee is fixed and each  
4 corresponding city contribution shall be credited to the  
5 employee and allocated to the account of the employee for  
6 whose benefit it is made.

7 (Source: P.A. 81-1536.)

8 (40 ILCS 5/8-174.1) (from Ch. 108 1/2, par. 8-174.1)

9 Sec. 8-174.1. Employer contributions on behalf of  
10 employees.

11 (a) The employer may make and may incur an obligation to  
12 make contributions on behalf of its employees in an amount  
13 not to exceed the employee contributions required by Sections  
14 8-137, 8-161, 8-174, 8-182 and 8-182.1 for all salary earned  
15 after December 31, 1981. If such employee contributions are  
16 not made or an obligation to make such contributions is not  
17 incurred by the employer on behalf of its employees, the  
18 amount that could have been contributed shall continue to be  
19 deducted from salary. If employee contributions are made by  
20 the employer on behalf of its employees, they shall be  
21 treated as employer contributions in determining tax  
22 treatment under the United States Internal Revenue Code;  
23 however, each city shall continue to withhold Federal and  
24 State income taxes based upon these contributions until the  
25 Internal Revenue Service or the Federal courts rule that  
26 pursuant to Section 414(h) of the United States Internal  
27 Revenue Code, these contributions shall not be included as  
28 gross income of the employee until such time as they are  
29 distributed or made available. The employer may make these  
30 contributions on behalf of its employees by a reduction in  
31 the cash salary of the employee or by an offset against a  
32 future salary increase or by a combination of a reduction in  
33 salary and offset against a future salary increase. The

1 employer shall pay these employee contributions from the same  
2 source of funds used in paying salary to the employee or, if  
3 the employer is a Board of Education, it may also or  
4 alternatively pay such contributions in whole or in part from  
5 the proceeds of the pension contribution liability tax  
6 authorized by Section 34-60.1 of the School Code, as amended.  
7 If such a tax is levied with respect to any fiscal year of a  
8 Board of Education, that portion of the contributions to be  
9 paid by the Board of Education on behalf of its employees for  
10 that fiscal year from the proceeds of such a tax shall not be  
11 due and payable into the Fund until the collection, in the  
12 calendar year following the calendar year in which such levy  
13 was made, of the actual tax bills extending the second  
14 installment of real estate taxes for the Board of Education  
15 for that calendar year, pursuant to Section 21-30 of the  
16 Property Tax Code, and such Board of Education shall not be  
17 required to pay those contributions to be paid from the  
18 proceeds of such a tax into the Fund except as collected from  
19 the extension of the actual tax bills. If employee  
20 contributions are made by the employer on behalf of its  
21 employees, they shall be treated for all purposes of this  
22 Article 8, including Section 8-173, in the same manner and to  
23 the same extent as employee contributions made by employees  
24 and deducted from salary; provided, however, that  
25 contributions which are made by a Board of Education on  
26 behalf of its employees shall not be treated as a pension or  
27 retirement obligation of the Board of Education for purposes  
28 of Section 12 of "An Act in relation to State revenue sharing  
29 with local governmental entities", approved July 31, 1969, as  
30 amended. For purposes of Section 8-173, contributions made  
31 by a Board of Education on behalf of its employees shall be  
32 treated as contributions made by or on behalf of employees to  
33 the Fund for the fiscal year for which the Board of Education  
34 incurred the obligation to make such contributions.

1       (b) Subject to the requirements of federal law and the  
2 rules of the Board, the Fund may allow the employee to elect  
3 to have the employer make on behalf of the employee the  
4 optional contributions that the employee has elected to pay  
5 to the Fund, and the contributions so made on the employee's  
6 behalf shall be treated as employer contributions for the  
7 purpose of determining federal tax treatment. The employer  
8 shall make contributions on behalf of an employee by a  
9 reduction in the cash salary of the employee and shall pay  
10 contributions from the same source of funds that is used to  
11 pay earnings of the employee. The election to have the  
12 contributions made on the employee's behalf is irrevocable,  
13 and the optional contributions may not thereafter be prepaid,  
14 by direct payment or otherwise.

15       If the provision authorizing the optional contribution  
16 requires payment by a stated date (rather than the date of  
17 withdrawal or retirement), the requirement will be deemed to  
18 have been satisfied if (i) on or before the stated date the  
19 employee executes a valid irrevocable election to have the  
20 contributions made on his or her behalf under this  
21 subsection, and (ii) the contributions made on his or her  
22 behalf are in fact paid to the Fund as provided in the  
23 election.

24       If employee contributions are made by the employer on the  
25 employee's behalf under this subsection, they shall be  
26 treated for all purposes of this Article 8, including Section  
27 8-173, in the same manner and to the same extent as optional  
28 employee contributions made prior to the date made on the  
29 employee's behalf.

30       (Source: P.A. 88-670, eff. 12-2-94.)

31       (40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

32       Sec. 8-192. Board created. A board of 5 members shall  
33 constitute a Board of Trustees authorized to carry out the

1 provisions of this Article. The board shall be known as the  
2 Retirement Board of the Municipal Employees', Officers', and  
3 Officials' Annuity and Benefit Fund of the city, or for the  
4 sake of brevity may also be known and referred to as the  
5 Retirement Board of the Municipal Employees' Annuity and  
6 Benefit Fund of such city. The board shall consist of the  
7 city comptroller, the city treasurer, and 3 members who shall  
8 be employees, to be elected as follows:

9       Within 30 days after the effective date, the mayor of the  
10 city shall arrange for and hold an election.

11       One employee shall be elected for a term ending on the  
12 first day in the month of December of the first year next  
13 following the effective date; one for a term ending December  
14 1st of the following year; and one for a term ending on  
15 December 1st of the second following year.

16       The city comptroller, with the approval of the board, may  
17 appoint a designee from among employees of the city who are  
18 versed in the affairs of the comptroller's office to act in  
19 the absence of the comptroller on all matters pertaining to  
20 administering the provisions of this Article.

21       The members of a Retirement Board of a municipal  
22 employees', officers', and officials' annuity and benefit  
23 fund holding office in a city at the time this Article  
24 becomes effective, including elective and ex-officio members,  
25 shall continue in office until the expiration of their terms  
26 and until their respective successors are elected or  
27 appointed and have qualified.

28       An employee member who takes advantage of the early  
29 retirement incentives provided under this amendatory Act of  
30 the 93rd General Assembly may continue as a member until the  
31 end of his or her term.

32 (Source: P.A. 85-964.)

33 (40 ILCS 5/11-133.3 new)

1       Sec. 11-133.3. Early retirement incentive.

2       (a) To be eligible for the benefits provided in this  
3 Section, an employee must:

4           (1) be a current contributor to the Fund who (i) on  
5 October 15, 2003, is in active payroll status as an  
6 employee; (ii) returns to active payroll status from an  
7 approved leave of absence prior to December 15, 2003; or  
8 (iii) on October 15, 2003, is receiving ordinary or duty  
9 disability benefits under Section 11-155 or 11-156;

10          (2) have not previously retired under this Article;

11          (3) file with the Board before December 15, 2003, a  
12 written election requesting the benefits provided in this  
13 Section;

14          (4) withdraw from service on or after December 31,  
15 2003 and on or before January 31, 2004 (or the date  
16 established under subsection (a-5), if applicable); and

17          (5) by the date of withdrawal or by January 31,  
18 2004, whichever is earlier, have attained age 50 with at  
19 least 10 years of creditable service in this Fund,  
20 without including any creditable service established  
21 under this Section, and a total of at least 70 combined  
22 years of age and creditable service, without including  
23 any creditable service established under this Section, in  
24 one or more of the participating systems under the  
25 Retirement Systems Reciprocal Act.

26       A person is not eligible for the benefits provided in  
27 this Section if the person elects to receive a retirement  
28 annuity calculated under the alternative formula formerly set  
29 forth in Section 20-122.

30       (a-5) To ensure that the efficient operation of  
31 employers under this Article is not jeopardized by the  
32 simultaneous retirement of large numbers of critical  
33 personnel, each employer may, for its critical employees,  
34 extend the January 31, 2004 deadline for terminating

1 employment under this Article established in subdivision  
2 (a)(4) of this Section to a date not later than April 30,  
3 2004 by so notifying the Fund by December 31, 2003.

4 (b) An eligible employee may establish up to 5 years of  
5 creditable service under this Section, in increments of one  
6 month, by making the contributions specified in subsection  
7 (d). In addition, for each month of creditable service  
8 established under this Section, a person's age at retirement  
9 shall be deemed to be one month older than it actually is,  
10 except for determination of eligibility for automatic annual  
11 increases under Sections 11-134.1 and 11-134.3. Furthermore,  
12 an eligible employee must establish at least the amount of  
13 age and creditable service necessary to bring his or her age  
14 and total creditable service, including service in this Fund,  
15 service established under this Section, and service in any of  
16 the other participating systems under the Retirement Systems  
17 Reciprocal Act, to a minimum that will satisfy the  
18 requirements of Section 11-134.

19 The creditable service under this Section may be used for  
20 all purposes under this Article and the Retirement Systems  
21 Reciprocal Act, except for the computation of average annual  
22 salary and the determination of salary, earnings, or  
23 compensation under this or any other Article of this Code.

24 (c) An eligible employee shall be entitled to have his  
25 or her retirement annuity calculated in accordance with the  
26 formula provided in Section 11-134, except that the annuity  
27 shall not be subject to reduction because of withdrawal or  
28 commencement of the annuity before attainment of age 60.

29 (d) For each month of creditable service established  
30 under this Section, the employee must pay to the Fund an  
31 employee contribution, to be calculated by the Fund, equal to  
32 4.25% of the member's monthly salary rate on October 15,  
33 2003. The employee may elect to pay the entire contribution  
34 before the retirement annuity commences, or to have it



1 deducted from the annuity over a period not longer than 24  
2 months. If the retired employee dies before the contribution  
3 has been paid in full, the unpaid installments may be  
4 deducted from any annuity or other benefit payable to the  
5 employee's survivors.

6 All employee contributions paid under this Section shall  
7 not be deemed contributions made by employees for annuity  
8 purposes under Section 11-169, and shall be made and credited  
9 to a special reserve, without interest. Employee  
10 contributions paid under this Section may be refunded under  
11 the same terms and conditions as are applicable to other  
12 employee contributions for retirement annuity.

13 (e) Notwithstanding Section 11-161, an annuitant who  
14 reenters service under this Article after receiving a  
15 retirement annuity based on benefits provided under this  
16 Section thereby forfeits the right to continue to receive  
17 those benefits, and shall have his or her retirement annuity  
18 recalculated at the appropriate time without the benefits  
19 provided in this Section.

20 (40 ILCS 5/11-133.4 new)

21 Sec. 11-133.4. Early retirement incentive for employees  
22 who have earned maximum pension benefits.

23 (a) A person who is eligible for the benefits provided  
24 under Section 11-133.3 and who, if he or she had retired on  
25 or before January 31, 2004, would have been entitled to a  
26 pension equal to 80% of his or her highest average annual  
27 salary for any 4 consecutive years within the last 10 years  
28 of service immediately preceding January 31, 2004 without  
29 receiving the benefits provided in Section 11-133.3, may  
30 elect, by filing a written election with the Fund by December  
31 15, 2003, to receive a lump sum from the Fund equal to 100%  
32 of his or her salary on January 31, 2004 or the date of  
33 withdrawal, whichever is earlier. To be eligible to receive

1 the benefit provided under this Section, the person must  
2 withdraw from service on or after December 31, 2003 and on or  
3 before January 31, 2004 (or the date established under  
4 subsection (b), if applicable). If a person elects to  
5 receive the benefit provided under this Section, his or her  
6 retirement annuity otherwise payable under Section 11-134  
7 shall be reduced by an amount equal to the actuarial  
8 equivalent of the lump sum.

9 (b) To ensure that the efficient operation of employers  
10 under this Article is not jeopardized by the simultaneous  
11 retirement of large numbers of critical personnel, each  
12 employer may, for its critical employees, extend the January  
13 31, 2004 deadline for terminating employment under this  
14 Article established in subdivision (a) of this Section to a  
15 date not later than April 30, 2004 by so notifying the Fund  
16 by December 31, 2003.

17 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)  
18 Sec. 11-134.1. Automatic increase in annuity.

19 (a) An employee who retired or retires from service  
20 after December 31, 1963, and before January 1, 1987, having  
21 attained age 60 or more, shall, in the month of January of  
22 the year following the year in which the first anniversary of  
23 retirement occurs, have the amount of his then fixed and  
24 payable monthly annuity increased by 1 1/2%, and such first  
25 fixed annuity as granted at retirement increased by a further  
26 1 1/2% in January of each year thereafter. Beginning with  
27 January of the year 1972, such increases shall be at the rate  
28 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning  
29 January, 1984, such increases shall be at the rate of 3%.  
30 Beginning in January of 1999, such increases shall be at the  
31 rate of 3% of the currently payable monthly annuity,  
32 including any increases previously granted under this  
33 Article. An employee who retires on annuity after December

1 31, 1963 and before January 1, 1987, but prior to age 60,  
2 shall receive such increases beginning with January of the  
3 year immediately following the year in which he attains the  
4 age of 60 years.

5 An employee who retires from service on or after January  
6 1, 1987 shall, upon the first annuity payment date following  
7 the first anniversary of the date of retirement, or upon the  
8 first annuity payment date following attainment of age 60,  
9 whichever occurs later, have his then fixed and payable  
10 monthly annuity increased by 3%, and such annuity shall be  
11 increased by an additional 3% of the original fixed annuity  
12 on the same date each year thereafter. Beginning in January  
13 of 1999, such increases shall be at the rate of 3% of the  
14 currently payable monthly annuity, including any increases  
15 previously granted under this Article.

16 (a-5) Notwithstanding the provisions of subsection (a),  
17 upon the first annuity payment date following (1) the third  
18 anniversary of retirement, (2) the attainment of age 53, or  
19 (3) January 1, 2002, ~~the date 60 days after the effective~~  
20 ~~date of this amendatory Act of the 92nd General Assembly,~~  
21 whichever occurs latest, the monthly annuity of an employee  
22 who retires on annuity prior to the attainment of age 60 and  
23 who has not received an increase under subsection (a) shall  
24 be increased by 3%, and the such annuity shall be increased  
25 by an additional 3% of the current payable monthly annuity,  
26 including any such increases previously granted under this  
27 Article, on the same date each year thereafter. The  
28 increases provided under this subsection are in lieu of the  
29 increases provided in subsection (a).

30 (a-6) Notwithstanding the provisions of subsections (a)  
31 and (a-5), for all calendar years following the year in which  
32 this amendatory Act of the 93rd General Assembly takes  
33 effect, an increase in annuity under this Section that would  
34 otherwise take effect at any time during the year shall

1 instead take effect in January of that year.

2 (b) Subsections (a), and (a-5), and (a-6) are not  
3 applicable to an employee retiring and receiving a term  
4 annuity, as defined in this Article, nor to any otherwise  
5 qualified employee who retires before he shall have made  
6 employee contributions (at the 1/2 of 1% rate as hereinafter  
7 provided) for the purposes of this additional annuity for not  
8 less than the equivalent of one full year. Such employee,  
9 however, shall make arrangement to pay to the fund a balance  
10 of such 1/2 of 1% contributions, based on his final salary,  
11 as will bring such 1/2 of 1% contributions, computed without  
12 interest, to the equivalent of or completion of one year's  
13 contributions.

14 Beginning with the month of January, 1964, each employee  
15 shall contribute by means of salary deductions 1/2 of 1% of  
16 each salary payment, concurrently with and in addition to the  
17 employee contributions otherwise made for annuity purposes.

18 Each such additional employee contribution shall be  
19 credited to an account in the prior service annuity reserve,  
20 to be used, together with city contributions, to defray the  
21 cost of the specified annuity increments. Any balance as of  
22 the beginning of each calendar year existing in such account  
23 shall be credited with interest at the rate of 3% per annum.

24 Such employee contributions shall not be subject to  
25 refund, except to an employee who resigns or is discharged  
26 and applies for refund under this Article, and also in cases  
27 where a term annuity becomes payable.

28 In such cases the employee contributions shall be  
29 refunded him, without interest, and charged to the  
30 aforementioned account in the prior service annuity reserve.

31 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
32 revised 8-26-02.)

33 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

1           Sec. 11-145.1. Minimum annuities for widows.

2           The widow otherwise eligible for widow's annuity under  
3 other Sections of this Article 11, of an employee hereinafter  
4 described, who retires from service or dies while in the  
5 service subsequent to the effective date of this amendatory  
6 provision, and for which widow the amount of widow's annuity  
7 and widow's prior service annuity combined, fixed or provided  
8 for such widow under other provisions of said Article 11 is  
9 less than the amount hereinafter provided in this section,  
10 shall, from and after the date her otherwise provided annuity  
11 would begin, in lieu of such otherwise provided widow's and  
12 widow's prior service annuity, be entitled to the following  
13 indicated amount of annuity:

14           (a) The widow of any employee who dies while in service  
15 on or after the date on which he attains age 60 if the death  
16 occurs before July 1, 1990, or on or after the date on which  
17 he attains age 55 if the death occurs on or after July 1,  
18 1990, with at least 20 years of service, or on or after the  
19 date on which he attains age 50 if the death occurs on or  
20 after the effective date of this amendatory Act of 1997 with  
21 at least 30 years of service, shall be entitled to an annuity  
22 equal to one-half of the amount of annuity which her deceased  
23 husband would have been entitled to receive had he withdrawn  
24 from the service on the day immediately preceding the date of  
25 his death, conditional upon such widow having attained age 60  
26 on or before such date if the death occurs before July 1,  
27 1990, or age 55 if the death occurs on or after July 1, 1990,  
28 or age 50 if the death occurs on or after January 1, 1998 and  
29 the employee is age 50 or over with at least 30 years of  
30 service or age 55 or over with at least 25 years of service.  
31 Except as provided in subsection (j), the widow's annuity  
32 shall not, however, exceed the sum of \$500 a month if the  
33 employee's death in service occurs before January 23, 1987.  
34 The widow's annuity shall not be limited to a maximum dollar

1 amount if the employee's death in service occurs on or after  
2 January 23, 1987.

3 If the employee dies in service before July 1, 1990, and  
4 if such widow of such described employee shall not be 60 or  
5 more years of age on such date of death, the amount provided  
6 in the immediately preceding paragraph for a widow 60 or more  
7 years of age, shall, in the case of such younger widow, be  
8 reduced by 0.25% for each month that her then attained age is  
9 less than 60 years if the employee was born before January 1,  
10 1936, or dies in service on or after January 1, 1988, or 0.5%  
11 for each month that her then attained age is less than 60  
12 years if the employee was born on or after January 1, 1936  
13 and dies in service before January 1, 1988.

14 If the employee dies in service on or after July 1, 1990,  
15 and if the widow of the employee has not attained age 55 on  
16 or before the employee's date of death, the amount otherwise  
17 provided in this subsection (a) shall be reduced by 0.25% for  
18 each month that her then attained age is less than 55 years;  
19 except that if the employee dies in service on or after  
20 January 1, 1998 at age 50 or over with at least 30 years of  
21 service or at age 55 or over with at least 25 years of  
22 service, there shall be no reduction due to the widow's age  
23 if she has attained age 50 on or before the employee's date  
24 of death, and if the widow has not attained age 50 on or  
25 before the employee's date of death the amount otherwise  
26 provided in this subsection (a) shall be reduced by 0.25% for  
27 each month that her then attained age is less than 50 years.

28 (b) The widow of any employee who dies subsequent to the  
29 date of his retirement on annuity, and who so retired on or  
30 after the date on which he attained age 60 if retirement  
31 occurs before July 1, 1990, or on or after the date on which  
32 he attained age 55 if retirement occurs on or after July 1,  
33 1990, with at least 20 years of service, or on or after the  
34 date on which he attained age 50 if the retirement occurs on

1 or after the effective date of this amendatory Act of 1997  
2 with at least 30 years of service, shall be entitled to an  
3 annuity equal to one-half of the amount of annuity which her  
4 deceased husband received as of the date of his retirement on  
5 annuity, conditional upon such widow having attained age 60  
6 on or before the date of her husband's retirement on annuity  
7 if retirement occurs before July 1, 1990, or age 55 if  
8 retirement occurs on or after July 1, 1990, or age 50 if the  
9 retirement on annuity occurs on or after January 1, 1998 and  
10 the employee is age 50 or over with at least 30 years of  
11 service or age 55 or over with at least 25 years of service.  
12 Except as provided in subsection (j), this widow's annuity  
13 shall not, however, exceed the sum of \$500 a month if the  
14 employee's death occurs before January 23, 1987. The widow's  
15 annuity shall not be limited to a maximum dollar amount if  
16 the employee's death occurs on or after January 23, 1987,  
17 regardless of the date of retirement; provided that, if  
18 retirement was before January 23, 1987, the employee or  
19 eligible spouse repays the excess spouse refund with interest  
20 at the effective rate from the date of refund to the date of  
21 repayment.

22 If the date of the employee's retirement on annuity is  
23 before July 1, 1990, and if such widow of such described  
24 employee shall not have attained such age of 60 or more years  
25 on such date of her husband's retirement on annuity, the  
26 amount provided in the immediately preceding paragraph for a  
27 widow 60 or more years of age on the date of her husband's  
28 retirement on annuity, shall, in the case of such then  
29 younger widow, be reduced by 0.25% for each month that her  
30 then attained age was less than 60 years if the employee was  
31 born before January 1, 1936, or withdraws from service on or  
32 after January 1, 1988, or 0.5% for each month that her then  
33 attained age was less than 60 years if the employee was born  
34 on or after January 1, 1936 and withdraws from service before

1 January 1, 1988.

2 If the date of the employee's retirement on annuity is on  
3 or after July 1, 1990, and if the widow of the employee has  
4 not attained age 55 by the date of the employee's retirement  
5 on annuity, the amount otherwise provided in this subsection  
6 (b) shall be reduced by 0.25% for each month that her then  
7 attained age is less than 55 years; except that if the  
8 employee retires on annuity on or after January 1, 1998 at  
9 age 50 or over with at least 30 years of service or at age 55  
10 or over with at least 25 years of service, there shall be no  
11 reduction due to the widow's age if she has attained age 50  
12 on or before the employee's date of death, and if the widow  
13 has not attained age 50 on or before the employee's date of  
14 death the amount otherwise provided in this subsection (b)  
15 shall be reduced by 0.25% for each month that her then  
16 attained age is less than 50 years.

17 (c) The foregoing provisions relating to minimum  
18 annuities for widows shall not apply to the widow of any  
19 former employee receiving an annuity from the fund on August  
20 2, 1965 or on the effective date of this amendatory  
21 provision, who re-enters service as a former employee, unless  
22 such employee renders at least 3 years of additional service  
23 after the date of re-entry.

24 (d) (Blank).

25 (e) (Blank).

26 (f) The amendments to this Section by this amendatory  
27 Act of 1985, relating to changing the discount because of age  
28 from 1/2 of 1% to 0.25% per month for widows of employees  
29 born before January 1, 1936, shall apply only to qualifying  
30 widows whose husbands die while in the service on or after  
31 August 16, 1985 or withdraw and enter on annuity on or after  
32 August 16, 1985.

33 (g) Beginning on January 1, 1999, the minimum amount of  
34 widow's annuity shall be \$800 per month for life for the



1 following classes of widows, without regard to the fact that  
2 the death of the employee occurred prior to the effective  
3 date of this amendatory Act of 1998:

4 (1) any widow annuitant alive and receiving a term  
5 annuity on the effective date of this amendatory Act of  
6 1998, except a reciprocal annuity;

7 (2) any widow annuitant alive and receiving a life  
8 annuity on the effective date of this amendatory Act of  
9 1998, except a reciprocal annuity;

10 (3) any widow annuitant alive and receiving a  
11 reciprocal annuity on the effective date of this  
12 amendatory Act of 1998, whose employee spouse's service  
13 in this fund was at least 5 years;

14 (4) the widow of an employee with at least 10 years  
15 of service in this fund who dies after retirement, if the  
16 retirement occurred prior to the effective date of this  
17 amendatory Act of 1998;

18 (5) the widow of an employee with at least 10 years  
19 of service in this fund who dies after retirement, if  
20 withdrawal occurs on or after the effective date of this  
21 amendatory Act of 1998;

22 (6) the widow of an employee who dies in service  
23 with at least 5 years of service in this fund, if the  
24 death in service occurs on or after the effective date of  
25 this amendatory Act of 1998.

26 The increases granted under items (1), (2), (3) and (4)  
27 of this subsection (g) shall not be limited by any other  
28 Section of this Act.

29 (h) The widow of an employee who retired or died in  
30 service on or after January 1, 1985 and before July 1, 1990,  
31 at age 55 or older, and with at least 35 years of service  
32 credit, shall be entitled to have her widow's annuity  
33 increased, effective January 1, 1991, to an amount equal to  
34 50% of the retirement annuity that the deceased employee

1 received on the date of retirement, or would have been  
2 eligible to receive if he had retired on the day preceding  
3 the date of his death in service, provided that if the widow  
4 had not attained age 60 by the date of the employee's  
5 retirement or death in service, the amount of the annuity  
6 shall be reduced by 0.25% for each month that her then  
7 attained age was less than age 60 if the employee's  
8 retirement or death in service occurred on or after January  
9 1, 1988, or by 0.5% for each month that her attained age is  
10 less than age 60 if the employee's retirement or death in  
11 service occurred prior to January 1, 1988. However, in cases  
12 where a refund of excess contributions for widow's annuity  
13 has been paid by the Fund, the increase in benefit provided  
14 by this subsection (h) shall be contingent upon repayment of  
15 the refund to the Fund with interest at the effective rate  
16 from the date of refund to the date of payment.

17 (i) If a deceased employee is receiving a retirement  
18 annuity at the time of death and that death occurs on or  
19 after June 27, 1997, the widow may elect to receive, in lieu  
20 of any other annuity provided under this Article, 50% of the  
21 deceased employee's retirement annuity at the time of death  
22 reduced by 0.25% for each month that the widow's age on the  
23 date of death is less than 55; except that if the employee  
24 dies on or after January 1, 1998 and withdrew from service on  
25 or after June 27, 1997 at age 50 or over with at least 30  
26 years of service or at age 55 or over with at least 25 years  
27 of service, there shall be no reduction due to the widow's  
28 age if she has attained age 50 on or before the employee's  
29 date of death, and if the widow has not attained age 50 on or  
30 before the employee's date of death the amount otherwise  
31 provided in this subsection (i) shall be reduced by 0.25% for  
32 each month that her age on the date of death is less than 50  
33 years. However, in cases where a refund of excess  
34 contributions for widow's annuity has been paid by the Fund,

1 the benefit provided by this subsection (i) is contingent  
2 upon repayment of the refund to the Fund with interest at the  
3 effective rate from the date of refund to the date of  
4 payment.

5 (j) For widows of employees who died before January 23,  
6 1987 after retirement on annuity or in service, the maximum  
7 dollar amount limitation on widow's annuity shall cease to  
8 apply, beginning with the first annuity payment after the  
9 effective date of this amendatory Act of 1997; except that if  
10 a refund of excess contributions for widow's annuity has been  
11 paid by the Fund, the increase resulting from this subsection  
12 (j) shall not begin before the refund has been repaid to the  
13 Fund, together with interest at the effective rate from the  
14 date of the refund to the date of repayment.

15 (k) In lieu of any other annuity provided in this  
16 Article, an eligible spouse of an employee who dies in  
17 service on or after January 1, 2002 (regardless of whether  
18 that death in service occurs prior to at-least-60-days--after  
19 the effective date of this amendatory Act of the 93rd 92nd  
20 General Assembly) with at least 10 years of service shall be  
21 entitled to an annuity of 50% of the minimum formula annuity  
22 earned and accrued to the credit of the employee at the date  
23 of death. For the purposes of this subsection, the minimum  
24 formula annuity earned and accrued to the credit of the  
25 employee is equal to 2.40% for each year of service of the  
26 highest average annual salary for any 4 consecutive years  
27 within the last 10 years of service immediately preceding the  
28 date of death, up to a maximum of 80% of the highest average  
29 annual salary. This annuity shall not be reduced due to the  
30 age of the employee or spouse. In addition to any other  
31 eligibility requirements under this Article, the spouse is  
32 eligible for this annuity only if the marriage was in effect  
33 for 10 full years or more.

34 (Source: P.A. 92-599, eff. 6-28-02.)

1 (40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

2 Sec. 11-163. Restoration of rights. An employee who has  
3 withdrawn as a refund the amounts credited for annuity  
4 purposes, and who (i) re-enters service of the employer and  
5 serves for periods comprising at least 90 days 2-years after  
6 the date of the last refund paid to him or (ii) has completed  
7 at least 2 years of service under a participating system (as  
8 defined in the Retirement Systems Reciprocal Act) other than  
9 this Fund after the date of the last refund, shall have his  
10 annuity rights restored by making application to the board in  
11 writing for the privilege of re-instating such rights and by  
12 compliance with the following provisions:

13 (a) After that 90 day or 2 year period, whichever  
14 applies, he shall repay in full to the Fund, while in  
15 service, ~~in-full~~ all refunds received, together with  
16 interest at the effective rate from the application dates  
17 of such refund or refunds to the date of repayment.;

18 (b) If payment is not made in a single sum,  
19 repayment may be made in installments by deductions from  
20 salary or otherwise, in such manner and amounts as the  
21 board, by rule, may prescribe, with interest at the  
22 effective rate accruing on the unpaid balance employee  
23 ~~may--elect~~. The employee shall be credited with interest  
24 at the effective rate from the date of each installment  
25 until full repayment is made.

26 (c) If the employee withdraws from service or dies  
27 in service before full repayment is made, service credit  
28 shall be restored in accordance with Section 11-221.2(b).

29 (d) If the employee withdraws from service or dies  
30 in service or during the required 90 day or 2 year  
31 period, any repayments made shall be refunded, without  
32 interest thereon and in accordance with the refund  
33 provisions of this Article.

34 (e) If the employee repays the refund while

1 participating in a participating system (as defined in  
2 the Retirement Systems Reciprocal Act) other than this  
3 Fund, the service credit restored must be used for a  
4 proportional annuity calculated in accordance with the  
5 Retirement Systems Reciprocal Act. If not so used, the  
6 restored service credit shall be forfeited and the amount  
7 of the repayment shall be refunded, without interest.

8 (Source: Laws 1963, p. 161.)

9 (40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

10 Sec. 11-167. Refunds in lieu of annuity. In lieu of an  
11 annuity, an employee who withdraws, and whose annuity would  
12 amount to less than \$800 a month for life may elect to  
13 receive a refund of the total sum accumulated to his credit  
14 from employee contributions for annuity purposes.

15 The widow of any employee, eligible for annuity upon the  
16 death of her husband, whose annuity would amount to less than  
17 \$800 a month for life, may, in lieu of a widow's annuity,  
18 elect to receive a refund of the accumulated contributions  
19 for annuity purposes, based on the amounts contributed by her  
20 deceased employee husband, but reduced by any amounts  
21 theretofore paid to him in the form of an annuity or refund  
22 out of such accumulated contributions.

23 Accumulated contributions shall mean the amounts  
24 including interest credited thereon contributed by the  
25 employee for age and service and widow's annuity to the date  
26 of his withdrawal or death, whichever first occurs, and  
27 including the accumulations from any amounts contributed for  
28 him as salary deductions while receiving duty disability  
29 benefits; provided that such amounts contributed by the city  
30 after December 31, 1983 while the employee is receiving duty  
31 disability benefits and amounts credited to the employee for  
32 annuity purposes by the fund after December 31, 2000 while  
33 the employee is receiving ordinary disability benefits shall

1 not be included.

2 The acceptance of such refund in lieu of widow's annuity,  
3 on the part of a widow, shall not deprive a child or children  
4 of the right to receive a child's annuity as provided for in  
5 Sections 11-153 and 11-154 of this Article, and neither shall  
6 the payment of a child's annuity in the case of such refund  
7 to a widow reduce the amount herein set forth as refundable  
8 to such widow electing a refund in lieu of widow's annuity.

9 (Source: P.A. 91-887, eff. 7-6-00; 92-599, eff. 6-28-02;  
10 revised 10-22-02.)

11 (40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)

12 Sec. 11-170.1. Pickup of employee contributions.

13 (a) The employer may pick up the employee contributions  
14 required by Sections 11-156, 11-170, 11-174 and 11-175.1 for  
15 salary earned after December 31, 1981. If employee  
16 contributions are not picked up, the amount that would have  
17 been picked up under this amendatory Act of 1980 shall  
18 continue to be deducted from salary. If contributions are  
19 picked up they shall be treated as employer contributions in  
20 determining tax treatment under the United States Internal  
21 Revenue Code; however, the employer shall continue to  
22 withhold Federal and state income taxes based upon these  
23 contributions until the Internal Revenue Service or the  
24 Federal courts rule that pursuant to Section 414(h) of the  
25 United States Internal Revenue Code, these contributions  
26 shall not be included as gross income of the employee until  
27 such time as they are distributed or made available. The  
28 employer shall pay these employee contributions from the same  
29 source of funds which is used in paying salary to the  
30 employee. The employer may pick up these contributions by a  
31 reduction in the cash salary of the employee or by an offset  
32 against a future salary increase or by a combination of a  
33 reduction in salary and offset against a future salary

1 increase. If employee contributions are picked up they shall  
2 be treated for all purposes of this Article 11, including  
3 Section 11-169, in the same manner and to the same extent as  
4 employee contributions made prior to the date picked up.

5 (b) Subject to the requirements of federal law and the  
6 rules of the Board, the Fund may allow the employee to elect  
7 to have the employer pick up the optional contributions that  
8 the employee has elected to pay to the Fund, and the  
9 contributions so picked up shall be treated as employer  
10 contributions for the purpose of determining federal tax  
11 treatment. The employer shall pick up the contributions by a  
12 reduction in the cash salary of the employee and shall pay  
13 contributions from the same source of funds that is used to  
14 pay earnings of the employee. The election to have the  
15 contributions picked up is irrevocable, and the optional  
16 contributions may not thereafter be prepaid, by direct  
17 payment or otherwise.

18 If the provision authorizing the optional contribution  
19 requires payment by a stated date (rather than the date of  
20 withdrawal or retirement), the requirement will be deemed to  
21 have been satisfied if (i) on or before the stated date the  
22 employee executes a valid irrevocable election to have the  
23 contributions picked up under this subsection, and (ii) the  
24 picked-up contributions are in fact paid to the Fund as  
25 provided in the election.

26 If employee contributions are picked up under this  
27 subsection, they shall be treated for all purposes of this  
28 Article 11, including Section 11-169, in the same manner and  
29 to the same extent as optional employee contributions made  
30 prior to the date picked up.

31 (Source: P.A. 81-1536.)

32 (40 ILCS 5/11-178) (from Ch. 108 1/2, par. 11-178)

33 Sec. 11-178. Contributions by city for prior service

1 annuities and other benefits.

2 The city shall make contributions to provide prior  
3 service and widow's prior service annuities, and other  
4 annuities and benefits, as follows:

5 1. To credit to the city contribution reserve such  
6 amounts required from the city but not contributed by it for  
7 age and service and prior service annuities, and widow's  
8 annuities and widows' prior service annuities;

9 2. To meet such part of any minimum annuity as shall be  
10 in excess of the age and service annuity and prior service  
11 annuity, and to meet such part of any minimum widow's annuity  
12 in excess of the amount of widow's annuity and widow's prior  
13 service annuity;

14 3. To provide a sufficient balance in the investment and  
15 interest reserve to permit a transfer from that reserve to  
16 other reserves of the fund. Whenever the balance of the  
17 investment and interest reserve is not sufficient to permit a  
18 transfer from that reserve to any other reserve, the city  
19 shall contribute sums sufficient to make possible such  
20 transfer;

21 4. An amount equal to the difference between (1) the sum  
22 produced by the tax levy stated in Section 11--169 and (2)  
23 all sums required for the purposes of this Article 11 in  
24 accordance with the provisions of this Article 11 except  
25 those stated in this Section, shall be applied for purposes  
26 of this Section.

27 Provided that if in any year such total sums together  
28 with all other sums required during such year for the other  
29 purposes of the fund, are in excess of the total amount  
30 contributed by the city during such year, the sums required  
31 for purposes other than those stated in this section shall  
32 first be provided for. The balance shall then be applied for  
33 the purposes stated in this section.

34 All such contributions shall be credited to the prior



1 service annuity reserve. When the balance of this reserve  
2 equals its liabilities (including in addition to all other  
3 liabilities, the present values of all annuities, present or  
4 prospective, according to the applicable mortality tables and  
5 rates of interest, but excluding any liabilities arising  
6 under Sections 11-133.3 and 11-133.4), the city shall cease  
7 to contribute the sum stated in this section.

8 If annexation of territory and the employment by the city  
9 of any person employed as a city laborer in any such  
10 territory at the time of annexation, after the city has  
11 ceased to contribute as herein provided, results in  
12 additional liabilities for prior service annuity and widow's  
13 prior service annuity for any such employee, contributions by  
14 the city for such purposes shall be resumed.

15 Notwithstanding any provision in this Section to the  
16 contrary, the city shall not make a contribution for credit  
17 established by an employee under subsection (b) of Section  
18 11-133.3.

19 (Source: Laws 1965, p. 2292.)

20 (40 ILCS 5/11-181) (from Ch. 108 1/2, par. 11-181)  
21 Sec. 11-181. Board created. A board of 8 members shall  
22 constitute the board of trustees authorized to carry out the  
23 provisions of this Article. The board shall be known as the  
24 Retirement Board of the Laborers' and Retirement Board  
25 Employees' Annuity and Benefit Fund of the city. The board  
26 shall consist of 5 persons appointed and 2 employees and one  
27 annuitant elected in the manner hereinafter prescribed.

28 The appointed members of the board shall be appointed as  
29 follows:

30 One member shall be appointed by the comptroller of the  
31 city, who may be himself or anyone chosen from among  
32 employees of the city who are versed in the affairs of the  
33 comptroller's office; one member shall be appointed by the

1 City Treasurer of the city, who may be himself or a person  
2 chosen from among employees of the city who are versed in the  
3 affairs of the City Treasurer's office; one member shall be  
4 an employee of the city appointed by the president of the  
5 local labor organization representing a majority of the  
6 employees participating in the Fund; and 2 members shall be  
7 appointed by the civil service commission or the Department  
8 of Personnel of the city from among employees of the city who  
9 are versed in the affairs of the civil service commission's  
10 office or the Department of Personnel.

11 The member appointed by the comptroller shall hold office  
12 for a term ending on December 1st of the first year following  
13 the year of appointment. The member appointed by the City  
14 Treasurer shall hold office for a term ending on December 1st  
15 of the second year following the year of appointment. The  
16 member appointed by the civil service commission shall hold  
17 office for a term ending on the first day in the month of  
18 December of the third year following the year of appointment.  
19 The additional member appointed by the civil service  
20 commission under this amendatory Act of 1998 shall hold  
21 office for an initial term ending on December 1, 2000, and  
22 the member appointed by the labor organization president  
23 shall hold office for an initial term ending on December 1,  
24 2001. Thereafter each appointive member shall be appointed  
25 by the officer or body that appointed his predecessor, for a  
26 term of 3 years.

27 The 2 employee members of the board shall be elected as  
28 follows:

29 Within 30 days from and after the appointive members have  
30 been appointed and have qualified, the appointive members  
31 shall arrange for and hold an election.

32 One employee shall be elected for a term ending on  
33 December 1st of the first year next following the effective  
34 date; one for a term ending on December 1st of the following

1 year.

2 An employee member who takes advantage of the early  
3 retirement incentives provided under this amendatory Act of  
4 the 93rd General Assembly may continue as a member until the  
5 end of his or her term.

6 The initial annuitant member shall be appointed by the  
7 other members of the board for an initial term ending on  
8 December 1, 1999. The annuitant member elected in 1999 shall  
9 be deemed to have been elected for a 3-year term ending on  
10 December 1, 2002. Thereafter, the annuitant member shall be  
11 elected for a 3-year term ending on December 1st of the third  
12 year following the election.

13 (Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

14 (40 ILCS 5/12-133) (from Ch. 108 1/2, par. 12-133)

15 Sec. 12-133. Fixed benefit retirement annuity.

16 (a) Subject to the provisions of paragraph (b) of this  
17 Section, the retirement annuity for any employee who  
18 withdraws from service on or after January 1, 1983 and before  
19 January 1, 1990, at age 60 or over, having at least 4 years  
20 of service, shall be 1.70% for each of the first 10 years of  
21 service; 2.00% for each of the next 10 years of service;  
22 2.40% for each year of service in excess of 20 but not  
23 exceeding 30; and 2.80% for each year of service in excess of  
24 30, with a pro-rated amount for service of less than a full  
25 year, based upon the highest average annual salary for any 4  
26 consecutive years within the last 10 years of service  
27 immediately preceding the date of withdrawal, provided that:

28 (1) if retirement of the employee occurs below age 60, such  
29 annuity shall be reduced 1/2 of 1% for each month or fraction  
30 thereof that the employee's age is less than 60, except that  
31 an employee retiring at age 55 or over but less than age 60,  
32 having at least 35 years of service, shall not be subject to  
33 the reduction in his retirement annuity because of retirement

1 below age 60; (2) the annuity shall not exceed 75% of such  
2 average annual salary; (3) the actual salary shall be  
3 considered in the computation of this annuity.

4 The retirement annuity for any employee who withdraws  
5 from service on or after January 1, 1990 and prior to  
6 December 31, 2003 at age 50 or over with at least 10 years of  
7 service, or at age 60 or over with at least 4 years of  
8 service, shall be 1.90% for each of the first 10 years of  
9 service, 2.20% for each of the next 10 years of service,  
10 2.40% for each of the next 10 years of service, and 2.80% for  
11 each year of service in excess of 30, with a pro-rated amount  
12 for service of less than a full year, based upon the highest  
13 average annual salary for any 4 consecutive years within the  
14 last 10 years of service immediately preceding the date of  
15 withdrawal, provided that:

16 (1) if retirement of the employee occurs below age  
17 60, such annuity shall be reduced  $\frac{1}{4}$  of 1% ( $\frac{1}{2}$  of 1% in  
18 the case of withdrawal from service before January 1,  
19 1991) for each month or fraction thereof that the  
20 employee's age is less than 60, except that an employee  
21 retiring at age 50 or over having at least 30 years of  
22 service shall not be subject to the reduction in  
23 retirement annuity because of retirement below age 60;

24 (2) the annuity shall not exceed 80% of such  
25 average annual salary; and

26 (3) the actual salary shall be considered in the  
27 computation of this annuity.

28 An employee who withdraws from service on or after  
29 December 31, 2003, at age 50 or over with at least 10 years  
30 of service or at age 60 or over with at least 4 years of  
31 service, shall receive, in lieu of any other retirement  
32 annuity provided for in this Section, a retirement annuity  
33 calculated as follows: for each year of service immediately  
34 preceding the date of withdrawal, 2.40% of the highest

1 average annual salary for any 4 consecutive years within the  
2 last 10 years of service immediately preceding the date of  
3 withdrawal, with a prorated amount for service of less than a  
4 full year, provided that:

5 (1) if retirement of the employee occurs below age  
6 60, such annuity shall be reduced 1/4 of 1% for each  
7 month or fraction thereof that the employee's age is less  
8 than 60, except that an employee retiring at age 50 or  
9 over having at least 30 years of service shall not be  
10 subject to the reduction in retirement annuity because of  
11 retirement below age 60;

12 (2) the annuity shall not exceed 80% of such  
13 average annual salary; and

14 (3) the actual salary shall be considered in the  
15 computation of this annuity.

16 Notwithstanding any other formula, the annuity for  
17 employees retiring on or after December 31, 2003 and before  
18 January 31, 2004 with at least 30 years of service shall be  
19 80% of average annual salary for any 4 consecutive years  
20 within the last 10 years of service immediately preceding the  
21 date of withdrawal.

22 (b) In lieu of the retirement annuity provided as an  
23 actuarial equivalent of the total accumulations from  
24 contributions by the employee, contributions by the employer,  
25 and prior service annuity plus regular interest, an employee  
26 in service prior to July 1, 1971 shall be entitled to the  
27 largest applicable retirement annuity provided in this  
28 Section if the same is larger than the annuity provided in  
29 other Sections of this Article.

30 (c) The following schedule shall govern the computation  
31 of service for the fixed benefit annuities provided by this  
32 Section: Service during 9 months or more during any fiscal  
33 year shall constitute a year of service; 6 to 8 months,  
34 inclusive, 3/4 of a year; 3 to 5 months, inclusive, 1/2 year;

1 less than 3 months, 1/4 of a year; 15 days or more in any  
2 month, a month of service.

3 (d) The other provisions of this Section shall not apply  
4 in the case of any former employee who is receiving a  
5 retirement annuity from the fund and who re-enters service as  
6 an employee, unless the employee renders from and after the  
7 date of re-entry, at least 3 years of additional service.

8 (Source: P.A. 86-272; 86-1488; 87-794.)

9 (40 ILCS 5/12-133.6 new)

10 Section. 12-133.6. Early retirement incentive.

11 (a) To be eligible for the benefits provided in this  
12 Section, a person must:

13 (1) have been, on November 1, 2003, an employee (i)  
14 contributing to the Fund in active payroll status in a  
15 position of employment under this Article, (ii) returning  
16 to active payroll status from an approved leave of  
17 absence prior to December 1, 2003, or (iii) receiving  
18 ordinary or duty disability benefits under Section  
19 12-140, 12-142, or 12-143;

20 (2) have not previously retired under this Article;

21 (3) file with the Board before December 31, 2003 a  
22 written election requesting the benefits provided in this  
23 Section;

24 (4) withdraw from service on or after December 31,  
25 2003 and on or before January 31, 2004; and

26 (5) have, by the date of withdrawal or by January  
27 31, 2004, whichever is earlier, attained age 50 with at  
28 least 10 years of creditable service in one or more  
29 participating systems under the Retirement Systems  
30 Reciprocal Act, without including any creditable service  
31 established under this Section.

32 (b) An eligible person may establish up to 5 years of  
33 creditable service under this Section, in increments of one

1 month, by making the contributions specified in subsection  
2 (c). In addition, for each month of creditable service  
3 established under this Section, a person's age at retirement  
4 shall be deemed to be one month older than it actually is,  
5 except for purposes of determining age under item (5) of  
6 subsection (a).

7 The creditable service established under this Section may  
8 be used for all purposes under this Article and the  
9 Retirement Systems Reciprocal Act, except for the computation  
10 of highest average annual salary under Section 12-133 or the  
11 determination of salary under this or any other Article of  
12 this Code.

13 (c) For each month of creditable service established  
14 under this Section, the person must pay to the Fund an  
15 employee contribution to be determined by the Fund, equal to  
16 4.50% of the person's monthly salary rate on the date of  
17 withdrawal from service. Subject to the requirements of  
18 subsection (d), the person may elect to pay the required  
19 employee contribution before the retirement annuity commences  
20 or through deductions from the retirement annuity over a  
21 period not longer than 24 months.

22 If a person who retires dies before all payments of the  
23 employee contribution have been made, the remaining payments  
24 shall be deducted from any survivor or death benefits payable  
25 to the employee's surviving spouse or beneficiary.

26 Notwithstanding any provision in this Article to the  
27 contrary, all employee contributions paid under this Section  
28 shall not be deemed employee contributions for the purpose of  
29 determining the tax levy under Section 12-149.  
30 Notwithstanding any provision in this Article to the  
31 contrary, the employer shall not make a contribution for any  
32 credit established by an employee under subsection (b) of  
33 this Section. Employee contributions made under this Section  
34 may be refunded under the same terms and conditions as other

1 employee contributions under this Article.

2 (d) A person who retires under the provisions of this  
3 Section shall be entitled to have his or her retirement  
4 annuity calculated under the provisions of Section 12-133,  
5 except that the retirement annuity shall not be subject to  
6 reduction for retirement under age 60.

7 (e) Notwithstanding Section 12-146 of this Article, an  
8 annuitant who reenters service under this Article after  
9 receiving a retirement annuity based on additional benefits  
10 provided under this Section thereby forfeits the right to  
11 continue to receive those benefits, and upon again retiring  
12 shall have his or her retirement annuity recalculated at the  
13 appropriate time without the additional benefits provided in  
14 this Section.

15 (40 ILCS 5/12-133.7 new)

16 Sec. 12-133.7. Early retirement incentive for employees  
17 who have earned maximum pension benefits. A person who is  
18 eligible for the benefits provided under Section 12-133.6 and  
19 who, if he or she had retired on or before January 31, 2004,  
20 would have been entitled to a pension equal to 80% of his or  
21 her highest average salary for any 4 consecutive years within  
22 the last 10 years of service immediately preceding January  
23 31, 2004 without receiving the benefits provided in Section  
24 12-133.6 may elect, by filing a written election with the  
25 Fund by December 31, 2003, to receive a lump sum from the  
26 Fund on his or her last day of employment equal to 100% of  
27 his or her salary for the year ending on January 31, 2004 or  
28 the date of withdrawal, whichever is earlier. To be eligible  
29 to receive the benefit provided under this Section, the  
30 person must withdraw from service on or after December 31,  
31 2003 and on or before January 31, 2004. If a person elects to  
32 receive the benefit provided under this Section, his or her  
33 retirement annuity otherwise payable under Section 12-133



1 shall be reduced by an amount equal to the actuarial  
 2 equivalent of the lump sum. If a person elects to receive  
 3 the benefit provided under this Section, the resulting  
 4 reduction in retirement annuity under this Section shall not  
 5 affect the amount of any widow's service annuity or widow's  
 6 prior service annuity under Section 12-135 or any optional  
 7 reversionary annuity for a surviving spouse under Section  
 8 12-136.1.

9 (40 ILCS 5/12-149) (from Ch. 108 1/2, par. 12-149)

10 Sec. 12-149. Financing. The board of park commissioners  
 11 of any such park district shall annually levy a tax (in  
 12 addition to the taxes now authorized by law) upon all taxable  
 13 property embraced in the district, at the rate which, when  
 14 added to the employee contributions under this Article and  
 15 applied to the fund created hereunder, shall be sufficient to  
 16 provide for the purposes of this Article in accordance with  
 17 the provisions thereof. Such tax shall be levied and  
 18 collected with and in like manner as the general taxes of  
 19 such district, and shall not in any event be included within  
 20 any limitations of rate for general park purposes as now or  
 21 hereafter provided by law, but shall be excluded therefrom  
 22 and be in addition thereto. The amount of such annual tax to  
 23 and including the year 1977 shall not exceed .0275% of the  
 24 value, as equalized or assessed by the Department of Revenue,  
 25 of all taxable property embraced within the park district,  
 26 provided that for the year 1978, and for each year  
 27 thereafter, the amount of such annual tax shall be at a rate  
 28 on the dollar of assessed valuation of all taxable property  
 29 that will produce, when extended, for the year 1978 the  
 30 following sum: 0.825 times the amount of employee  
 31 contributions during the fiscal year 1976; for the year 1979,  
 32 0.85 times the amount of employee contributions during the  
 33 fiscal year 1977; for the year 1980, 0.90 times the amount of

1 employee contributions during the fiscal year 1978; for the  
2 year 1981, 0.95 times the amount of employee contributions  
3 during the fiscal year 1979; for the year 1982, 1.00 times  
4 the amount of employee contributions during the fiscal year  
5 1980; for the year 1983, 1.05 times the amount of  
6 contributions made on behalf of employees during the fiscal  
7 year 1981; and for the year 1984 and each year thereafter, an  
8 amount equal to 1.10 times the employee contributions during  
9 the fiscal year 2-years prior to the year for which the  
10 applicable tax is levied. As used in this Section, the term  
11 "employee contributions" means contributions by employees for  
12 retirement annuity, spouse's annuity, automatic increase in  
13 retirement annuity, and death benefit.

14 In respect to park district employees, other than  
15 policemen, who are transferred to the employment of a city by  
16 virtue of the "Exchange of Functions Act of 1957", the  
17 corporate authorities of the city shall annually levy a tax  
18 upon all taxable property embraced in the city, as equalized  
19 or assessed by the Department of Revenue, at such rate per  
20 cent of the value of such property as shall be sufficient,  
21 when added to the amounts deducted from the salary or wages  
22 of such employees, to provide the benefits to which such  
23 employees, their dependents and beneficiaries are entitled  
24 under the provisions of this Article. The park district  
25 shall not levy a tax hereunder in respect to such employees.  
26 The tax levied by the city under authority of this Article  
27 shall be in addition to and exclusive of all other taxes  
28 authorized by law to be levied by the city for corporate,  
29 annuity fund or other purposes.

30 All moneys accruing from the levy and collection of  
31 taxes, pursuant to this section, shall be remitted to the  
32 board by the employers as soon as they are received. Where a  
33 city has levied a tax pursuant to this Section in respect to  
34 park district employees transferred to the employment of a

1 city, the treasurer of such city or other authorized officer  
 2 shall remit the moneys accruing from the levy and collection  
 3 of such tax as soon as they are received. Such remittances  
 4 shall be made upon a pro rata share basis, whereby each  
 5 employer shall pay to the board such employer's proportionate  
 6 percentage of each payment of taxes received by it, according  
 7 to the ratio which its tax levy for this fund bears to the  
 8 total tax levy of such employer.

9 Should any board of park commissioners included under the  
 10 provisions of this Article be without authority to levy the  
 11 tax provided in this Section the corporation authorities  
 12 (meaning the supervisor, clerk and assessor) of the town or  
 13 towns for which such board shall be the board of park  
 14 commissioners shall levy such tax.

15 Employer contributions to the Fund may be reduced by  
 16 \$5,000,000 for calendar years 2004 and 2005.

17 (Source: P.A. 81-1536.)

18 Section 90. The State Mandates Act is amended by adding  
 19 Section 8.27 as follows:

20 (30 ILCS 805/8.27 new)

21 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
 22 and 8 of this Act, no reimbursement by the State is required  
 23 for the implementation of any mandate created by this  
 24 amendatory Act of the 93rd General Assembly.

25 Section 99. Effective date. This Act takes effect upon  
 26 becoming law."