

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 General Obligation Bond Act is amended by
5 changing Sections 2, 2.5, and 7.7 as follows:

6 (30 ILCS 330/2) (from Ch. 127, par. 652)

7 Sec. 2. Authorization for Bonds. The State of Illinois is
8 authorized to issue, sell and provide for the retirement of
9 General Obligation Bonds of the State of Illinois for the
10 categories and specific purposes expressed in Sections 2
11 through 8 of this Act, in the total amount of \$79,256,839,969
12 ~~\$78,256,839,969~~.

13 The bonds authorized in this Section 2 and in Section 16 of
14 this Act are herein called "Bonds".

15 Of the total amount of Bonds authorized in this Act, up to
16 \$2,200,000,000 in aggregate original principal amount may be
17 issued and sold in accordance with the Baccalaureate Savings
18 Act in the form of General Obligation College Savings Bonds.

19 Of the total amount of Bonds authorized in this Act, up to
20 \$300,000,000 in aggregate original principal amount may be
21 issued and sold in accordance with the Retirement Savings Act
22 in the form of General Obligation Retirement Savings Bonds.

23 Of the total amount of Bonds authorized in this Act, the

1 additional \$10,000,000,000 authorized by Public Act 93-2, the
2 \$3,466,000,000 authorized by Public Act 96-43, and the
3 \$4,096,348,300 authorized by Public Act 96-1497 shall be used
4 solely as provided in Section 7.2.

5 Of the total amount of Bonds authorized in this Act, the
6 additional \$6,000,000,000 authorized by Public Act 100-23
7 shall be used solely as provided in Section 7.6 and shall be
8 issued by December 31, 2017.

9 Of the total amount of Bonds authorized in this Act,
10 \$2,000,000,000 ~~\$1,000,000,000~~ of the additional amount
11 authorized by Public Act 100-587 and this amendatory Act of
12 the 102nd General Assembly shall be used solely as provided in
13 Section 7.7.

14 The issuance and sale of Bonds pursuant to the General
15 Obligation Bond Act is an economical and efficient method of
16 financing the long-term capital needs of the State. This Act
17 will permit the issuance of a multi-purpose General Obligation
18 Bond with uniform terms and features. This will not only lower
19 the cost of registration but also reduce the overall cost of
20 issuing debt by improving the marketability of Illinois
21 General Obligation Bonds.

22 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
23 101-30, eff. 6-28-19.)

24 (30 ILCS 330/2.5)

25 Sec. 2.5. Limitation on issuance of Bonds.

1 (a) Except as provided in subsection (b), no Bonds may be
2 issued if, after the issuance, in the next State fiscal year
3 after the issuance of the Bonds, the amount of debt service
4 (including principal, whether payable at maturity or pursuant
5 to mandatory sinking fund installments, and interest) on all
6 then-outstanding Bonds, other than (i) Bonds authorized by
7 Public Act 100-23, (ii) Bonds issued by Public Act 96-43,
8 (iii) Bonds authorized by Public Act 96-1497, ~~and~~ (iv) Bonds
9 authorized by Public Act 100-587, and (v) Bonds authorized by
10 this amendatory Act of the 102nd General Assembly, would
11 exceed 7% of the aggregate appropriations from the general
12 funds, the State Construction Account Fund, and the Road Fund
13 for the fiscal year immediately prior to the fiscal year of the
14 issuance. For the purposes of this subsection (a), "general
15 funds" has the same meaning as ascribed to that term under
16 Section 50-40 of the State Budget Law of the Civil
17 Administrative Code of Illinois.

18 (b) If the Comptroller and Treasurer each consent in
19 writing, Bonds may be issued even if the issuance does not
20 comply with subsection (a). In addition, \$2,000,000,000 in
21 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,
22 and \$2,000,000,000 in Refunding Bonds under Section 16, may be
23 issued during State fiscal year 2017 without complying with
24 subsection (a). In addition, \$2,000,000,000 in Bonds for the
25 purposes set forth in Sections 3, 4, 5, 6, and 7, and
26 \$2,000,000,000 in Refunding Bonds under Section 16, may be

1 issued during State fiscal year 2018 without complying with
2 subsection (a).

3 (Source: P.A. 100-23, Article 25, Section 25-5, eff. 7-6-17;
4 100-23, Article 75, Section 75-10, eff. 7-6-17; 100-587, eff.
5 6-4-18; 100-863, eff. 8-14-18; 101-30, eff. 6-28-19.)

6 (30 ILCS 330/7.7)

7 Sec. 7.7. State Pension Obligation Acceleration Bonds.

8 (a) As used in this Act, "State Pension Obligation
9 Acceleration Bonds" means Bonds authorized by Public Act
10 100-587 and this amendatory Act of the 102nd General Assembly
11 ~~this amendatory Act of the 100th General Assembly~~ and used for
12 the purpose of making accelerated pension benefit payments
13 under Articles 14, 15, and 16 of the Illinois Pension Code.

14 (b) State Pension Obligation Acceleration Bonds in the
15 amount of \$2,000,000,000 ~~\$1,000,000,000~~ are hereby authorized
16 to be used for the purpose of making accelerated pension
17 benefit payments under Articles 14, 15, and 16 of the Illinois
18 Pension Code.

19 (c) The proceeds of State Pension Obligation Acceleration
20 Bonds authorized in subsection (b) of this Section, less the
21 amounts authorized in the Bond Sale Order to be directly paid
22 out for bond sale expenses under Section 8, shall be deposited
23 directly into the State Pension Obligation Acceleration Bond
24 Fund, and the Comptroller and the Treasurer shall, as soon as
25 practical, make accelerated pension benefit payments under

1 Articles 14, 15, and 16 of the Illinois Pension Code.

2 (d) There is created the State Pension Obligation
3 Acceleration Bond Fund as a special fund in the State
4 Treasury. Funds deposited in the State Pension Obligation
5 Acceleration Bond Fund may only be used for the purpose of
6 making accelerated pension benefit payments under Articles 14,
7 15, and 16 of the Illinois Pension Code or for the payment of
8 principal and interest due on State Pension Obligation
9 Acceleration Bonds. This subsection shall constitute an
10 irrevocable and continuing appropriation of all amounts
11 necessary for such purposes.

12 (Source: P.A. 100-587, eff. 6-4-18.)

13 Section 10. The Illinois Pension Code is amended by
14 changing Sections 14-147.5, 14-147.6, 15-185.5, 15-185.6,
15 16-190.5, and 16-190.6 as follows:

16 (40 ILCS 5/14-147.5)

17 Sec. 14-147.5. Accelerated pension benefit payment in lieu
18 of any pension benefit.

19 (a) As used in this Section:

20 "Eligible person" means a person who:

21 (1) has terminated service;

22 (2) has accrued sufficient service credit to be
23 eligible to receive a retirement annuity under this
24 Article;

1 (3) has not received any retirement annuity under this
2 Article; and

3 (4) has not made the election under Section 14-147.6.

4 "Pension benefit" means the benefits under this Article,
5 or Article 1 as it relates to those benefits, including any
6 anticipated annual increases, that an eligible person is
7 entitled to upon attainment of the applicable retirement age.
8 "Pension benefit" also includes applicable survivor's or
9 disability benefits.

10 (b) As soon as practical after June 4, 2018 (the effective
11 date of Public Act 100-587), the System shall calculate, using
12 actuarial tables and other assumptions adopted by the Board,
13 the present value of pension benefits for each eligible person
14 who requests that information and shall offer each eligible
15 person the opportunity to irrevocably elect to receive an
16 amount determined by the System to be equal to 60% of the
17 present value of his or her pension benefits in lieu of
18 receiving any pension benefit. The offer shall specify the
19 dollar amount that the eligible person will receive if he or
20 she so elects and shall expire when a subsequent offer is made
21 to an eligible person. An eligible person is limited to one
22 calculation and offer per calendar year. The System shall make
23 a good faith effort to contact every eligible person to notify
24 him or her of the election.

25 Until June 30, 2026 ~~2024~~, an eligible person may
26 irrevocably elect to receive an accelerated pension benefit

1 payment in the amount that the System offers under this
2 subsection in lieu of receiving any pension benefit. A person
3 who elects to receive an accelerated pension benefit payment
4 under this Section may not elect to proceed under the
5 Retirement Systems Reciprocal Act with respect to service
6 under this Article.

7 (c) A person's creditable service under this Article shall
8 be terminated upon the person's receipt of an accelerated
9 pension benefit payment under this Section, and no other
10 benefit shall be paid under this Article based on the
11 terminated creditable service, including any retirement,
12 survivor, or other benefit; except that to the extent that
13 participation, benefits, or premiums under the State Employees
14 Group Insurance Act of 1971 are based on the amount of service
15 credit, the terminated service credit shall be used for that
16 purpose.

17 (d) If a person who has received an accelerated pension
18 benefit payment under this Section returns to active service
19 under this Article, then:

20 (1) Any benefits under the System earned as a result
21 of that return to active service shall be based solely on
22 the person's creditable service arising from the return to
23 active service.

24 (2) The accelerated pension benefit payment may not be
25 repaid to the System, and the terminated creditable
26 service may not under any circumstances be reinstated.

1 (e) As a condition of receiving an accelerated pension
2 benefit payment, the accelerated pension benefit payment must
3 be transferred into a tax qualified retirement plan or
4 account. The accelerated pension benefit payment under this
5 Section may be subject to withholding or payment of applicable
6 taxes, but to the extent permitted by federal law, a person who
7 receives an accelerated pension benefit payment under this
8 Section must direct the System to pay all of that payment as a
9 rollover into another retirement plan or account qualified
10 under the Internal Revenue Code of 1986, as amended.

11 (f) Upon receipt of a member's irrevocable election to
12 receive an accelerated pension benefit payment under this
13 Section, the System shall submit a voucher to the Comptroller
14 for payment of the member's accelerated pension benefit
15 payment. The Comptroller shall transfer the amount of the
16 voucher from the State Pension Obligation Acceleration Bond
17 Fund to the System, and the System shall transfer the amount
18 into the member's eligible retirement plan or qualified
19 account.

20 (g) The Board shall adopt any rules, including emergency
21 rules, necessary to implement this Section.

22 (h) No provision of this Section shall be interpreted in a
23 way that would cause the applicable System to cease to be a
24 qualified plan under the Internal Revenue Code of 1986.

25 (Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

1 (40 ILCS 5/14-147.6)

2 Sec. 14-147.6. Accelerated pension benefit payment for a
3 reduction in annual retirement annuity and survivor's annuity
4 increases.

5 (a) As used in this Section:

6 "Accelerated pension benefit payment" means a lump sum
7 payment equal to 70% of the difference of the present value of
8 the automatic annual increases to a Tier 1 member's retirement
9 annuity and survivor's annuity using the formula applicable to
10 the Tier 1 member and the present value of the automatic annual
11 increases to the Tier 1 member's retirement annuity using the
12 formula provided under subsection (b-5) and survivor's annuity
13 using the formula provided under subsection (b-6).

14 "Eligible person" means a person who:

15 (1) is a Tier 1 member;

16 (2) has submitted an application for a retirement
17 annuity under this Article;

18 (3) meets the age and service requirements for
19 receiving a retirement annuity under this Article;

20 (4) has not received any retirement annuity under this
21 Article; and

22 (5) has not made the election under Section 14-147.5.

23 (b) As soon as practical after June 4, 2018 (the effective
24 date of Public Act 100-587) and until June 30, 2026 ~~2024~~, the
25 System shall implement an accelerated pension benefit payment
26 option for eligible persons. Upon the request of an eligible

1 person, the System shall calculate, using actuarial tables and
2 other assumptions adopted by the Board, an accelerated pension
3 benefit payment amount and shall offer that eligible person
4 the opportunity to irrevocably elect to have his or her
5 automatic annual increases in retirement annuity calculated in
6 accordance with the formula provided under subsection (b-5)
7 and any increases in survivor's annuity payable to his or her
8 survivor's annuity beneficiary calculated in accordance with
9 the formula provided under subsection (b-6) in exchange for
10 the accelerated pension benefit payment. The election under
11 this subsection must be made before the eligible person
12 receives the first payment of a retirement annuity otherwise
13 payable under this Article.

14 (b-5) Notwithstanding any other provision of law, the
15 retirement annuity of a person who made the election under
16 subsection (b) shall be subject to annual increases on the
17 January 1 occurring either on or after the attainment of age 67
18 or the first anniversary of the annuity start date, whichever
19 is later. Each annual increase shall be calculated at 1.5% of
20 the originally granted retirement annuity.

21 (b-6) Notwithstanding any other provision of law, a
22 survivor's annuity payable to a survivor's annuity beneficiary
23 of a person who made the election under subsection (b) shall be
24 subject to annual increases on the January 1 occurring on or
25 after the first anniversary of the commencement of the
26 annuity. Each annual increase shall be calculated at 1.5% of

1 the originally granted survivor's annuity.

2 (c) If a person who has received an accelerated pension
3 benefit payment returns to active service under this Article,
4 then:

5 (1) the calculation of any future automatic annual
6 increase in retirement annuity shall be calculated in
7 accordance with the formula provided under subsection
8 (b-5); and

9 (2) the accelerated pension benefit payment may not be
10 repaid to the System.

11 (d) As a condition of receiving an accelerated pension
12 benefit payment, the accelerated pension benefit payment must
13 be transferred into a tax qualified retirement plan or
14 account. The accelerated pension benefit payment under this
15 Section may be subject to withholding or payment of applicable
16 taxes, but to the extent permitted by federal law, a person who
17 receives an accelerated pension benefit payment under this
18 Section must direct the System to pay all of that payment as a
19 rollover into another retirement plan or account qualified
20 under the Internal Revenue Code of 1986, as amended.

21 (d-5) Upon receipt of a member's irrevocable election to
22 receive an accelerated pension benefit payment under this
23 Section, the System shall submit a voucher to the Comptroller
24 for payment of the member's accelerated pension benefit
25 payment. The Comptroller shall transfer the amount of the
26 voucher to the System, and the System shall transfer the

1 amount into a member's eligible retirement plan or qualified
2 account.

3 (e) The Board shall adopt any rules, including emergency
4 rules, necessary to implement this Section.

5 (f) No provision of this Section shall be interpreted in a
6 way that would cause the applicable System to cease to be a
7 qualified plan under the Internal Revenue Code of 1986.

8 (Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

9 (40 ILCS 5/15-185.5)

10 Sec. 15-185.5. Accelerated pension benefit payment in lieu
11 of any pension benefit.

12 (a) As used in this Section:

13 "Eligible person" means a person who:

14 (1) has terminated service;

15 (2) has accrued sufficient service credit to be
16 eligible to receive a retirement annuity under this
17 Article;

18 (3) has not received any retirement annuity under this
19 Article;

20 (4) has not made the election under Section 15-185.6;
21 and

22 (5) is not a participant in the self-managed plan
23 under Section 15-158.2.

24 "Implementation date" means the earliest date upon which
25 the Board authorizes eligible persons to begin irrevocably

1 electing the accelerated pension benefit payment option under
2 this Section. The Board shall endeavor to make such
3 participation available as soon as possible after June 4, 2018
4 (the effective date of Public Act 100-587) and shall establish
5 an implementation date by Board resolution.

6 "Pension benefit" means the benefits under this Article,
7 or Article 1 as it relates to those benefits, including any
8 anticipated annual increases, that an eligible person is
9 entitled to upon attainment of the applicable retirement age.
10 "Pension benefit" also includes applicable survivors benefits,
11 disability benefits, or disability retirement annuity
12 benefits.

13 (b) Beginning on the implementation date, the System shall
14 offer each eligible person the opportunity to irrevocably
15 elect to receive an amount determined by the System to be equal
16 to 60% of the present value of his or her pension benefits in
17 lieu of receiving any pension benefit. The System shall
18 calculate, using actuarial tables and other assumptions
19 adopted by the Board, the present value of pension benefits
20 for each eligible person upon his or her request in writing to
21 the System. The System shall not perform more than one
22 calculation per eligible member in a State fiscal year. The
23 offer shall specify the dollar amount that the eligible person
24 will receive if he or she so elects and shall expire when a
25 subsequent offer is made to an eligible person. The System
26 shall make a good faith effort to contact every eligible

1 person to notify him or her of the election.

2 Beginning on the implementation date and until June 30,
3 2026 ~~2024~~, an eligible person may irrevocably elect to receive
4 an accelerated pension benefit payment in the amount that the
5 System offers under this subsection in lieu of receiving any
6 pension benefit. A person who elects to receive an accelerated
7 pension benefit payment under this Section may not elect to
8 proceed under the Retirement Systems Reciprocal Act with
9 respect to service under this Article.

10 (c) Upon payment of an accelerated pension benefit payment
11 under this Section, the person forfeits all accrued rights and
12 credits in the System and no other benefit shall be paid under
13 this Article based on those forfeited rights and credits,
14 including any retirement, survivor, or other benefit; except
15 that to the extent that participation, benefits, or premiums
16 under the State Employees Group Insurance Act of 1971 are
17 based on the amount of service credit, the terminated service
18 credit shall be used for that purpose.

19 (d) If a person who has received an accelerated pension
20 benefit payment under this Section returns to participation
21 under this Article, any benefits under the System earned as a
22 result of that return to participation shall be based solely
23 on the person's credits and creditable service arising from
24 the return to participation. Upon return to participation, the
25 person shall be considered a new employee subject to all the
26 qualifying conditions for participation and eligibility for

1 benefits applicable to new employees.

2 (d-5) The accelerated pension benefit payment may not be
3 repaid to the System, and the forfeited rights and credits may
4 not under any circumstances be reinstated.

5 (e) As a condition of receiving an accelerated pension
6 benefit payment, the accelerated pension benefit payment must
7 be deposited into a tax qualified retirement plan or account
8 identified by the eligible person at the time of the election.
9 The accelerated pension benefit payment under this Section may
10 be subject to withholding or payment of applicable taxes, but
11 to the extent permitted by federal law, a person who receives
12 an accelerated pension benefit payment under this Section must
13 direct the System to pay all of that payment as a rollover into
14 another retirement plan or account qualified under the
15 Internal Revenue Code of 1986, as amended.

16 (f) The System shall submit vouchers to the State
17 Comptroller for the payment of accelerated pension benefit
18 payments under this Section. The State Comptroller shall pay
19 the amounts of the vouchers from the State Pension Obligation
20 Acceleration Bond Fund to the System, and the System shall
21 deposit the amounts into the applicable tax qualified plans or
22 accounts.

23 (g) The Board shall adopt any rules, including emergency
24 rules, necessary to implement this Section.

25 (h) No provision of this Section shall be interpreted in a
26 way that would cause the System to cease to be a qualified plan

1 under the Internal Revenue Code of 1986.

2 (Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

3 (40 ILCS 5/15-185.6)

4 Sec. 15-185.6. Accelerated pension benefit payment for a
5 reduction in an annual increase to a retirement annuity and an
6 annuity benefit payable as a result of death.

7 (a) As used in this Section:

8 "Accelerated pension benefit payment" means a lump sum
9 payment equal to 70% of the difference of: (i) the present
10 value of the automatic annual increases to a Tier 1 member's
11 retirement annuity, including any increases to any annuity
12 benefit payable as a result of his or her death, using the
13 formula applicable to the Tier 1 member; and (ii) the present
14 value of the automatic annual increases to the Tier 1 member's
15 retirement annuity, including any increases to any annuity
16 benefit payable as a result of his or her death, using the
17 formula provided under subsection (b-5).

18 "Eligible person" means a person who:

19 (1) is a Tier 1 member;

20 (2) has submitted an application for a retirement
21 annuity under this Article;

22 (3) meets the age and service requirements for
23 receiving a retirement annuity under this Article;

24 (4) has not received any retirement annuity under this
25 Article;

1 (5) has not made the election under Section 15-185.5;
2 and

3 (6) is not a participant in the self-managed plan
4 under Section 15-158.2.

5 "Implementation date" means the earliest date upon which
6 the Board authorizes eligible persons to begin irrevocably
7 electing the accelerated pension benefit payment option under
8 this Section. The Board shall endeavor to make such
9 participation available as soon as possible after June 4, 2018
10 (the effective date of Public Act 100-587) and shall establish
11 an implementation date by Board resolution.

12 (b) Beginning on the implementation date and until June
13 30, 2026 ~~2024~~, the System shall implement an accelerated
14 pension benefit payment option for eligible persons. The
15 System shall calculate, using actuarial tables and other
16 assumptions adopted by the Board, an accelerated pension
17 benefit payment amount for an eligible person upon his or her
18 request in writing to the System and shall offer that eligible
19 person the opportunity to irrevocably elect to have his or her
20 automatic annual increases in retirement annuity and any
21 annuity benefit payable as a result of his or her death
22 calculated in accordance with the formula provided in
23 subsection (b-5) in exchange for the accelerated pension
24 benefit payment. The System shall not perform more than one
25 calculation under this Section per eligible person in a State
26 fiscal year. The election under this subsection must be made

1 before any retirement annuity is paid to the eligible person,
2 and the eligible survivor, spouse, or contingent annuitant, as
3 applicable, must consent to the election under this
4 subsection.

5 (b-5) Notwithstanding any other provision of law, the
6 retirement annuity of a person who made the election under
7 subsection (b) shall be increased annually beginning on the
8 January 1 occurring either on or after the attainment of age 67
9 or the first anniversary of the annuity start date, whichever
10 is later, and any annuity benefit payable as a result of his or
11 her death shall be increased annually beginning on: (1) the
12 January 1 occurring on or after the commencement of the
13 annuity if the deceased Tier 1 member died while receiving a
14 retirement annuity; or (2) the January 1 occurring after the
15 first anniversary of the commencement of the benefit. Each
16 annual increase shall be calculated at 1.5% of the originally
17 granted retirement annuity or annuity benefit payable as a
18 result of the Tier 1 member's death.

19 (c) If an annuitant who has received an accelerated
20 pension benefit payment returns to participation under this
21 Article, the calculation of any future automatic annual
22 increase in retirement annuity under subsection (c) of Section
23 15-139 shall be calculated in accordance with the formula
24 provided in subsection (b-5).

25 (c-5) The accelerated pension benefit payment may not be
26 repaid to the System.

1 (d) As a condition of receiving an accelerated pension
2 benefit payment, the accelerated pension benefit payment must
3 be deposited into a tax qualified retirement plan or account
4 identified by the eligible person at the time of election. The
5 accelerated pension benefit payment under this Section may be
6 subject to withholding or payment of applicable taxes, but to
7 the extent permitted by federal law, a person who receives an
8 accelerated pension benefit payment under this Section must
9 direct the System to pay all of that payment as a rollover into
10 another retirement plan or account qualified under the
11 Internal Revenue Code of 1986, as amended.

12 (d-5) The System shall submit vouchers to the State
13 Comptroller for the payment of accelerated pension benefit
14 payments under this Section. The State Comptroller shall pay
15 the amounts of the vouchers from the State Pension Obligation
16 Acceleration Bond Fund to the System, and the System shall
17 deposit the amounts into the applicable tax qualified plans or
18 accounts.

19 (e) The Board shall adopt any rules, including emergency
20 rules, necessary to implement this Section.

21 (f) No provision of this Section shall be interpreted in a
22 way that would cause the System to cease to be a qualified plan
23 under the Internal Revenue Code of 1986.

24 (Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

25 (40 ILCS 5/16-190.5)

1 Sec. 16-190.5. Accelerated pension benefit payment in lieu
2 of any pension benefit.

3 (a) As used in this Section:

4 "Eligible person" means a person who:

5 (1) has terminated service;

6 (2) has accrued sufficient service credit to be
7 eligible to receive a retirement annuity under this
8 Article;

9 (3) has not received any retirement annuity under this
10 Article; and

11 (4) has not made the election under Section 16-190.6.

12 "Pension benefit" means the benefits under this Article,
13 or Article 1 as it relates to those benefits, including any
14 anticipated annual increases, that an eligible person is
15 entitled to upon attainment of the applicable retirement age.

16 "Pension benefit" also includes applicable survivor's or
17 disability benefits.

18 (b) As soon as practical after June 4, 2018 (the effective
19 date of Public Act 100-587), the System shall calculate, using
20 actuarial tables and other assumptions adopted by the Board,
21 the present value of pension benefits for each eligible person
22 who requests that information and shall offer each eligible
23 person the opportunity to irrevocably elect to receive an
24 amount determined by the System to be equal to 60% of the
25 present value of his or her pension benefits in lieu of
26 receiving any pension benefit. The offer shall specify the

1 dollar amount that the eligible person will receive if he or
2 she so elects and shall expire when a subsequent offer is made
3 to an eligible person. The System shall make a good faith
4 effort to contact every eligible person to notify him or her of
5 the election.

6 Until June 30, 2026 ~~2024~~, an eligible person may
7 irrevocably elect to receive an accelerated pension benefit
8 payment in the amount that the System offers under this
9 subsection in lieu of receiving any pension benefit. A person
10 who elects to receive an accelerated pension benefit payment
11 under this Section may not elect to proceed under the
12 Retirement Systems Reciprocal Act with respect to service
13 under this Article.

14 (c) A person's creditable service under this Article shall
15 be terminated upon the person's receipt of an accelerated
16 pension benefit payment under this Section, and no other
17 benefit shall be paid under this Article based on the
18 terminated creditable service, including any retirement,
19 survivor, or other benefit; except that to the extent that
20 participation, benefits, or premiums under the State Employees
21 Group Insurance Act of 1971 are based on the amount of service
22 credit, the terminated service credit shall be used for that
23 purpose.

24 (d) If a person who has received an accelerated pension
25 benefit payment under this Section returns to active service
26 under this Article, then:

1 (1) Any benefits under the System earned as a result
2 of that return to active service shall be based solely on
3 the person's creditable service arising from the return to
4 active service.

5 (2) The accelerated pension benefit payment may not be
6 repaid to the System, and the terminated creditable
7 service may not under any circumstances be reinstated.

8 (e) As a condition of receiving an accelerated pension
9 benefit payment, the accelerated pension benefit payment must
10 be transferred into a tax qualified retirement plan or
11 account. The accelerated pension benefit payment under this
12 Section may be subject to withholding or payment of applicable
13 taxes, but to the extent permitted by federal law, a person who
14 receives an accelerated pension benefit payment under this
15 Section must direct the System to pay all of that payment as a
16 rollover into another retirement plan or account qualified
17 under the Internal Revenue Code of 1986, as amended.

18 (f) Upon receipt of a member's irrevocable election to
19 receive an accelerated pension benefit payment under this
20 Section, the System shall submit a voucher to the Comptroller
21 for payment of the member's accelerated pension benefit
22 payment. The Comptroller shall transfer the amount of the
23 voucher from the State Pension Obligation Acceleration Bond
24 Fund to the System, and the System shall transfer the amount
25 into the member's eligible retirement plan or qualified
26 account.

1 (g) The Board shall adopt any rules, including emergency
2 rules, necessary to implement this Section.

3 (h) No provision of Public Act 100-587 shall be
4 interpreted in a way that would cause the applicable System to
5 cease to be a qualified plan under the Internal Revenue Code of
6 1986.

7 (Source: P.A. 101-10, eff. 6-5-19; 102-558, eff. 8-20-21.)

8 (40 ILCS 5/16-190.6)

9 Sec. 16-190.6. Accelerated pension benefit payment for a
10 reduction in annual retirement annuity and survivor's annuity
11 increases.

12 (a) As used in this Section:

13 "Accelerated pension benefit payment" means a lump sum
14 payment equal to 70% of the difference of the present value of
15 the automatic annual increases to a Tier 1 member's retirement
16 annuity and survivor's annuity using the formula applicable to
17 the Tier 1 member and the present value of the automatic annual
18 increases to the Tier 1 member's retirement annuity using the
19 formula provided under subsection (b-5) and the survivor's
20 annuity using the formula provided under subsection (b-6).

21 "Eligible person" means a person who:

22 (1) is a Tier 1 member;

23 (2) has submitted an application for a retirement
24 annuity under this Article;

25 (3) meets the age and service requirements for

1 receiving a retirement annuity under this Article;

2 (4) has not received any retirement annuity under this
3 Article; and

4 (5) has not made the election under Section 16-190.5.

5 (b) As soon as practical after June 4, 2018 the effective
6 date of Public Act 100-587) and until June 30, 2026 ~~2024~~, the
7 System shall implement an accelerated pension benefit payment
8 option for eligible persons. Upon the request of an eligible
9 person, the System shall calculate, using actuarial tables and
10 other assumptions adopted by the Board, an accelerated pension
11 benefit payment amount and shall offer that eligible person
12 the opportunity to irrevocably elect to have his or her
13 automatic annual increases in retirement annuity calculated in
14 accordance with the formula provided under subsection (b-5)
15 and any increases in survivor's annuity payable to his or her
16 survivor's annuity beneficiary calculated in accordance with
17 the formula provided under subsection (b-6) in exchange for
18 the accelerated pension benefit payment. The election under
19 this subsection must be made before the eligible person
20 receives the first payment of a retirement annuity otherwise
21 payable under this Article.

22 (b-5) Notwithstanding any other provision of law, the
23 retirement annuity of a person who made the election under
24 subsection (b) shall be subject to annual increases on the
25 January 1 occurring either on or after the attainment of age 67
26 or the first anniversary of the annuity start date, whichever

1 is later. Each annual increase shall be calculated at 1.5% of
2 the originally granted retirement annuity.

3 (b-6) Notwithstanding any other provision of law, a
4 survivor's annuity payable to a survivor's annuity beneficiary
5 of a person who made the election under subsection (b) shall be
6 subject to annual increases on the January 1 occurring on or
7 after the first anniversary of the commencement of the
8 annuity. Each annual increase shall be calculated at 1.5% of
9 the originally granted survivor's annuity.

10 (c) If a person who has received an accelerated pension
11 benefit payment returns to active service under this Article,
12 then:

13 (1) the calculation of any future automatic annual
14 increase in retirement annuity shall be calculated in
15 accordance with the formula provided in subsection (b-5);
16 and

17 (2) the accelerated pension benefit payment may not be
18 repaid to the System.

19 (d) As a condition of receiving an accelerated pension
20 benefit payment, the accelerated pension benefit payment must
21 be transferred into a tax qualified retirement plan or
22 account. The accelerated pension benefit payment under this
23 Section may be subject to withholding or payment of applicable
24 taxes, but to the extent permitted by federal law, a person who
25 receives an accelerated pension benefit payment under this
26 Section must direct the System to pay all of that payment as a

1 rollover into another retirement plan or account qualified
2 under the Internal Revenue Code of 1986, as amended.

3 (d-5) Upon receipt of a member's irrevocable election to
4 receive an accelerated pension benefit payment under this
5 Section, the System shall submit a voucher to the Comptroller
6 for payment of the member's accelerated pension benefit
7 payment. The Comptroller shall transfer the amount of the
8 voucher from the State Pension Obligation Acceleration Bond
9 Fund to the System, and the System shall transfer the amount
10 into the member's eligible retirement plan or qualified
11 account.

12 (e) The Board shall adopt any rules, including emergency
13 rules, necessary to implement this Section.

14 (f) No provision of this Section shall be interpreted in a
15 way that would cause the applicable System to cease to be a
16 qualified plan under the Internal Revenue Code of 1986.

17 (Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.