

SB2095



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2095

Introduced 2/26/2021, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-164

from Ch. 108 1/2, par. 6-164

30 ILCS 805/8.45 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Provides that the annual increase to a Tier 2 retirement annuity shall be calculated at 3% (instead of the lesser of 3% or one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1) of the originally granted annuity. Makes a conforming change. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 14431 RPS 19783 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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
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) A fireman qualifying for a minimum annuity who retires
10 from service after September 1, 1959 shall, upon either the
11 first of the month following the first anniversary of his date
12 of retirement if he is age 60 (age 55 if born before January 1,
13 1966) or over on that anniversary date, or upon the first of
14 the month following his attainment of age 60 (age 55 if born
15 before January 1, 1966) if that occurs after the first
16 anniversary of his retirement date, have his then fixed and
17 payable monthly annuity increased by 1 1/2%, and such first
18 fixed annuity as granted at retirement increased by an
19 additional 1 1/2% in January of each year thereafter up to a
20 maximum increase of 30%. Beginning July 1, 1982 for firemen
21 born before January 1, 1930, and beginning January 1, 1990 for
22 firemen born after December 31, 1929 and before January 1,
23 1940, and beginning January 1, 1996 for firemen born after

1 December 31, 1939 but before January 1, 1945, and beginning
2 January 1, 2004, for firemen born after December 31, 1944 but
3 before January 1, 1955, and beginning January 1, 2017, for
4 firemen born after December 31, 1954 but before January 1,
5 1966, such increases shall be 3% and such firemen shall not be
6 subject to the 30% maximum increase.

7 Any fireman born before January 1, 1945 who qualifies for
8 a minimum annuity and retires after September 1, 1967 but has
9 not received the initial increase under this subsection before
10 January 1, 1996 is entitled to receive the initial increase
11 under this subsection on (1) January 1, 1996, (2) the first
12 anniversary of the date of retirement, or (3) attainment of
13 age 55, whichever occurs last. The changes to this Section
14 made by this amendatory Act of 1995 apply beginning January 1,
15 1996 and apply without regard to whether the fireman or
16 annuitant terminated service before the effective date of this
17 amendatory Act of 1995.

18 Any fireman born before January 1, 1955 who qualifies for
19 a minimum annuity and retires after September 1, 1967 but has
20 not received the initial increase under this subsection before
21 January 1, 2004 is entitled to receive the initial increase
22 under this subsection on (1) January 1, 2004, (2) the first
23 anniversary of the date of retirement, or (3) attainment of
24 age 55, whichever occurs last. The changes to this Section
25 made by this amendatory Act of the 93rd General Assembly apply
26 without regard to whether the fireman or annuitant terminated

1 service before the effective date of this amendatory Act.

2 Any fireman born after December 31, 1954 but before
3 January 1, 1966 who qualifies for a minimum annuity and
4 retires after September 1, 1967 is entitled to receive an
5 increase under this subsection on (1) January 1, 2017, (2) the
6 first anniversary of the date of retirement, or (3) attainment
7 of age 55, whichever occurs last, in an amount equal to an
8 increase of 3% of his then fixed and payable monthly annuity
9 upon the first of the month following the first anniversary of
10 his date of retirement if he is age 55 or over on that
11 anniversary date or upon the first of the month following his
12 attainment of age 55 if that date occurs after the first
13 anniversary of his retirement date and such first fixed
14 annuity as granted at retirement shall be increased by an
15 additional 3% in January of each year thereafter. In the case
16 of a fireman born after December 31, 1954 but before January 1,
17 1966 who received an increase in any year of 1.5%, that fireman
18 shall receive an increase for any such year so that the total
19 increase is equal to 3% for each year the fireman would have
20 been otherwise eligible had the fireman not received any
21 increase. The changes to this subsection made by this
22 amendatory Act of the 99th General Assembly apply without
23 regard to whether the fireman or annuitant terminated service
24 before the effective date of this amendatory Act. The changes
25 to this subsection made by this amendatory Act of the 100th
26 General Assembly are a declaration of existing law and shall

1 not be construed as a new enactment.

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
6 each payment of salary to a fireman, 1/8 of 1% of each such
7 salary payment and an additional 1/8 of 1% beginning on
8 September 1, 1961, and September 1, 1963, respectively,
9 concurrently with and in addition to the salary deductions
10 otherwise made for 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

1 to 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.
9 Each 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~~
16 ~~compared with the preceding period, decreases, then the~~
17 ~~annuity shall 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; 100-23, eff. 7-6-17;
2 100-539, eff. 11-7-17.)

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.45 as follows:

5 (30 ILCS 805/8.45 new)

6 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
7 8 of this Act, no reimbursement by the State is required for
8 the implementation of any mandate created by this amendatory
9 Act of the 102nd General Assembly.

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