

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 1-160, 8-162, 8-174, 11-170, and 11-197.7 as follows:

6 (40 ILCS 5/1-160)

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

8 (a) The provisions of this Section apply to a person who,
9 on or after January 1, 2011, first becomes a member or a
10 participant under any reciprocal retirement system or pension
11 fund established under this Code, other than a retirement
12 system or pension fund established under Article 2, 3, 4, 5, 6,
13 15 or 18 of this Code, notwithstanding any other provision of
14 this Code to the contrary, but do not apply to any self-managed
15 plan established under this Code, to any person with respect to
16 service as a sheriff's law enforcement employee under Article
17 7, or to any participant of the retirement plan established
18 under Section 22-101. Notwithstanding anything to the contrary
19 in this Section, for purposes of this Section, a person who
20 participated in a retirement system under Article 15 prior to
21 January 1, 2011 shall be deemed a person who first became a
22 member or participant prior to January 1, 2011 under any
23 retirement system or pension fund subject to this Section. The

1 changes made to this Section by Public Act 98-596 are a
2 clarification of existing law and are intended to be
3 retroactive to January 1, 2011 (the effective date of Public
4 Act 96-889), notwithstanding the provisions of Section 1-103.1
5 of this Code.

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

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

18 This Section does not apply to a person who elects under
19 subsection (c-5) of Section 1-161 to receive the benefits under
20 Section 1-161.

21 This Section does not apply to a person who first becomes a
22 member or participant of an affected pension fund on or after 6
23 months after the resolution or ordinance date, as defined in
24 Section 1-162, unless that person elects under subsection (c)
25 of Section 1-162 to receive the benefits provided under this
26 Section and the applicable provisions of the Article under

1 which he or she is a member or participant.

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

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

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average
17 annual salary for any 4 consecutive years within the last
18 10 years of service immediately preceding the date of
19 withdrawal".

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

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

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

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

25 (b-5) Beginning on January 1, 2011, for all purposes under
26 this Code (including without limitation the calculation of

1 benefits and employee contributions), the annual earnings,
2 salary, or wages (based on the plan year) of a member or
3 participant to whom this Section applies shall not exceed
4 \$106,800; however, that amount shall annually thereafter be
5 increased by the lesser of (i) 3% of that amount, including all
6 previous adjustments, or (ii) one-half the annual unadjusted
7 percentage increase (but not less than zero) in the consumer
8 price index-u for the 12 months ending with the September
9 preceding each November 1, including all previous adjustments.

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

19 (c) A member or participant is entitled to a retirement
20 annuity upon written application if he or she has attained age
21 67 (beginning January 1, 2015, age 65 with respect to service
22 under Article 12 of this Code that is subject to this Section)
23 and has at least 10 years of service credit and is otherwise
24 eligible under the requirements of the applicable Article.

25 A member or participant who has attained age 62 (beginning
26 January 1, 2015, age 60 with respect to service under Article

1 12 of this Code that is subject to this Section) and has at
2 least 10 years of service credit and is otherwise eligible
3 under the requirements of the applicable Article may elect to
4 receive the lower retirement annuity provided in subsection (d)
5 of this Section.

6 (c-5) A person who first becomes a member or a participant
7 subject to this Section ~~under Article 8 or Article 11 of this~~
8 ~~Code~~ on or after July 6, 2017 (the effective date of Public Act
9 100-23) ~~this amendatory Act of the 100th General Assembly,~~
10 notwithstanding any other provision of this Code to the
11 contrary, is entitled to a retirement annuity under Article 8
12 or Article 11 upon written application if he or she has
13 attained age 65 and has at least 10 years of service credit
14 ~~under Article 8 or Article 11 of this Code~~ and is otherwise
15 eligible under the requirements of Article 8 or Article 11 of
16 this Code, whichever is applicable.

17 (d) The retirement annuity of a member or participant who
18 is retiring after attaining age 62 (beginning January 1, 2015,
19 age 60 with respect to service under Article 12 of this Code
20 that is subject to this Section) with at least 10 years of
21 service credit shall be reduced by one-half of 1% for each full
22 month that the member's age is under age 67 (beginning January
23 1, 2015, age 65 with respect to service under Article 12 of
24 this Code that is subject to this Section).

25 (d-5) The retirement annuity payable under Article 8 or
26 Article 11 to an eligible ~~of a person~~ subject to subsection

1 ~~(c-5) of this Section who first becomes a member or a~~
2 ~~participant under Article 8 or Article 11 of this Code on or~~
3 ~~after the effective date of this amendatory Act of the 100th~~
4 ~~General Assembly~~ who is retiring at age 60 with at least 10
5 years of service credit ~~under Article 8 or Article 11~~ shall be
6 reduced by one-half of 1% for each full month that the member's
7 age is under age 65.

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

13 (i) to be eligible for the reduced retirement age
14 provided in subsections (c-5) and (d-5) of this Section,
15 the eligibility for which is conditioned upon the member or
16 participant agreeing to the increases in employee
17 contributions for age and service annuities provided in
18 subsection (a-5) of Section 8-174 of this Code (for service
19 under Article 8) or subsection (a-5) of Section 11-170 of
20 this Code (for service under Article 11); or

21 (ii) to not agree to item (i) of this subsection
22 (d-10), in which case the member or participant shall
23 continue to be subject to the retirement age provisions in
24 subsections (c) and (d) of this Section and the employee
25 contributions for age and service annuity as provided in
26 subsection (a) of Section 8-174 of this Code (for service

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

3 The election provided for in this subsection shall be made
4 between October 1, 2017 and November 15, 2017. A person subject
5 to this subsection who makes the required election shall remain
6 bound by that election. A person subject to this subsection who
7 fails for any reason to make the required election within the
8 time specified in this subsection shall be deemed to have made
9 the election under item (ii).

10 (e) Any retirement annuity or supplemental annuity shall be
11 subject to annual increases on the January 1 occurring either
12 on or after the attainment of age 67 (beginning January 1,
13 2015, age 65 with respect to service under Article 12 of this
14 Code that is subject to this Section and beginning on the
15 effective date of this amendatory Act of the 100th General
16 Assembly, age 65 with respect to service under Article 8 or
17 Article 11 for eligible persons who: (i) are subject to
18 subsection (c-5) of this Section ~~first became members or~~
19 ~~participants under Article 8 or Article 11 of this Code on or~~
20 ~~after the effective date of this amendatory Act of the 100th~~
21 ~~General Assembly; or (ii) first became members or participants~~
22 ~~under Article 8 or Article 11 of this Code on or after January~~
23 ~~1, 2011 and before the effective date of this amendatory Act of~~
24 ~~the 100th General Assembly and~~ made the election under item (i)
25 of subsection (d-10) of this Section) or the first anniversary
26 of the annuity start date, whichever is later. Each annual

1 increase shall be calculated at 3% or one-half the annual
2 unadjusted percentage increase (but not less than zero) in the
3 consumer price index-u for the 12 months ending with the
4 September preceding each November 1, whichever is less, of the
5 originally granted retirement annuity. If the annual
6 unadjusted percentage change in the consumer price index-u for
7 the 12 months ending with the September preceding each November
8 1 is zero or there is a decrease, then the annuity shall not be
9 increased.

10 For the purposes of Section 1-103.1 of this Code, the
11 changes made to this Section by this amendatory Act of the
12 100th General Assembly are applicable without regard to whether
13 the employee was in active service on or after the effective
14 date of this amendatory Act of the 100th General Assembly.

15 (f) The initial survivor's or widow's annuity of an
16 otherwise eligible survivor or widow of a retired member or
17 participant who first became a member or participant on or
18 after January 1, 2011 shall be in the amount of 66 2/3% of the
19 retired member's or participant's retirement annuity at the
20 date of death. In the case of the death of a member or
21 participant who has not retired and who first became a member
22 or participant on or after January 1, 2011, eligibility for a
23 survivor's or widow's annuity shall be determined by the
24 applicable Article of this Code. The initial benefit shall be
25 66 2/3% of the earned annuity without a reduction due to age. A
26 child's annuity of an otherwise eligible child shall be in the

1 amount prescribed under each Article if applicable. Any
2 survivor's or widow's annuity shall be increased (1) on each
3 January 1 occurring on or after the commencement of the annuity
4 if the deceased member died while receiving a retirement
5 annuity or (2) in other cases, on each January 1 occurring
6 after the first anniversary of the commencement of the annuity.
7 Each annual increase shall be calculated at 3% or one-half the
8 annual unadjusted percentage increase (but not less than zero)
9 in the consumer price index-u for the 12 months ending with the
10 September preceding each November 1, whichever is less, of the
11 originally granted survivor's annuity. If the annual
12 unadjusted percentage change in the consumer price index-u for
13 the 12 months ending with the September preceding each November
14 1 is zero or there is a decrease, then the annuity shall not be
15 increased.

16 (g) The benefits in Section 14-110 apply only if the person
17 is a State policeman, a fire fighter in the fire protection
18 service of a department, or a security employee of the
19 Department of Corrections or the Department of Juvenile
20 Justice, as those terms are defined in subsection (b) of
21 Section 14-110. A person who meets the requirements of this
22 Section is entitled to an annuity calculated under the
23 provisions of Section 14-110, in lieu of the regular or minimum
24 retirement annuity, only if the person has withdrawn from
25 service with not less than 20 years of eligible creditable
26 service and has attained age 60, regardless of whether the

1 attainment of age 60 occurs while the person is still in
2 service.

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

17 If a person who first becomes a member of a retirement
18 system or pension fund subject to this Section on or after
19 January 1, 2012 and is receiving a retirement annuity or
20 retirement pension under that system or fund and accepts on a
21 contractual basis a position to provide services to a
22 governmental entity from which he or she has retired, then that
23 person's annuity or retirement pension earned as an active
24 employee of the employer shall be suspended during that
25 contractual service. A person receiving an annuity or
26 retirement pension under this Code shall notify the pension

1 fund or retirement system from which he or she is receiving an
2 annuity or retirement pension, as well as his or her
3 contractual employer, of his or her retirement status before
4 accepting contractual employment. A person who fails to submit
5 such notification shall be guilty of a Class A misdemeanor and
6 required to pay a fine of \$1,000. Upon termination of that
7 contractual employment, the person's retirement annuity or
8 retirement pension payments shall resume and, if appropriate,
9 be recalculated under the applicable provisions of this Code.

10 (i) (Blank).

11 (j) In the case of a conflict between the provisions of
12 this Section and any other provision of this Code, the
13 provisions of this Section shall control.

14 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
15 100-563, eff. 12-8-17.)

16 (40 ILCS 5/8-162) (from Ch. 108 1/2, par. 8-162)

17 Sec. 8-162. Proof of disability, duty and ordinary.

18 Proof of duty or ordinary disability shall be furnished to
19 the board by at least one licensed and practicing physician
20 appointed by the board. The board may require other evidence of
21 disability. Each disabled employee who receives duty or
22 ordinary disability benefit shall be examined at least once a
23 year, or a longer period of time as determined by the board, by
24 one or more licensed and practicing physicians appointed by the
25 board. When the disability ceases, the board shall discontinue

1 payment of the benefit and the employee shall be returned to
2 active service.

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

4 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

5 Sec. 8-174. Contributions for age and service annuities for
6 present employees and future entrants.

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

15 (a-5) Except as provided in subsection (a-10), for an
16 employee who ~~on or after January 1, 2011 and prior to the~~
17 ~~effective date of this amendatory Act of the 100th General~~
18 ~~Assembly first became a member or participant under this~~
19 ~~Article and~~ made the election under item (i) of subsection
20 (d-10) of Section 1-160: prior to the effective date of this
21 amendatory Act of the 100th General Assembly, 6.5%; and
22 beginning on the effective date of this amendatory Act of the
23 100th General Assembly and prior to January 1, 2018, 7.5%; and
24 beginning January 1, 2018 and prior to January 1, 2019, 8.5%;
25 and beginning January 1, 2019 and thereafter, employee

1 contributions for those employees who made the election under
2 item (i) of subsection (d-10) of Section 1-160 shall be the
3 lesser of: (i) the total normal cost, calculated using the
4 entry age normal actuarial method, projected for the prior ~~that~~
5 fiscal year for the benefits and expenses of the plan of
6 benefits applicable to those members and participants who first
7 became members or participants on or after the effective date
8 of this amendatory Act of the 100th General Assembly and to
9 those employees who made the election under item (i) of
10 subsection (d-10) of Section 1-160, but not less than 6.5% of
11 each payment of salary combined with the employee contributions
12 provided for in subsection (b) of Section 8-137 and Section
13 8-182 of this Article; or (ii) the aggregate employee
14 contribution consisting of 9.5% of each payment of salary
15 combined with the employee contributions provided for in
16 subsection (b) of Section 8-137 and 8-182 of this Article.

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

1 employee contributions for age and service annuity for those
2 employees who made the election under item (i) of subsection
3 (d-10) shall revert to the lesser of: (A) the total normal
4 cost, calculated using the entry age normal actuarial method,
5 projected for the prior ~~that~~ fiscal year for the benefits and
6 expenses of the plan of benefits applicable to those members
7 and participants who first became members or participants on or
8 after the effective date of this amendatory Act of the 100th
9 General Assembly and to those employees who made the election
10 under item (i) of subsection (d-10) of Section 1-160, but not
11 less than 6.5% of each payment of salary combined with the
12 employee contributions provided for in subsection (b) of
13 Section 8-137 and Section 8-182 of this Article; or (B) the
14 aggregate employee contribution consisting of 9.5% of each
15 payment of salary combined with the employee contributions
16 provided for in subsection (b) of Section 8-137 and 8-182 of
17 this Article. If the fund once again is determined to have
18 reached a funding ratio of 75%, the 5.5% of salary contribution
19 for age and service annuity shall resume. An employee who made
20 the election under item (ii) of subsection (d-10) of Section
21 1-160 shall continue to have the contributions for age and
22 service annuity determined under subsection (a) of this
23 Section.

24 If contributions are reduced to less than the aggregate
25 employee contribution described in item (ii) or item (B) of
26 this subsection due to application of the normal cost

1 criterion, the employee contribution amount shall be
2 consistent for ~~from July 1 of the fiscal year through June 30~~
3 ~~of~~ that fiscal year.

4 The normal cost, for the purposes of this subsection (a-5)
5 and subsection (a-10), shall be calculated by an independent
6 enrolled actuary mutually agreed upon by the fund and the City.
7 The fees and expenses of the independent actuary shall be the
8 responsibility of the City. For purposes of this subsection
9 (a-5), the fund and the City shall both be considered to be the
10 clients of the actuary, and the actuary shall utilize
11 participant data and actuarial standards to calculate the
12 normal cost. The fund shall provide information that the
13 actuary requests in order to calculate the applicable normal
14 cost.

15 (a-10) For each employee subject to subsection (c-5) of
16 Section 1-160 ~~who on or after the effective date of this~~
17 ~~amendatory Act of the 100th General Assembly first becomes a~~
18 ~~member or participant under this Article~~, 9.5% of each payment
19 of salary shall be contributed to the fund as a deduction from
20 salary for age and service annuity. Beginning January 1, 2018
21 and each year thereafter, employee contributions for each
22 employee subject to this subsection (a-10) shall be the lesser
23 of: (i) the total normal cost, calculated using the entry age
24 normal actuarial method, projected for the prior ~~that~~ fiscal
25 year for the benefits and expenses of the plan of benefits
26 applicable to those members and participants who first become

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

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

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

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

19 Such deductions beginning on the effective date and prior
20 to July 1, 1947 shall be made for a future entrant while he is
21 in the service until he attains age 65 and for a present
22 employee while he is in the service until the amount so
23 deducted from his salary with the amount deducted from his
24 salary or paid by him according to law to any municipal pension
25 fund in force on the effective date with interest on both such
26 amounts at 4% per annum equals the sum that would have been to

1 his credit from sums deducted from his salary if deductions at
2 the rate herein stated had been made during his entire service
3 until he attained age 65 with interest at 4% per annum for the
4 period subsequent to his attainment of age 65. Such deductions
5 beginning July 1, 1947 shall be made and continued for
6 employees while in the service.

7 (b) Concurrently with each employee contribution, the city
8 shall contribute beginning on the effective date and prior to
9 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to
10 July 1, 1953, 7%; and beginning July 1, 1953 and prior to July
11 6, 2017, 6% of each payment of such salary until the employee
12 attains age 65. Beginning July 6, 2017, the Fund shall credit
13 sums equal to 6% of each payment of such salary for annuity
14 purposes. The amounts credited for annuity purposes shall not
15 be credited for refund purposes ~~(Blank)~~.

16 (c) Each employee contribution made prior to the date the
17 age and service annuity for an employee is fixed and each
18 corresponding city contribution shall be credited to the
19 employee and allocated to the account of the employee for whose
20 benefit it is made.

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

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

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

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

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

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

1 entry age normal actuarial method, projected for the prior ~~that~~
2 fiscal year for the benefits and expenses of the plan of
3 benefits applicable to those members and participants who first
4 became members or participants on or after the effective date
5 of this amendatory Act of the 100th General Assembly and to
6 those employees who made the election under item (i) of
7 subsection (d-10) of Section 1-160, but not less than 6.5% of
8 each payment of salary combined with the employee contributions
9 provided for in subsection (b) of Section 11-134.1 and Section
10 11-174 of this Article; or (ii) the aggregate employee
11 contribution consisting of 9.5% of each payment of salary
12 combined with the employee contributions provided for in
13 subsection (b) of Section 11-134.1 and 11-174 of this Article.

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

1 cost, calculated using the entry age normal actuarial method,
2 projected for the prior ~~that~~ fiscal year for the benefits and
3 expenses of the plan of benefits applicable to those members
4 and participants who first became members or participants on or
5 after the effective date of this amendatory Act of the 100th
6 General Assembly and to those employees who made the election
7 under item (i) of subsection (d-10) of Section 1-160, but not
8 less than 6.5% of each payment of salary combined with the
9 employee contributions provided for in subsection (b) of
10 Section 11-134.1 and Section 11-174 of this Article; or (B) the
11 aggregate employee contribution consisting of 9.5% of each
12 payment of salary combined with the employee contributions
13 provided for in subsection (b) of Section 11-134.1 and 11-174
14 of this Article. If the fund once again is determined to have
15 reached a funding ratio of 75%, the 5.5% of salary contribution
16 for age and service annuity shall resume. An employee who made
17 the election under item (ii) of subsection (d-10) of Section
18 1-160 shall continue to have the contributions for age and
19 service annuity determined under subsection (a) of this
20 Section.

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

1 The normal cost, for the purposes of this subsection (a-5)
2 and subsection (a-10), shall be calculated by an independent
3 enrolled actuary mutually agreed upon by the fund and the City.
4 The fees and expenses of the independent actuary shall be the
5 responsibility of the City. For purposes of this subsection
6 (a-5), the fund and the City shall both be considered to be the
7 clients of the actuary, and the actuary shall utilize
8 participant data and actuarial standards to calculate the
9 normal cost. The fund shall provide information that the
10 actuary requests in order to calculate the applicable normal
11 cost.

12 (a-10) For each employee subject to subsection (c-5) of
13 Section 1-160 ~~who on or after the effective date of this~~
14 ~~amendatory Act of the 100th General Assembly first becomes a~~
15 ~~member or participant under this Article~~, 9.5% of each payment
16 of salary shall be contributed to the fund as a deduction from
17 salary for age and service annuity. Beginning January 1, 2018
18 and each year thereafter, employee contributions for each
19 employee subject to this subsection (a-10) shall be the lesser
20 of: (i) the total normal cost, calculated using the entry age
21 normal actuarial method, projected for the prior ~~that~~ fiscal
22 year for the benefits and expenses of the plan of benefits
23 applicable to those members and participants who first become
24 members or participants on or after the effective date of this
25 amendatory Act of the 100th General Assembly and to those
26 employees who made the election under item (i) of subsection

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

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

1 less than 6.5% of each payment of salary combined with the
2 employee contributions provided for in subsection (b) of
3 Section 11-134.1 and Section 11-174 of this Article; or (B) the
4 aggregate employee contribution consisting of 9.5% of each
5 payment of salary combined with the employee contributions
6 provided for in subsection (b) of Section 11-134.1 and Section
7 11-174 of this Article. If the fund once again is determined to
8 have reached a funding ratio of 75%, the 5.5% of salary
9 contribution for age and service annuity shall resume.

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

16 Such deductions beginning on the effective date and prior
17 to June 30, 1947, inclusive shall be made for a future entrant
18 while he is in service until he attains age 65, and for a
19 present employee while he is in service until the amount so
20 deducted from his salary with interest at the rate of 4% per
21 annum shall be equal to the sum which would have accumulated 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 age
12 and service annuity for an employee is fixed and each
13 corresponding city contribution shall be allocated to the
14 account of and credited to the employee for whose benefit it is
15 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 (Source: P.A. 100-23, eff. 7-6-17.)

21 (40 ILCS 5/11-197.7)

22 Sec. 11-197.7. Payment of annuity other than direct. The
23 board, at the written direction and request of any annuitant,
24 may, solely as an accommodation to such annuitant, pay the
25 annuity due him or her to a bank, savings and loan association,

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

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.