



Rep. Michael J. Zalewski

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LRB100 02316 RPS 43153 a

1 AMENDMENT TO HOUSE BILL 166

2 AMENDMENT NO. _____. Amend House Bill 166 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 1-160, 8-174, 11-170, and 11-197.7 as
6 follows:

7 (40 ILCS 5/1-160)

8 Sec. 1-160. Provisions applicable to new hires.

9 (a) The provisions of this Section apply to a person who,
10 on or after January 1, 2011, first becomes a member or a
11 participant under any reciprocal retirement system or pension
12 fund established under this Code, other than a retirement
13 system or pension fund established under Article 2, 3, 4, 5, 6,
14 15 or 18 of this Code, notwithstanding any other provision of
15 this Code to the contrary, but do not apply to any self-managed
16 plan established under this Code, to any person with respect to

1 service as a sheriff's law enforcement employee under Article
2 7, or to any participant of the retirement plan established
3 under Section 22-101. Notwithstanding anything to the contrary
4 in this Section, for purposes of this Section, a person who
5 participated in a retirement system under Article 15 prior to
6 January 1, 2011 shall be deemed a person who first became a
7 member or participant prior to January 1, 2011 under any
8 retirement system or pension fund subject to this Section. The
9 changes made to this Section by Public Act 98-596 are a
10 clarification of existing law and are intended to be
11 retroactive to January 1, 2011 (the effective date of Public
12 Act 96-889), notwithstanding the provisions of Section 1-103.1
13 of this Code.

14 This Section does not apply to a person who first becomes a
15 noncovered employee under Article 14 on or after the
16 implementation date of the plan created under Section 1-161 for
17 that Article, unless that person elects under subsection (b) of
18 Section 1-161 to instead receive the benefits provided under
19 this Section and the applicable provisions of that Article.

20 This Section does not apply to a person who first becomes a
21 member or participant under Article 16 on or after the
22 implementation date of the plan created under Section 1-161 for
23 that Article, unless that person elects under subsection (b) of
24 Section 1-161 to instead receive the benefits provided under
25 this Section and the applicable provisions of that Article.

26 This Section does not apply to a person who elects under

1 subsection (c-5) of Section 1-161 to receive the benefits under
2 Section 1-161.

3 This Section does not apply to a person who first becomes a
4 member or participant of an affected pension fund on or after 6
5 months after the resolution or ordinance date, as defined in
6 Section 1-162, unless that person elects under subsection (c)
7 of Section 1-162 to receive the benefits provided under this
8 Section and the applicable provisions of the Article under
9 which he or she is a member or participant.

10 (b) "Final average salary" means the average monthly (or
11 annual) salary obtained by dividing the total salary or
12 earnings calculated under the Article applicable to the member
13 or participant during the 96 consecutive months (or 8
14 consecutive years) of service within the last 120 months (or 10
15 years) of service in which the total salary or earnings
16 calculated under the applicable Article was the highest by the
17 number of months (or years) of service in that period. For the
18 purposes of a person who first becomes a member or participant
19 of any retirement system or pension fund to which this Section
20 applies on or after January 1, 2011, in this Code, "final
21 average salary" shall be substituted for the following:

22 (1) In Article 7 (except for service as sheriff's law
23 enforcement employees), "final rate of earnings".

24 (2) In Articles 8, 9, 10, 11, and 12, "highest average
25 annual salary for any 4 consecutive years within the last
26 10 years of service immediately preceding the date of

1 withdrawal".

2 (3) In Article 13, "average final salary".

3 (4) In Article 14, "final average compensation".

4 (5) In Article 17, "average salary".

5 (6) In Section 22-207, "wages or salary received by him
6 at the date of retirement or discharge".

7 (b-5) Beginning on January 1, 2011, for all purposes under
8 this Code (including without limitation the calculation of
9 benefits and employee contributions), the annual earnings,
10 salary, or wages (based on the plan year) of a member or
11 participant to whom this Section applies shall not exceed
12 \$106,800; however, that amount shall annually thereafter be
13 increased by the lesser of (i) 3% of that amount, including all
14 previous adjustments, or (ii) one-half the annual unadjusted
15 percentage increase (but not less than zero) in the consumer
16 price index-u for the 12 months ending with the September
17 preceding each November 1, including all previous adjustments.

18 For the purposes of this Section, "consumer price index-u"
19 means the index published by the Bureau of Labor Statistics of
20 the United States Department of Labor that measures the average
21 change in prices of goods and services purchased by all urban
22 consumers, United States city average, all items, 1982-84 =
23 100. The new amount resulting from each annual adjustment shall
24 be determined by the Public Pension Division of the Department
25 of Insurance and made available to the boards of the retirement
26 systems and pension funds by November 1 of each year.

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (beginning January 1, 2015, age 65 with respect to service
4 under Article 12 of this Code that is subject to this Section)
5 and has at least 10 years of service credit and is otherwise
6 eligible under the requirements of the applicable Article.

7 A member or participant who has attained age 62 (beginning
8 January 1, 2015, age 60 with respect to service under Article
9 12 of this Code that is subject to this Section) and has at
10 least 10 years of service credit and is otherwise eligible
11 under the requirements of the applicable Article may elect to
12 receive the lower retirement annuity provided in subsection (d)
13 of this Section.

14 (c-5) A person who first becomes a member or a participant
15 subject to this Section ~~under Article 8 or Article 11 of this~~
16 ~~Code~~ on or after July 6, 2017 (the effective date of Public Act
17 100-23) ~~this amendatory Act of the 100th General Assembly,~~
18 notwithstanding any other provision of this Code to the
19 contrary, is entitled to a retirement annuity under Article 8
20 or Article 11 upon written application if he or she has
21 attained age 65 and has at least 10 years of service credit
22 ~~under Article 8 or Article 11 of this Code~~ and is otherwise
23 eligible under the requirements of Article 8 or Article 11 of
24 this Code, whichever is applicable.

25 (d) The retirement annuity of a member or participant who
26 is retiring after attaining age 62 (beginning January 1, 2015,

1 age 60 with respect to service under Article 12 of this Code
2 that is subject to this Section) with at least 10 years of
3 service credit shall be reduced by one-half of 1% for each full
4 month that the member's age is under age 67 (beginning January
5 1, 2015, age 65 with respect to service under Article 12 of
6 this Code that is subject to this Section).

7 (d-5) The retirement annuity payable under Article 8 or
8 Article 11 to an eligible of a person subject to subsection
9 (c-5) of this Section ~~who first becomes a member or a~~
10 ~~participant under Article 8 or Article 11 of this Code on or~~
11 ~~after the effective date of this amendatory Act of the 100th~~
12 ~~General Assembly~~ who is retiring at age 60 with at least 10
13 years of service credit ~~under Article 8 or Article 11~~ shall be
14 reduced by one-half of 1% for each full month that the member's
15 age is under age 65.

16 (d-10) Each person who first became a member or participant
17 under Article 8 or Article 11 of this Code on or after January
18 1, 2011 and prior to the effective date of this amendatory Act
19 of the 100th General Assembly shall make an irrevocable
20 election either:

21 (i) to be eligible for the reduced retirement age
22 provided in subsections (c-5) and (d-5) of this Section,
23 the eligibility for which is conditioned upon the member or
24 participant agreeing to the increases in employee
25 contributions for age and service annuities provided in
26 subsection (a-5) of Section 8-174 of this Code (for service

1 under Article 8) or subsection (a-5) of Section 11-170 of
2 this Code (for service under Article 11); or

3 (ii) to not agree to item (i) of this subsection
4 (d-10), in which case the member or participant shall
5 continue to be subject to the retirement age provisions in
6 subsections (c) and (d) of this Section and the employee
7 contributions for age and service annuity as provided in
8 subsection (a) of Section 8-174 of this Code (for service
9 under Article 8) or subsection (a) of Section 11-170 of
10 this Code (for service under Article 11).

11 The election provided for in this subsection shall be made
12 between October 1, 2017 and November 15, 2017. A person subject
13 to this subsection who makes the required election shall remain
14 bound by that election. A person subject to this subsection who
15 fails for any reason to make the required election within the
16 time specified in this subsection shall be deemed to have made
17 the election under item (ii).

18 (e) Any retirement annuity or supplemental annuity shall be
19 subject to annual increases on the January 1 occurring either
20 on or after the attainment of age 67 (beginning January 1,
21 2015, age 65 with respect to service under Article 12 of this
22 Code that is subject to this Section and beginning on the
23 effective date of this amendatory Act of the 100th General
24 Assembly, age 65 with respect to service under Article 8 or
25 Article 11 for eligible persons who: (i) are subject to
26 subsection (c-5) of this Section ~~first became members or~~

1 ~~participants under Article 8 or Article 11 of this Code on or~~
2 ~~after the effective date of this amendatory Act of the 100th~~
3 ~~General Assembly; or (ii) first became members or participants~~
4 ~~under Article 8 or Article 11 of this Code on or after January~~
5 ~~1, 2011 and before the effective date of this amendatory Act of~~
6 ~~the 100th General Assembly and made the election under item (i)~~
7 of subsection (d-10) of this Section) or the first anniversary
8 of the annuity start date, whichever is later. Each annual
9 increase shall be calculated at 3% or one-half the annual
10 unadjusted percentage increase (but not less than zero) in the
11 consumer price index-u for the 12 months ending with the
12 September preceding each November 1, whichever is less, of the
13 originally granted retirement annuity. If the annual
14 unadjusted percentage change in the consumer price index-u for
15 the 12 months ending with the September preceding each November
16 1 is zero or there is a decrease, then the annuity shall not be
17 increased.

18 For the purposes of Section 1-103.1 of this Code, the
19 changes made to this Section by this amendatory Act of the
20 100th General Assembly are applicable without regard to whether
21 the employee was in active service on or after the effective
22 date of this amendatory Act of the 100th General Assembly.

23 (f) The initial survivor's or widow's annuity of an
24 otherwise eligible survivor or widow of a retired member or
25 participant who first became a member or participant on or
26 after January 1, 2011 shall be in the amount of 66 2/3% of the

1 retired member's or participant's retirement annuity at the
2 date of death. In the case of the death of a member or
3 participant who has not retired and who first became a member
4 or participant on or after January 1, 2011, eligibility for a
5 survivor's or widow's annuity shall be determined by the
6 applicable Article of this Code. The initial benefit shall be
7 66 2/3% of the earned annuity without a reduction due to age. A
8 child's annuity of an otherwise eligible child shall be in the
9 amount prescribed under each Article if applicable. Any
10 survivor's or widow's annuity shall be increased (1) on each
11 January 1 occurring on or after the commencement of the annuity
12 if the deceased member died while receiving a retirement
13 annuity or (2) in other cases, on each January 1 occurring
14 after the first anniversary of the commencement of the annuity.
15 Each annual increase shall be calculated at 3% or one-half the
16 annual unadjusted percentage increase (but not less than zero)
17 in the consumer price index-u for the 12 months ending with the
18 September preceding each November 1, whichever is less, of the
19 originally granted survivor's annuity. If the annual
20 unadjusted percentage change in the consumer price index-u for
21 the 12 months ending with the September preceding each November
22 1 is zero or there is a decrease, then the annuity shall not be
23 increased.

24 (g) The benefits in Section 14-110 apply only if the person
25 is a State policeman, a fire fighter in the fire protection
26 service of a department, a security employee of the Department

1 of Corrections or the Department of Juvenile Justice, or a
2 security employee of the Department of Innovation and
3 Technology, as those terms are defined in subsection (b) and
4 subsection (c) of Section 14-110. A person who meets the
5 requirements of this Section is entitled to an annuity
6 calculated under the provisions of Section 14-110, in lieu of
7 the regular or minimum retirement annuity, only if the person
8 has withdrawn from service with not less than 20 years of
9 eligible creditable service and has attained age 60, regardless
10 of whether the attainment of age 60 occurs while the person is
11 still in service.

12 (h) If a person who first becomes a member or a participant
13 of a retirement system or pension fund subject to this Section
14 on or after January 1, 2011 is receiving a retirement annuity
15 or retirement pension under that system or fund and becomes a
16 member or participant under any other system or fund created by
17 this Code and is employed on a full-time basis, except for
18 those members or participants exempted from the provisions of
19 this Section under subsection (a) of this Section, then the
20 person's retirement annuity or retirement pension under that
21 system or fund shall be suspended during that employment. Upon
22 termination of that employment, the person's retirement
23 annuity or retirement pension payments shall resume and be
24 recalculated if recalculation is provided for under the
25 applicable Article of this Code.

26 If a person who first becomes a member of a retirement

1 system or pension fund subject to this Section on or after
2 January 1, 2012 and is receiving a retirement annuity or
3 retirement pension under that system or fund and accepts on a
4 contractual basis a position to provide services to a
5 governmental entity from which he or she has retired, then that
6 person's annuity or retirement pension earned as an active
7 employee of the employer shall be suspended during that
8 contractual service. A person receiving an annuity or
9 retirement pension under this Code shall notify the pension
10 fund or retirement system from which he or she is receiving an
11 annuity or retirement pension, as well as his or her
12 contractual employer, of his or her retirement status before
13 accepting contractual employment. A person who fails to submit
14 such notification shall be guilty of a Class A misdemeanor and
15 required to pay a fine of \$1,000. Upon termination of that
16 contractual employment, the person's retirement annuity or
17 retirement pension payments shall resume and, if appropriate,
18 be recalculated under the applicable provisions of this Code.

19 (i) (Blank).

20 (j) In the case of a conflict between the provisions of
21 this Section and any other provision of this Code, the
22 provisions of this Section shall control.

23 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
24 100-563, eff. 12-8-17; 100-611, eff. 7-20-18.)

25 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

1 Sec. 8-174. Contributions for age and service annuities for
2 present employees and future entrants.

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

11 (a-5) Except as provided in subsection (a-10), for an
12 employee who ~~on or after January 1, 2011 and prior to the~~
13 ~~effective date of this amendatory Act of the 100th General~~
14 ~~Assembly first became a member or participant under this~~
15 ~~Article and~~ made the election under item (i) of subsection
16 (d-10) of Section 1-160: prior to the effective date of this
17 amendatory Act of the 100th General Assembly, 6.5%; and
18 beginning on the effective date of this amendatory Act of the
19 100th General Assembly and prior to January 1, 2018, 7.5%; and
20 beginning January 1, 2018 and prior to January 1, 2019, 8.5%;
21 and beginning January 1, 2019 and thereafter, employee
22 contributions for those employees who made the election under
23 item (i) of subsection (d-10) of Section 1-160 shall be the
24 lesser of: (i) the total normal cost, calculated using the
25 entry age normal actuarial method, projected for the prior ~~that~~
26 fiscal year for the benefits and expenses of the plan of

1 benefits applicable to those members and participants who first
2 became members or participants on or after the effective date
3 of this amendatory Act of the 100th General Assembly and to
4 those employees who made the election under item (i) of
5 subsection (d-10) of Section 1-160, but not less than 6.5% of
6 each payment of salary combined with the employee contributions
7 provided for in subsection (b) of Section 8-137 and Section
8 8-182 of this Article; or (ii) the aggregate employee
9 contribution consisting of 9.5% of each payment of salary
10 combined with the employee contributions provided for in
11 subsection (b) of Section 8-137 and 8-182 of this Article.

12 For the one-year period beginning ~~Beginning~~ with the first
13 pay period in January of each year ~~on or~~ after the date when
14 the funded ratio of the fund as determined in the annual
15 actuarial valuation is first determined to have reached the 90%
16 funding goal, and each subsequent one-year ~~pay~~ period
17 thereafter for as long as the fund maintains a funding ratio of
18 75% or more, employee contributions for age and service annuity
19 for those employees who made the election under item (i) of
20 subsection (d-10) of Section 1-160 shall be 5.5% of each
21 payment of salary. If the funding ratio falls below 75%, then
22 employee contributions for age and service annuity for those
23 employees who made the election under item (i) of subsection
24 (d-10) shall revert to the lesser of: (A) the total normal
25 cost, calculated using the entry age normal actuarial method,
26 projected for the prior ~~that~~ fiscal year for the benefits and

1 expenses of the plan of benefits applicable to those members
2 and participants who first became members or participants on or
3 after the effective date of this amendatory Act of the 100th
4 General Assembly and to those employees who made the election
5 under item (i) of subsection (d-10) of Section 1-160, but not
6 less than 6.5% of each payment of salary combined with the
7 employee contributions provided for in subsection (b) of
8 Section 8-137 and Section 8-182 of this Article; or (B) the
9 aggregate employee contribution consisting of 9.5% of each
10 payment of salary combined with the employee contributions
11 provided for in subsection (b) of Section 8-137 and 8-182 of
12 this Article. If the fund once again is determined to have
13 reached a funding ratio of 75%, the 5.5% of salary contribution
14 for age and service annuity shall resume. An employee who made
15 the election under item (ii) of subsection (d-10) of Section
16 1-160 shall continue to have the contributions for age and
17 service annuity determined under subsection (a) of this
18 Section.

19 If contributions are reduced to less than the aggregate
20 employee contribution described in item (ii) or item (B) of
21 this subsection due to application of the normal cost
22 criterion, the employee contribution amount shall be
23 consistent for ~~from July 1 of the fiscal year through June 30~~
24 ~~of~~ that fiscal year.

25 The normal cost, for the purposes of this subsection (a-5)
26 and subsection (a-10), shall be calculated by an independent

1 enrolled actuary mutually agreed upon by the fund and the City.
2 The fees and expenses of the independent actuary shall be the
3 responsibility of the City. For purposes of this subsection
4 (a-5), the fund and the City shall both be considered to be the
5 clients of the actuary, and the actuary shall utilize
6 participant data and actuarial standards to calculate the
7 normal cost. The fund shall provide information that the
8 actuary requests in order to calculate the applicable normal
9 cost.

10 (a-10) For each employee subject to subsection (c-5) of
11 Section 1-160 ~~who on or after the effective date of this~~
12 ~~amendatory Act of the 100th General Assembly first becomes a~~
13 ~~member or participant under this Article,~~ 9.5% of each payment
14 of salary shall be contributed to the fund as a deduction from
15 salary for age and service annuity. Beginning January 1, 2018
16 and each year thereafter, employee contributions for each
17 employee subject to this subsection (a-10) shall be the lesser
18 of: (i) the total normal cost, calculated using the entry age
19 normal actuarial method, projected for the prior ~~that~~ fiscal
20 year for the benefits and expenses of the plan of benefits
21 applicable to those members and participants who first become
22 members or participants on or after the effective date of this
23 amendatory Act of the 100th General Assembly and to those
24 employees who made the election under item (i) of subsection
25 (d-10) of Section 1-160, but not less than 6.5% of each payment
26 of salary combined with the employee contributions provided for

1 in subsection (b) of Section 8-137 and Section 8-182 of this
2 Article; or (ii) the aggregate employee contribution
3 consisting of 9.5% of each payment of salary combined with the
4 employee contributions provided for in subsection (b) of
5 Section 8-137 and Section 8-182 of this Article.

6 For the one-year period beginning ~~Beginning~~ with the first
7 pay period in January of each year ~~on or~~ after the date when
8 the funded ratio of the fund as determined in the annual
9 actuarial valuation is first determined to have reached the 90%
10 funding goal, and each subsequent one-year ~~pay~~ period
11 thereafter for as long as the fund maintains a funding ratio of
12 75% or more, employee contributions for age and service annuity
13 for each employee subject to this subsection (a-10) shall be
14 5.5% of each payment of salary. If the funding ratio falls
15 below 75%, then employee contributions for age and service
16 annuity for each employee subject to this subsection (a-10)
17 shall revert to the lesser of: (A) the total normal cost,
18 calculated using the entry age normal actuarial method,
19 projected for the prior ~~that~~ fiscal year for the benefits and
20 expenses of the plan of benefits applicable to those members
21 and participants who first become members or participants on or
22 after the effective date of this amendatory Act of the 100th
23 General Assembly and to those employees who made the election
24 under item (i) of subsection (d-10) of Section 1-160, but not
25 less than 6.5% of each payment of salary combined with the
26 employee contributions provided for in subsection (b) of

1 Section 8-137 and Section 8-182 of this Article; or (B) the
2 aggregate employee contribution consisting of 9.5% of each
3 payment of salary combined with the employee contributions
4 provided for in subsection (b) of Section 8-137 and Section
5 8-182 of this Article. If the fund once again is determined to
6 have reached a funding ratio of 75%, the 5.5% of salary
7 contribution for age and service annuity shall resume.

8 If contributions are reduced to less than the aggregate
9 employee contribution described in item (ii) or item (B) of
10 this subsection (a-10) due to application of the normal cost
11 criterion, the employee contribution amount shall be
12 consistent ~~for from July 1 of the fiscal year through June 30~~
13 ~~of~~ that fiscal year.

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

1 employees while in the service.

2 (b) Concurrently with each employee contribution, the city
3 shall contribute beginning on the effective date and prior to
4 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to
5 July 1, 1953, 7%; and beginning July 1, 1953 and prior to July
6 6, 2017, 6% of each payment of such salary until the employee
7 attains age 65. Beginning July 6, 2017, the Fund shall credit
8 sums equal to 6% of each payment of such salary for annuity
9 purposes. The amounts credited for annuity purposes shall not
10 be credited for refund purposes ~~(Blank)~~.

11 (c) Each employee contribution made prior to the date the
12 age and service annuity for an employee is fixed and each
13 corresponding city contribution shall be credited to the
14 employee and allocated to the account of the employee for whose
15 benefit it is made.

16 (d) Notwithstanding Section 1-103.1, the changes to this
17 Section made by this amendatory Act of the 100th General
18 Assembly apply regardless of whether the employee was in active
19 service on or after the effective date of this amendatory Act
20 of the 100th General Assembly.

21 (Source: P.A. 100-23, eff. 7-6-17.)

22 (40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

23 Sec. 11-170. Contributions for age and service annuities
24 for present employees, future entrants and re-entrants.

25 (a) Beginning on the effective date and prior to July 1,

1 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
2 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,
3 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment
4 of the salary of each present employee, future entrant and
5 re-entrant, except as provided in subsection (a-5) and (a-10),
6 shall be contributed to the fund as a deduction from salary for
7 age and service annuity.

8 (a-5) Except as provided in subsection (a-10), for an
9 employee who ~~on or after January 1, 2011 and prior to the~~
10 ~~effective date of this amendatory Act of the 100th General~~
11 ~~Assembly first became a member or participant under this~~
12 ~~Article and~~ made the election under item (i) of subsection
13 (d-10) of Section 1-160: prior to the effective date of this
14 amendatory Act of the 100th General Assembly, 6.5%; and
15 beginning on the effective date of this amendatory Act of the
16 100th General Assembly and prior to January 1, 2018, 7.5%; and
17 beginning January 1, 2018 and prior to January 1, 2019, 8.5%;
18 and beginning January 1, 2019 and thereafter, employee
19 contributions for those employees who made the election under
20 item (i) of subsection (d-10) of Section 1-160 shall be the
21 lesser of: (i) the total normal cost, calculated using the
22 entry age normal actuarial method, projected for the prior ~~that~~
23 fiscal year for the benefits and expenses of the plan of
24 benefits applicable to those members and participants who first
25 became members or participants on or after the effective date
26 of this amendatory Act of the 100th General Assembly and to

1 those employees who made the election under item (i) of
2 subsection (d-10) of Section 1-160, but not less than 6.5% of
3 each payment of salary combined with the employee contributions
4 provided for in subsection (b) of Section 11-134.1 and Section
5 11-174 of this Article; or (ii) the aggregate employee
6 contribution consisting of 9.5% of each payment of salary
7 combined with the employee contributions provided for in
8 subsection (b) of Section 11-134.1 and 11-174 of this Article.

9 For the one-year period beginning ~~Beginning~~ with the first
10 pay period in January of each year ~~on or after~~ the date when
11 the funded ratio of the fund as determined in the annual
12 actuarial valuation is first determined to have reached the 90%
13 funding goal, and each subsequent one-year ~~pay~~ period
14 thereafter for as long as the fund maintains a funding ratio of
15 75% or more, employee contributions for age and service annuity
16 for those employees who made the election under item (i) of
17 subsection (d-10) of Section 1-160 shall be 5.5% of each
18 payment of salary. If the funding ratio falls below 75%, then
19 employee contributions for age and service annuity for those
20 employees who made the election under item (i) of subsection
21 (d-10) shall revert to the lesser of: (A) the total normal
22 cost, calculated using the entry age normal actuarial method,
23 projected for the prior ~~that~~ fiscal year for the benefits and
24 expenses of the plan of benefits applicable to those members
25 and participants who first became members or participants on or
26 after the effective date of this amendatory Act of the 100th

1 General Assembly and to those employees who made the election
2 under item (i) of subsection (d-10) of Section 1-160, but not
3 less than 6.5% of each payment of salary combined with the
4 employee contributions provided for in subsection (b) of
5 Section 11-134.1 and Section 11-174 of this Article; or (B) the
6 aggregate employee contribution consisting of 9.5% of each
7 payment of salary combined with the employee contributions
8 provided for in subsection (b) of Section 11-134.1 and 11-174
9 of this Article. If the fund once again is determined to have
10 reached a funding ratio of 75%, the 5.5% of salary contribution
11 for age and service annuity shall resume. An employee who made
12 the election under item (ii) of subsection (d-10) of Section
13 1-160 shall continue to have the contributions for age and
14 service annuity determined under subsection (a) of this
15 Section.

16 If contributions are reduced to less than the aggregate
17 employee contribution described in item (ii) or item (B) of
18 this subsection due to application of the normal cost
19 criterion, the employee contribution amount shall be
20 consistent for ~~from July 1 of the fiscal year through June 30~~
21 ~~of~~ that fiscal year.

22 The normal cost, for the purposes of this subsection (a-5)
23 and subsection (a-10), shall be calculated by an independent
24 enrolled actuary mutually agreed upon by the fund and the City.
25 The fees and expenses of the independent actuary shall be the
26 responsibility of the City. For purposes of this subsection

1 (a-5), the fund and the City shall both be considered to be the
2 clients of the actuary, and the actuary shall utilize
3 participant data and actuarial standards to calculate the
4 normal cost. The fund shall provide information that the
5 actuary requests in order to calculate the applicable normal
6 cost.

7 (a-10) For each employee subject to subsection (c-5) of
8 Section 1-160 ~~who on or after the effective date of this~~
9 ~~amendatory Act of the 100th General Assembly first becomes a~~
10 ~~member or participant under this Article~~, 9.5% of each payment
11 of salary shall be contributed to the fund as a deduction from
12 salary for age and service annuity. Beginning January 1, 2018
13 and each year thereafter, employee contributions for each
14 employee subject to this subsection (a-10) shall be the lesser
15 of: (i) the total normal cost, calculated using the entry age
16 normal actuarial method, projected for the prior ~~that~~ fiscal
17 year for the benefits and expenses of the plan of benefits
18 applicable to those members and participants who first become
19 members or participants on or after the effective date of this
20 amendatory Act of the 100th General Assembly and to those
21 employees who made the election under item (i) of subsection
22 (d-10) of Section 1-160, but not less than 6.5% of each payment
23 of salary combined with the employee contributions provided for
24 in subsection (b) of Section 11-134.1 and Section 11-174 of
25 this Article; or (ii) the aggregate employee contribution
26 consisting of 9.5% of each payment of salary combined with the

1 employee contributions provided for in subsection (b) of
2 Section 11-134.1 and Section 11-174 of this Article.

3 For the one-year period beginning ~~Beginning~~ with the first
4 pay period in January of each year ~~on or~~ after the date when
5 the funded ratio of the fund as determined in the annual
6 actuarial valuation is first determined to have reached the 90%
7 funding goal, and each subsequent one-year ~~pay~~ period
8 thereafter for as long as the fund maintains a funding ratio of
9 75% or more, employee contributions for age and service annuity
10 for each employee subject to this subsection (a-10) shall be
11 5.5% of each payment of salary. If the funding ratio falls
12 below 75%, then employee contributions for age and service
13 annuity for each employee subject to this subsection (a-10)
14 shall revert to the lesser of: (A) the total normal cost,
15 calculated using the entry age normal actuarial method,
16 projected for the prior ~~that~~ fiscal year for the benefits and
17 expenses of the plan of benefits applicable to those members
18 and participants who first become members or participants on or
19 after the effective date of this amendatory Act of the 100th
20 General Assembly and to those employees who made the election
21 under item (i) of subsection (d-10) of Section 1-160, but not
22 less than 6.5% of each payment of salary combined with the
23 employee contributions provided for in subsection (b) of
24 Section 11-134.1 and Section 11-174 of this Article; or (B) the
25 aggregate employee contribution consisting of 9.5% of each
26 payment of salary combined with the employee contributions

1 provided for in subsection (b) of Section 11-134.1 and Section
2 11-174 of this Article. If the fund once again is determined to
3 have reached a funding ratio of 75%, the 5.5% of salary
4 contribution for age and service annuity shall resume.

5 If contributions are reduced to less than the aggregate
6 employee contribution described in item (ii) or item (B) of
7 this subsection (a-10) due to application of the normal cost
8 criterion, the employee contribution amount shall be
9 consistent ~~for from July 1 of the fiscal year through June 30~~
10 ~~of~~ that fiscal year.

11 Such deductions beginning on the effective date and prior
12 to June 30, 1947, inclusive shall be made for a future entrant
13 while he is in service until he attains age 65, and for a
14 present employee while he is in service until the amount so
15 deducted from his salary with interest at the rate of 4% per
16 annum shall be equal to the sum which would have accumulated to
17 his credit from sums deducted from his salary if deductions at
18 the rate herein stated had been made during his entire service
19 until he attained age 65 with interest at 4% per annum for the
20 period subsequent to his attainment of age 65. Such deductions
21 beginning July 1, 1947 shall be made and continued for
22 employees while in the service.

23 (b) Concurrently with each employee contribution, the city
24 shall contribute beginning on the effective date and prior to
25 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to
26 July 1, 1953, 7%; and beginning July 1, 1953 and prior to July

1 6, 2017, 6% of each payment of such salary until the employee
2 attains age 65. Beginning July 6, 2017, the Fund shall credit
3 sums equal to 6% of each payment of such salary for annuity
4 purposes. The amounts credited for annuity purposes shall not
5 be credited for refund purposes ~~(Blank)~~.

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

11 (d) Notwithstanding Section 1-103.1, the changes to this
12 Section made by this amendatory Act of the 100th General
13 Assembly apply regardless of whether the employee was in active
14 service on or after the effective date of this amendatory Act.

15 (Source: P.A. 100-23, eff. 7-6-17.)

16 (40 ILCS 5/11-197.7)

17 Sec. 11-197.7. Payment of annuity other than direct. The
18 board, at the written direction and request of any annuitant,
19 may, solely as an accommodation to such annuitant, pay the
20 annuity due him or her to a bank, savings and loan association,
21 or any other financial institution insured by an agency of the
22 federal government, for deposit to his or her account, or to a
23 bank or trust company for deposit in a trust established by him
24 or her for his benefit with such bank, savings and loan
25 association, or trust company, and such annuitant may withdraw

1 such direction at any time. An annuitant who directs the board
2 to pay the annuity due him or her to a financial institution
3 shall hold the board and the fund harmless from any claim or
4 loss related to any error as to whether the financial
5 institution is or continues to be federally insured. ~~The board~~
6 ~~may also, in the case of any disability beneficiary or~~
7 ~~annuitant for whom no estate guardian has been appointed and~~
8 ~~who is confined in a publicly owned and operated mental~~
9 ~~institution, pay such disability benefit or annuity due such~~
10 ~~person to the superintendent or other head of such institution~~
11 ~~or hospital for deposit to such person's trust fund account~~
12 ~~maintained for him or her by such institution or hospital, if~~
13 ~~by law such trust fund accounts are authorized or recognized.~~

14 (Source: P.A. 100-23, eff. 7-6-17.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."