



Sen. Bill Cunningham

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1 AMENDMENT TO HOUSE BILL 688

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 688 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Section 6-164 as follows:

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

7 Sec. 6-164. Automatic annual increase; retirement after  
8 September 1, 1959.

9 (a) For a person who first became a fireman under this  
10 Article before January 1, 2011 (Tier 1):

11 (1) A fireman qualifying for a minimum annuity who  
12 retires from service after September 1, 1959 shall, upon  
13 either the first of the month following the first  
14 anniversary of his date of retirement if he is age 60 (age  
15 55 if born before January 1, 1966) or over on that  
16 anniversary date, or upon the first of the month following

1 his attainment of age 60 (age 55 if born before January 1,  
2 1966) if that occurs after the first anniversary of his  
3 retirement date, have his then fixed and payable monthly  
4 annuity increased by 1 1/2%, and such first fixed annuity  
5 as granted at retirement increased by an additional 1 1/2%  
6 in January of each year thereafter up to a maximum increase  
7 of 30%. Beginning July 1, 1982 for firemen born before  
8 January 1, 1930, and beginning January 1, 1990 for firemen  
9 born after December 31, 1929 and before January 1, 1940,  
10 and beginning January 1, 1996 for firemen born after  
11 December 31, 1939 but before January 1, 1945, and beginning  
12 January 1, 2004, for firemen born after December 31, 1944  
13 but before January 1, 1955, and beginning January 1, 2017,  
14 for firemen born after December 31, 1954 but before January  
15 1, 1966, such increases shall be 3% and such firemen shall  
16 not be subject to the 30% maximum increase.

17 (2) Any fireman born before January 1, 1945 who  
18 qualifies for a minimum annuity and retires after September  
19 1, 1967 but has not received the initial increase under  
20 this subsection before January 1, 1996 is entitled to  
21 receive the initial increase under this subsection on (1)  
22 January 1, 1996, (2) the first anniversary of the date of  
23 retirement, or (3) attainment of age 55, whichever occurs  
24 last. The changes to this Section made by this amendatory  
25 Act of 1995 apply beginning January 1, 1996 and apply  
26 without regard to whether the fireman or annuitant

1 terminated service before the effective date of this  
2 amendatory Act of 1995.

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

14 (4) Any fireman born before January 1, 1966 who  
15 qualifies for a minimum annuity and retires after September  
16 1, 1967 but has not received the initial increase under  
17 this subsection before January 1, 2017 is entitled to  
18 receive an initial increase under this subsection (a) on  
19 (1) January 1, 2017, (2) the first anniversary of the date  
20 of retirement, or (3) attainment of age 55, whichever  
21 occurs last, in an amount equal to 3% for each complete  
22 year following the date of retirement or attainment of age  
23 55, whichever occurs later. This subdivision (4) does not  
24 prohibit any qualified fireman from choosing to have his or  
25 her eligibility for and the amount of the initial increase  
26 in retirement annuity determined in accordance with

1       subdivision (1) or (5) of this subsection.

2           The changes to this subsection made by Public Act  
3 99-905 ~~this amendatory Act of the 99th General Assembly~~  
4 apply without regard to whether the fireman or annuitant  
5 terminated service before November 29, 2016 (the effective  
6 date of Public Act 99-905) ~~this amendatory Act.~~

7           (5) A fireman born before January 1, 1966 who qualifies  
8 for a minimum annuity and retires after September 1, 1967  
9 but has not received the initial increase under this  
10 subsection before January 1, 2018 is entitled to receive  
11 the initial increase under this subsection on (1) January  
12 1, 2018, (2) the first anniversary of the date of  
13 retirement, or (3) attainment of age 55, whichever occurs  
14 last. This subdivision (5) does not prohibit any qualified  
15 fireman from choosing to have his or her eligibility for  
16 and the amount of the initial increase in retirement  
17 annuity determined in accordance with subdivision (1) or  
18 (4) of this subsection.

19           (6) A fireman born on or after January 1, 1955 whose  
20 eligibility for and the amount of the initial increase in  
21 retirement annuity was determined, calculated, and granted  
22 under subdivision (1) of this subsection on or after  
23 January 1, 2010 and before November 29, 2016 (the effective  
24 date of Public Act 99-905) shall receive a one-time  
25 adjustment in his or her retirement annuity on January 1,  
26 2018, equal to (i) 1.5% of the original fixed annuity for

1 each annual increase in that annuity that was calculated at  
2 1.5% instead of 3%, plus (ii) 3% of the original fixed  
3 annuity for each annual increase in that annuity that was  
4 lost because the eligibility requirement under that  
5 subdivision was age 60 rather than age 55 due to the  
6 delayed extension of the age 55 provision.

7 (7) A fireman born before January 1, 1966 whose  
8 eligibility for and the amount of the initial increase in  
9 retirement annuity was determined, calculated, and granted  
10 under subdivision (4) of this subsection on or after  
11 November 29, 2016 (the effective date of Public Act 99-905)  
12 and before the effective date of this amendatory Act of the  
13 100th General Assembly shall receive a one-time adjustment  
14 in his or her retirement annuity on January 1, 2018, equal  
15 to 3% of the original fixed annuity, representing the loss  
16 of the traditional increase on the January 1 following the  
17 first anniversary of retirement, due to the "complete year"  
18 language that was included in subdivision (4).

19 (8) It is the purpose of this amendatory Act of the  
20 100th General Assembly to clarify the intended application  
21 of subdivisions (1) and (4) of this subsection (a), as  
22 amended by Public Act 99-905, and to grant a one-time  
23 adjustment in certain retirement annuities that have  
24 already received the initial increase. The changes to this  
25 Section made by this amendatory Act apply without regard to  
26 whether the fireman or annuitant terminated service before

1           the effective date of this amendatory Act.

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

4           (c) To help defray the cost of such increases in annuity,  
5 there shall be deducted, beginning September 1, 1959, from each  
6 payment of salary to a fireman, 1/8 of 1% of each such salary  
7 payment and an additional 1/8 of 1% beginning on September 1,  
8 1961, and September 1, 1963, respectively, concurrently with  
9 and in addition to the salary deductions otherwise made for  
10 annuity purposes.

11           Each such additional 1/8 of 1% deduction from salary which  
12 shall, on September 1, 1963, result in a total increase of 3/8  
13 of 1% of salary, shall be credited to the Automatic Increase  
14 Reserve, to be used, together with city contributions as  
15 provided in this Article, to defray the cost of the annuity  
16 increments specified in this Section. Any balance in such  
17 reserve as of the beginning of each calendar year shall be  
18 credited with interest at the rate of 3% per annum.

19           The salary deductions provided in this Section are not  
20 subject to refund, except to the fireman himself in any case in  
21 which: (i) the fireman withdraws prior to qualification for  
22 minimum annuity or Tier 2 monthly retirement annuity and  
23 applies for refund, (ii) the fireman applies for an annuity of  
24 a type that is not subject to annual increases under this  
25 Section, or (iii) a term annuity becomes payable. In such  
26 cases, the total of such salary deductions shall be refunded to

1 the fireman, without interest, and charged to the  
2 aforementioned reserve.

3 (d) Notwithstanding any other provision of this Article,  
4 the Tier 2 monthly retirement annuity of a person who first  
5 becomes a fireman under this Article on or after January 1,  
6 2011 shall be increased on the January 1 occurring either on or  
7 after (i) the attainment of age 60 or (ii) the first  
8 anniversary of the annuity start date, whichever is later. Each  
9 annual increase shall be calculated at 3% or one-half the  
10 annual unadjusted percentage increase (but not less than zero)  
11 in the 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 a 12-month period ending in September is zero or, when compared  
16 with the preceding period, decreases, then the annuity shall  
17 not be increased.

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

1 (Source: P.A. 99-905, eff. 11-29-16.)

2 Section 90. The State Mandates Act is amended by adding  
3 Section 8.41 as follows:

4 (30 ILCS 805/8.41 new)

5 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8  
6 of this Act, no reimbursement by the State is required for the  
7 implementation of any mandate created by this amendatory Act of  
8 the 100th General Assembly.

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