

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 Sections 1-160, 9-169, 9-179.1, 9-184, 9-185, 9-195,
6 and 9-199 and by adding Sections 9-169.1, 9-169.2, and 9-240
7 as follows:

8 (40 ILCS 5/1-160)

9 (Text of Section from P.A. 102-719)

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

11 (a) The provisions of this Section apply to a person who,
12 on or after January 1, 2011, first becomes a member or a
13 participant under any reciprocal retirement system or pension
14 fund established under this Code, other than a retirement
15 system or pension fund established under Article 2, 3, 4, 5, 6,
16 7, 15, or 18 of this Code, notwithstanding any other provision
17 of this Code to the contrary, but do not apply to any
18 self-managed plan established under this Code or to any
19 participant of the retirement plan established under Section
20 22-101; except that this Section applies to a person who
21 elected to establish alternative credits by electing in
22 writing after January 1, 2011, but before August 8, 2011,
23 under Section 7-145.1 of this Code. Notwithstanding anything

1 to the contrary in this Section, for purposes of this Section,
2 a person who is a Tier 1 regular employee as defined in Section
3 7-109.4 of this Code or who participated in a retirement
4 system under Article 15 prior to January 1, 2011 shall be
5 deemed a person who first became a member or participant prior
6 to January 1, 2011 under any retirement system or pension fund
7 subject to this Section. The changes made to this Section by
8 Public Act 98-596 are a clarification of existing law and are
9 intended to be retroactive to January 1, 2011 (the effective
10 date of Public Act 96-889), notwithstanding the provisions of
11 Section 1-103.1 of this Code.

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

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

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

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

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

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

23 (1) (Blank).

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

1 withdrawal".

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

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

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

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

7 A member of the Teachers' Retirement System of the State
8 of Illinois who retires on or after June 1, 2021 and for whom
9 the 2020-2021 school year is used in the calculation of the
10 member's final average salary shall use the higher of the
11 following for the purpose of determining the member's final
12 average salary:

13 (A) the amount otherwise calculated under the first
14 paragraph of this subsection; or

15 (B) an amount calculated by the Teachers' Retirement
16 System of the State of Illinois using the average of the
17 monthly (or annual) salary obtained by dividing the total
18 salary or earnings calculated under Article 16 applicable
19 to the member or participant during the 96 months (or 8
20 years) of service within the last 120 months (or 10 years)
21 of service in which the total salary or earnings
22 calculated under the Article was the highest by the number
23 of months (or years) of service in that period.

24 (b-5) Beginning on January 1, 2011, for all purposes under
25 this Code (including without limitation the calculation of
26 benefits and employee contributions), the annual earnings,

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

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

19 (b-10) Beginning on January 1, 2024, for all purposes
20 under this Code (including, without limitation, the
21 calculation of benefits and employee contributions), the
22 annual earnings, salary, or wages (based on the plan year) of a
23 member or participant under Article 9 to whom this Section
24 applies shall include an annual earnings, salary, or wage cap
25 that tracks the Social Security wage base. Maximum annual
26 earnings, wages, or salary shall be the annual contribution

1 and benefit base established for the applicable year by the
2 Commissioner of the Social Security Administration under the
3 federal Social Security Act.

4 However, in no event shall the annual earnings, salary, or
5 wages for the purposes of this Article and Article 9 exceed any
6 limitation imposed on annual earnings, salary, or wages under
7 Section 1-117. Under no circumstances shall the maximum amount
8 of annual earnings, salary, or wages be greater than the
9 amount set forth in this subsection (b-10) as a result of
10 reciprocal service or any provisions regarding reciprocal
11 services, nor shall the Fund under Article 9 be required to pay
12 any refund as a result of the application of this maximum
13 annual earnings, salary, and wage cap.

14 Nothing in this subsection (b-10) shall cause or otherwise
15 result in any retroactive adjustment of any employee
16 contributions. Nothing in this subsection (b-10) shall cause
17 or otherwise result in any retroactive adjustment of
18 disability or other payments made between January 1, 2011 and
19 January 1, 2024.

20 (c) A member or participant is entitled to a retirement
21 annuity upon written application if he or she has attained age
22 67 (age 65, with respect to service under Article 12 that is
23 subject to this Section, for a member or participant under
24 Article 12 who first becomes a member or participant under
25 Article 12 on or after January 1, 2022 or who makes the
26 election under item (i) of subsection (d-15) of this Section)

1 and has at least 10 years of service credit and is otherwise
2 eligible under the requirements of the applicable Article.

3 A member or participant who has attained age 62 (age 60,
4 with respect to service under Article 12 that is subject to
5 this Section, for a member or participant under Article 12 who
6 first becomes a member or participant under Article 12 on or
7 after January 1, 2022 or who makes the election under item (i)
8 of subsection (d-15) of this Section) and has at least 10 years
9 of service credit and is otherwise eligible under the
10 requirements of the applicable Article may elect to receive
11 the lower retirement annuity provided in subsection (d) of
12 this Section.

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

22 (d) The retirement annuity of a member or participant who
23 is retiring after attaining age 62 (age 60, with respect to
24 service under Article 12 that is subject to this Section, for a
25 member or participant under Article 12 who first becomes a
26 member or participant under Article 12 on or after January 1,

1 2022 or who makes the election under item (i) of subsection
2 (d-15) of this Section) with at least 10 years of service
3 credit shall be reduced by one-half of 1% for each full month
4 that the member's age is under age 67 (age 65, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section).

10 (d-5) The retirement annuity payable under Article 8 or
11 Article 11 to an eligible person subject to subsection (c-5)
12 of this Section who is retiring at age 60 with at least 10
13 years of service credit shall be reduced by one-half of 1% for
14 each full month that the member's age is under age 65.

15 (d-10) Each person who first became a member or
16 participant under Article 8 or Article 11 of this Code on or
17 after January 1, 2011 and prior to July 6, 2017 (the effective
18 date of Public Act 100-23) shall make an irrevocable election
19 either:

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

1 11-170 of this Code (for service under Article 11); or

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

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

17 (d-15) Each person who first becomes a member or
18 participant under Article 12 on or after January 1, 2011 and
19 prior to January 1, 2022 shall make an irrevocable election
20 either:

21 (i) to be eligible for the reduced retirement age
22 specified in subsections (c) and (d) of this Section, the
23 eligibility for which is conditioned upon the member or
24 participant agreeing to the increase in employee
25 contributions for service annuities specified in
26 subsection (b) of Section 12-150; or

1 (ii) to not agree to item (i) of this subsection
2 (d-15), in which case the member or participant shall not
3 be eligible for the reduced retirement age specified in
4 subsections (c) and (d) of this Section and shall not be
5 subject to the increase in employee contributions for
6 service annuities specified in subsection (b) of Section
7 12-150.

8 The election provided for in this subsection shall be made
9 between January 1, 2022 and April 1, 2022. A person subject to
10 this subsection who makes the required election shall remain
11 bound by that election. A person subject to this subsection
12 who fails for any reason to make the required election within
13 the time specified in this subsection shall be deemed to have
14 made the election under item (ii).

15 (e) Any retirement annuity or supplemental annuity shall
16 be subject to annual increases on the January 1 occurring
17 either on or after the attainment of age 67 (age 65, with
18 respect to service under Article 12 that is subject to this
19 Section, for a member or participant under Article 12 who
20 first becomes a member or participant under Article 12 on or
21 after January 1, 2022 or who makes the election under item (i)
22 of subsection (d-15); and beginning on July 6, 2017 (the
23 effective date of Public Act 100-23), age 65 with respect to
24 service under Article 8 or Article 11 for eligible persons
25 who: (i) are subject to subsection (c-5) of this Section; or
26 (ii) made the election under item (i) of subsection (d-10) of

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

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this Section by Public Act 102-263 are
13 applicable without regard to whether the employee was in
14 active service on or after August 6, 2021 (the effective date
15 of Public Act 102-263).

16 For the purposes of Section 1-103.1 of this Code, the
17 changes made to this Section by Public Act 100-23 are
18 applicable without regard to whether the employee was in
19 active service on or after July 6, 2017 (the effective date of
20 Public Act 100-23).

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

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

22 (g) The benefits in Section 14-110 apply if the person is a
23 fire fighter in the fire protection service of a department, a
24 security employee of the Department of Corrections or the
25 Department of Juvenile Justice, or a security employee of the
26 Department of Innovation and Technology, as those terms are

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

9 (g-5) The benefits in Section 14-110 apply if the person
10 is a State policeman, investigator for the Secretary of State,
11 conservation police officer, investigator for the Department
12 of Revenue or the Illinois Gaming Board, investigator for the
13 Office of the Attorney General, Commerce Commission police
14 officer, or arson investigator, as those terms are defined in
15 subsection (b) and subsection (c) of Section 14-110. A person
16 who meets the requirements of this Section is entitled to an
17 annuity calculated under the provisions of Section 14-110, in
18 lieu of the regular or minimum retirement annuity, only if the
19 person has withdrawn from service with not less than 20 years
20 of eligible creditable service and has attained age 55,
21 regardless of whether the attainment of age 55 occurs while
22 the person is still in service.

23 (h) If a person who first becomes a member or a participant
24 of a retirement system or pension fund subject to this Section
25 on or after January 1, 2011 is receiving a retirement annuity
26 or retirement pension under that system or fund and becomes a

1 member or participant under any other system or fund created
2 by this Code and is employed on a full-time basis, except for
3 those members or participants exempted from the provisions of
4 this Section under subsection (a) of this Section, then the
5 person's retirement annuity or retirement pension under that
6 system or fund shall be suspended during that employment. Upon
7 termination of that employment, the person's retirement
8 annuity or retirement pension payments shall resume and be
9 recalculated if recalculation is provided for under the
10 applicable Article of this Code.

11 If a person who first becomes a member of a retirement
12 system or pension fund subject to this Section on or after
13 January 1, 2012 and is receiving a retirement annuity or
14 retirement pension under that system or fund and accepts on a
15 contractual basis a position to provide services to a
16 governmental entity from which he or she has retired, then
17 that person's annuity or retirement pension earned as an
18 active employee of the employer shall be suspended during that
19 contractual service. A person receiving an annuity or
20 retirement pension under this Code shall notify the pension
21 fund or retirement system from which he or she is receiving an
22 annuity or retirement pension, as well as his or her
23 contractual employer, of his or her retirement status before
24 accepting contractual employment. A person who fails to submit
25 such notification shall be guilty of a Class A misdemeanor and
26 required to pay a fine of \$1,000. Upon termination of that

1 contractual employment, the person's retirement annuity or
2 retirement pension payments shall resume and, if appropriate,
3 be recalculated under the applicable provisions of this Code.

4 (i) (Blank).

5 (j) In the case of a conflict between the provisions of
6 this Section and any other provision of this Code, the
7 provisions of this Section shall control.

8 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
9 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
10 5-6-22.)

11 (Text of Section from P.A. 102-813)

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

13 (a) The provisions of this Section apply to a person who,
14 on or after January 1, 2011, first becomes a member or a
15 participant under any reciprocal retirement system or pension
16 fund established under this Code, other than a retirement
17 system or pension fund established under Article 2, 3, 4, 5, 6,
18 7, 15, or 18 of this Code, notwithstanding any other provision
19 of this Code to the contrary, but do not apply to any
20 self-managed plan established under this Code or to any
21 participant of the retirement plan established under Section
22 22-101; except that this Section applies to a person who
23 elected to establish alternative credits by electing in
24 writing after January 1, 2011, but before August 8, 2011,
25 under Section 7-145.1 of this Code. Notwithstanding anything

1 to the contrary in this Section, for purposes of this Section,
2 a person who is a Tier 1 regular employee as defined in Section
3 7-109.4 of this Code or who participated in a retirement
4 system under Article 15 prior to January 1, 2011 shall be
5 deemed a person who first became a member or participant prior
6 to January 1, 2011 under any retirement system or pension fund
7 subject to this Section. The changes made to this Section by
8 Public Act 98-596 are a clarification of existing law and are
9 intended to be retroactive to January 1, 2011 (the effective
10 date of Public Act 96-889), notwithstanding the provisions of
11 Section 1-103.1 of this Code.

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

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

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

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

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

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

23 (1) (Blank).

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

1 withdrawal".

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

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

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

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

7 A member of the Teachers' Retirement System of the State
8 of Illinois who retires on or after June 1, 2021 and for whom
9 the 2020-2021 school year is used in the calculation of the
10 member's final average salary shall use the higher of the
11 following for the purpose of determining the member's final
12 average salary:

13 (A) the amount otherwise calculated under the first
14 paragraph of this subsection; or

15 (B) an amount calculated by the Teachers' Retirement
16 System of the State of Illinois using the average of the
17 monthly (or annual) salary obtained by dividing the total
18 salary or earnings calculated under Article 16 applicable
19 to the member or participant during the 96 months (or 8
20 years) of service within the last 120 months (or 10 years)
21 of service in which the total salary or earnings
22 calculated under the Article was the highest by the number
23 of months (or years) of service in that period.

24 (b-5) Beginning on January 1, 2011, for all purposes under
25 this Code (including without limitation the calculation of
26 benefits and employee contributions), the annual earnings,

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

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

19 (b-10) Beginning on January 1, 2024, for all purposes
20 under this Code (including, without limitation, the
21 calculation of benefits and employee contributions), the
22 annual earnings, salary, or wages (based on the plan year) of a
23 member or participant under Article 9 to whom this Section
24 applies shall include an annual earnings, salary, or wage cap
25 that tracks the Social Security wage base. Maximum annual
26 earnings, wages, or salary shall be the annual contribution

1 and benefit base established for the applicable year by the
2 Commissioner of the Social Security Administration under the
3 federal Social Security Act.

4 However, in no event shall the annual earnings, salary, or
5 wages for the purposes of this Article and Article 9 exceed any
6 limitation imposed on annual earnings, salary, or wages under
7 Section 1-117. Under no circumstances shall the maximum amount
8 of annual earnings, salary, or wages be greater than the
9 amount set forth in this subsection (b-10) as a result of
10 reciprocal service or any provisions regarding reciprocal
11 services, nor shall the Fund under Article 9 be required to pay
12 any refund as a result of the application of this maximum
13 annual earnings, salary, and wage cap.

14 Nothing in this subsection (b-10) shall cause or otherwise
15 result in any retroactive adjustment of any employee
16 contributions. Nothing in this subsection (b-10) shall cause
17 or otherwise result in any retroactive adjustment of
18 disability or other payments made between January 1, 2011 and
19 January 1, 2024.

20 (c) A member or participant is entitled to a retirement
21 annuity upon written application if he or she has attained age
22 67 (age 65, with respect to service under Article 12 that is
23 subject to this Section, for a member or participant under
24 Article 12 who first becomes a member or participant under
25 Article 12 on or after January 1, 2022 or who makes the
26 election under item (i) of subsection (d-15) of this Section)

1 and has at least 10 years of service credit and is otherwise
2 eligible under the requirements of the applicable Article.

3 A member or participant who has attained age 62 (age 60,
4 with respect to service under Article 12 that is subject to
5 this Section, for a member or participant under Article 12 who
6 first becomes a member or participant under Article 12 on or
7 after January 1, 2022 or who makes the election under item (i)
8 of subsection (d-15) of this Section) and has at least 10 years
9 of service credit and is otherwise eligible under the
10 requirements of the applicable Article may elect to receive
11 the lower retirement annuity provided in subsection (d) of
12 this Section.

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

22 (d) The retirement annuity of a member or participant who
23 is retiring after attaining age 62 (age 60, with respect to
24 service under Article 12 that is subject to this Section, for a
25 member or participant under Article 12 who first becomes a
26 member or participant under Article 12 on or after January 1,

1 2022 or who makes the election under item (i) of subsection
2 (d-15) of this Section) with at least 10 years of service
3 credit shall be reduced by one-half of 1% for each full month
4 that the member's age is under age 67 (age 65, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section).

10 (d-5) The retirement annuity payable under Article 8 or
11 Article 11 to an eligible person subject to subsection (c-5)
12 of this Section who is retiring at age 60 with at least 10
13 years of service credit shall be reduced by one-half of 1% for
14 each full month that the member's age is under age 65.

15 (d-10) Each person who first became a member or
16 participant under Article 8 or Article 11 of this Code on or
17 after January 1, 2011 and prior to July 6, 2017 (the effective
18 date of Public Act 100-23) shall make an irrevocable election
19 either:

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

1 11-170 of this Code (for service under Article 11); or

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

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

17 (d-15) Each person who first becomes a member or
18 participant under Article 12 on or after January 1, 2011 and
19 prior to January 1, 2022 shall make an irrevocable election
20 either:

21 (i) to be eligible for the reduced retirement age
22 specified in subsections (c) and (d) of this Section, the
23 eligibility for which is conditioned upon the member or
24 participant agreeing to the increase in employee
25 contributions for service annuities specified in
26 subsection (b) of Section 12-150; or

1 (ii) to not agree to item (i) of this subsection
2 (d-15), in which case the member or participant shall not
3 be eligible for the reduced retirement age specified in
4 subsections (c) and (d) of this Section and shall not be
5 subject to the increase in employee contributions for
6 service annuities specified in subsection (b) of Section
7 12-150.

8 The election provided for in this subsection shall be made
9 between January 1, 2022 and April 1, 2022. A person subject to
10 this subsection who makes the required election shall remain
11 bound by that election. A person subject to this subsection
12 who fails for any reason to make the required election within
13 the time specified in this subsection shall be deemed to have
14 made the election under item (ii).

15 (e) Any retirement annuity or supplemental annuity shall
16 be subject to annual increases on the January 1 occurring
17 either on or after the attainment of age 67 (age 65, with
18 respect to service under Article 12 that is subject to this
19 Section, for a member or participant under Article 12 who
20 first becomes a member or participant under Article 12 on or
21 after January 1, 2022 or who makes the election under item (i)
22 of subsection (d-15); and beginning on July 6, 2017 (the
23 effective date of Public Act 100-23), age 65 with respect to
24 service under Article 8 or Article 11 for eligible persons
25 who: (i) are subject to subsection (c-5) of this Section; or
26 (ii) made the election under item (i) of subsection (d-10) of

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

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this Section by Public Act 102-263 are
13 applicable without regard to whether the employee was in
14 active service on or after August 6, 2021 (the effective date
15 of Public Act 102-263).

16 For the purposes of Section 1-103.1 of this Code, the
17 changes made to this Section by Public Act 100-23 are
18 applicable without regard to whether the employee was in
19 active service on or after July 6, 2017 (the effective date of
20 Public Act 100-23).

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

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

22 (g) The benefits in Section 14-110 apply only if the
23 person is a State policeman, a fire fighter in the fire
24 protection service of a department, a conservation police
25 officer, an investigator for the Secretary of State, an arson
26 investigator, a Commerce Commission police officer,

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

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

1 applicable Article of this Code.

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

21 (i) (Blank).

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

25 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
26 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.

1 5-13-22.)

2 (Text of Section from P.A. 102-956)

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

4 (a) The provisions of this Section apply to a person who,
5 on or after January 1, 2011, first becomes a member or a
6 participant under any reciprocal retirement system or pension
7 fund established under this Code, other than a retirement
8 system or pension fund established under Article 2, 3, 4, 5, 6,
9 7, 15, or 18 of this Code, notwithstanding any other provision
10 of this Code to the contrary, but do not apply to any
11 self-managed plan established under this Code or to any
12 participant of the retirement plan established under Section
13 22-101; except that this Section applies to a person who
14 elected to establish alternative credits by electing in
15 writing after January 1, 2011, but before August 8, 2011,
16 under Section 7-145.1 of this Code. Notwithstanding anything
17 to the contrary in this Section, for purposes of this Section,
18 a person who is a Tier 1 regular employee as defined in Section
19 7-109.4 of this Code or who participated in a retirement
20 system under Article 15 prior to January 1, 2011 shall be
21 deemed a person who first became a member or participant prior
22 to January 1, 2011 under any retirement system or pension fund
23 subject to this Section. The changes made to this Section by
24 Public Act 98-596 are a clarification of existing law and are
25 intended to be retroactive to January 1, 2011 (the effective

1 date of Public Act 96-889), notwithstanding the provisions of
2 Section 1-103.1 of this Code.

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

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

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

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

1 (b) "Final average salary" means, except as otherwise
2 provided in this subsection, the average monthly (or annual)
3 salary obtained by dividing the total salary or earnings
4 calculated under the Article applicable to the member or
5 participant during the 96 consecutive months (or 8 consecutive
6 years) of service within the last 120 months (or 10 years) of
7 service in which the total salary or earnings calculated under
8 the applicable Article was the highest by the number of months
9 (or years) of service in that period. For the purposes of a
10 person who first becomes a member or participant of any
11 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) (Blank).

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

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

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

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

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

24 A member of the Teachers' Retirement System of the State
25 of Illinois who retires on or after June 1, 2021 and for whom
26 the 2020-2021 school year is used in the calculation of the

1 member's final average salary shall use the higher of the
2 following for the purpose of determining the member's final
3 average salary:

4 (A) the amount otherwise calculated under the first
5 paragraph of this subsection; or

6 (B) an amount calculated by the Teachers' Retirement
7 System of the State of Illinois using the average of the
8 monthly (or annual) salary obtained by dividing the total
9 salary or earnings calculated under Article 16 applicable
10 to the member or participant during the 96 months (or 8
11 years) of service within the last 120 months (or 10 years)
12 of service in which the total salary or earnings
13 calculated under the Article was the highest by the number
14 of months (or years) of service in that period.

15 (b-5) Beginning on January 1, 2011, for all purposes under
16 this Code (including without limitation the calculation of
17 benefits and employee contributions), the annual earnings,
18 salary, or wages (based on the plan year) of a member or
19 participant to whom this Section applies shall not exceed
20 \$106,800; however, that amount shall annually thereafter be
21 increased by the lesser of (i) 3% of that amount, including all
22 previous adjustments, or (ii) one-half the annual unadjusted
23 percentage increase (but not less than zero) in the consumer
24 price index-u for the 12 months ending with the September
25 preceding each November 1, including all previous adjustments.

26 For the purposes of this Section, "consumer price index-u"

1 means the index published by the Bureau of Labor Statistics of
2 the United States Department of Labor that measures the
3 average change in prices of goods and services purchased by
4 all urban consumers, United States city average, all items,
5 1982-84 = 100. The new amount resulting from each annual
6 adjustment shall be determined by the Public Pension Division
7 of the Department of Insurance and made available to the
8 boards of the retirement systems and pension funds by November
9 1 of each year.

10 (b-10) Beginning on January 1, 2024, for all purposes
11 under this Code (including, without limitation, the
12 calculation of benefits and employee contributions), the
13 annual earnings, salary, or wages (based on the plan year) of a
14 member or participant under Article 9 to whom this Section
15 applies shall include an annual earnings, salary, or wage cap
16 that tracks the Social Security wage base. Maximum annual
17 earnings, wages, or salary shall be the annual contribution
18 and benefit base established for the applicable year by the
19 Commissioner of the Social Security Administration under the
20 federal Social Security Act.

21 However, in no event shall the annual earnings, salary, or
22 wages for the purposes of this Article and Article 9 exceed any
23 limitation imposed on annual earnings, salary, or wages under
24 Section 1-117. Under no circumstances shall the maximum amount
25 of annual earnings, salary, or wages be greater than the
26 amount set forth in this subsection (b-10) as a result of

1 reciprocal service or any provisions regarding reciprocal
2 services, nor shall the Fund under Article 9 be required to pay
3 any refund as a result of the application of this maximum
4 annual earnings, salary, and wage cap.

5 Nothing in this subsection (b-10) shall cause or otherwise
6 result in any retroactive adjustment of any employee
7 contributions. Nothing in this subsection (b-10) shall cause
8 or otherwise result in any retroactive adjustment of
9 disability or other payments made between January 1, 2011 and
10 January 1, 2024.

11 (c) A member or participant is entitled to a retirement
12 annuity upon written application if he or she has attained age
13 67 (age 65, with respect to service under Article 12 that is
14 subject to this Section, for a member or participant under
15 Article 12 who first becomes a member or participant under
16 Article 12 on or after January 1, 2022 or who makes the
17 election under item (i) of subsection (d-15) of this Section)
18 and has at least 10 years of service credit and is otherwise
19 eligible under the requirements of the applicable Article.

20 A member or participant who has attained age 62 (age 60,
21 with respect to service under Article 12 that is subject to
22 this Section, for a member or participant under Article 12 who
23 first becomes a member or participant under Article 12 on or
24 after January 1, 2022 or who makes the election under item (i)
25 of subsection (d-15) of this Section) and has at least 10 years
26 of service credit and is otherwise eligible under the

1 requirements of the applicable Article may elect to receive
2 the lower retirement annuity provided in subsection (d) of
3 this Section.

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

13 (d) The retirement annuity of a member or participant who
14 is retiring after attaining age 62 (age 60, with respect to
15 service under Article 12 that is subject to this Section, for a
16 member or participant under Article 12 who first becomes a
17 member or participant under Article 12 on or after January 1,
18 2022 or who makes the election under item (i) of subsection
19 (d-15) of this Section) with at least 10 years of service
20 credit shall be reduced by one-half of 1% for each full month
21 that the member's age is under age 67 (age 65, with respect to
22 service under Article 12 that is subject to this Section, for a
23 member or participant under Article 12 who first becomes a
24 member or participant under Article 12 on or after January 1,
25 2022 or who makes the election under item (i) of subsection
26 (d-15) of this Section).

1 (d-5) The retirement annuity payable under Article 8 or
2 Article 11 to an eligible person subject to subsection (c-5)
3 of this Section who is retiring at age 60 with at least 10
4 years of service credit shall be reduced by one-half of 1% for
5 each full month that the member's age is under age 65.

6 (d-10) Each person who first became a member or
7 participant under Article 8 or Article 11 of this Code on or
8 after January 1, 2011 and prior to July 6, 2017 (the effective
9 date of Public Act 100-23) shall make an irrevocable election
10 either:

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

19 (ii) to not agree to item (i) of this subsection
20 (d-10), in which case the member or participant shall
21 continue to be subject to the retirement age provisions in
22 subsections (c) and (d) of this Section and the employee
23 contributions for age and service annuity as provided in
24 subsection (a) of Section 8-174 of this Code (for service
25 under Article 8) or subsection (a) of Section 11-170 of
26 this Code (for service under Article 11).

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

8 (d-15) Each person who first becomes a member or
9 participant under Article 12 on or after January 1, 2011 and
10 prior to January 1, 2022 shall make an irrevocable election
11 either:

12 (i) to be eligible for the reduced retirement age
13 specified in subsections (c) and (d) of this Section, the
14 eligibility for which is conditioned upon the member or
15 participant agreeing to the increase in employee
16 contributions for service annuities specified in
17 subsection (b) of Section 12-150; or

18 (ii) to not agree to item (i) of this subsection
19 (d-15), in which case the member or participant shall not
20 be eligible for the reduced retirement age specified in
21 subsections (c) and (d) of this Section and shall not be
22 subject to the increase in employee contributions for
23 service annuities specified in subsection (b) of Section
24 12-150.

25 The election provided for in this subsection shall be made
26 between January 1, 2022 and April 1, 2022. A person subject to

1 this subsection who makes the required election shall remain
2 bound by that election. A person subject to this subsection
3 who fails for any reason to make the required election within
4 the time specified in this subsection shall be deemed to have
5 made the election under item (ii).

6 (e) Any retirement annuity or supplemental annuity shall
7 be subject to annual increases on the January 1 occurring
8 either on or after the attainment of age 67 (age 65, with
9 respect to service under Article 12 that is subject to this
10 Section, for a member or participant under Article 12 who
11 first becomes a member or participant under Article 12 on or
12 after January 1, 2022 or who makes the election under item (i)
13 of subsection (d-15); and beginning on July 6, 2017 (the
14 effective date of Public Act 100-23), age 65 with respect to
15 service under Article 8 or Article 11 for eligible persons
16 who: (i) are subject to subsection (c-5) of this Section; or
17 (ii) made the election under item (i) of subsection (d-10) of
18 this Section) or the first anniversary of the annuity start
19 date, whichever is later. Each annual increase shall be
20 calculated at 3% or one-half the annual unadjusted percentage
21 increase (but not less than zero) in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1, whichever is less, of the originally granted
24 retirement annuity. If the annual unadjusted percentage change
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1 is zero or there is a

1 decrease, then the annuity shall not be increased.

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this Section by Public Act 102-263 are
4 applicable without regard to whether the employee was in
5 active service on or after August 6, 2021 (the effective date
6 of Public Act 102-263).

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by Public Act 100-23 are
9 applicable without regard to whether the employee was in
10 active service on or after July 6, 2017 (the effective date of
11 Public Act 100-23).

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

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

13 (g) The benefits in Section 14-110 apply only if the
14 person is a State policeman, a fire fighter in the fire
15 protection service of a department, a conservation police
16 officer, an investigator for the Secretary of State, an
17 investigator for the Office of the Attorney General, an arson
18 investigator, a Commerce Commission police officer,
19 investigator for the Department of Revenue or the Illinois
20 Gaming Board, a security employee of the Department of
21 Corrections or the Department of Juvenile Justice, or a
22 security employee of the Department of Innovation and
23 Technology, as those terms are defined in subsection (b) and
24 subsection (c) of Section 14-110. A person who meets the
25 requirements of this Section is entitled to an annuity
26 calculated under the provisions of Section 14-110, in lieu of

1 the regular or minimum retirement annuity, only if the person
2 has withdrawn from service with not less than 20 years of
3 eligible creditable service and has attained age 60,
4 regardless of whether the attainment of age 60 occurs while
5 the person is still in service.

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

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then
26 that person's annuity or retirement pension earned as an

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

13 (i) (Blank).

14 (j) In the case of a conflict between the provisions of
15 this Section and any other provision of this Code, the
16 provisions of this Section shall control.

17 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
18 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
19 5-27-22.)

20 (40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

21 Sec. 9-169. Financing; tax ~~Financing~~ ~~Tax~~ levy and other
22 funding sources.

23 (a) The county board shall levy a tax annually upon all
24 taxable property in the county at the rate that will produce a
25 sum which, when added to the amounts deducted from the

1 salaries of the employees or otherwise contributed by them is
2 sufficient for the requirements of this Article.

3 For the years before 1962 the tax rate shall be as provided
4 in "The 1925 Act". For the years 1962 and 1963 the tax rate
5 shall be not more than .0200 per cent; for the years 1964 and
6 1965 the tax rate shall be not more than .0202 per cent; for
7 the years 1966 and 1967 the tax rate shall be not more than
8 .0207 per cent; for the year 1968 the tax rate shall be not
9 more than .0220 per cent; for the year 1969 the tax rate shall
10 be not more than .0233 per cent; for the year 1970 the tax rate
11 shall be not more than .0255 per cent; for the year 1971 the
12 tax rate shall be not more than .0268 per cent of the value, as
13 equalized or assessed by the Department of Revenue upon all
14 taxable property in the county. Beginning with the year 1972
15 and for each year thereafter the county shall levy a tax
16 annually at a rate on the dollar of the value, as equalized or
17 assessed by the Department of Revenue of all taxable property
18 within the county that will produce, when extended, not to
19 exceed an amount equal to the total amount of contributions
20 made by the employees to the fund in the calendar year 2 years
21 prior to the year for which the annual applicable tax is levied
22 multiplied by .8 for the years 1972 through 1976; by .8 for the
23 year 1977; by .87 for the year 1978; by .94 for the year 1979;
24 by 1.02 for the year 1980 and by 1.10 for the year 1981 and by
25 1.18 for the year 1982 and by 1.36 for the year 1983 and by
26 1.54 for the year 1984 and for each year thereafter.

1 This tax shall be levied and collected in like manner with
2 the general taxes of the county, and shall be in addition to
3 all other taxes which the county is authorized to levy upon the
4 aggregate valuation of all taxable property within the county
5 and shall be exclusive of and in addition to the amount of tax
6 the county is authorized to levy for general purposes under
7 any laws which may limit the amount of tax which the county may
8 levy for general purposes. The county clerk, in reducing tax
9 levies under any Act concerning the levy and extension of
10 taxes, shall not consider this tax as a part of the general tax
11 levy for county purposes, and shall not include it within any
12 limitation of the per cent of the assessed valuation upon
13 which taxes are required to be extended for the county. It is
14 lawful to extend this tax in addition to the general county
15 rate fixed by statute, without being authorized as additional
16 by a vote of the people of the county.

17 Revenues derived from this tax shall be paid to the
18 treasurer of the county and held by the treasurer ~~him~~ for the
19 benefit of the fund.

20 If the payments on account of taxes are insufficient
21 during any year to meet the requirements of this Article, the
22 county may issue tax anticipation warrants against the current
23 tax levy.

24 (b) By January 10, annually, the board shall notify the
25 county board of the requirement of this Article that this tax
26 shall be levied. The board shall make an annual determination

1 of the required county contributions, and shall certify the
2 results thereof to the county board.

3 (c) Beginning in the year 2024, the county's minimum
4 required employer contribution as provided in Section 9-169.2
5 shall be paid with the portion of the tax levy as provided in
6 subsection (a) of this Section and any other lawfully
7 available funds of the county. The county shall disburse to
8 and deposit with the county treasurer on a monthly basis
9 beginning no later than the December 31 preceding the
10 beginning of the Fund's fiscal year 1/12 of the balance of what
11 is not paid under subsection (a), for the benefit of the Fund,
12 to be held in accordance with this Article. This amount,
13 together with such real estate taxes as are specifically
14 levied under this Section for that year, shall not be less than
15 the amount of the minimum required employer contribution for
16 that year as certified by the Fund to the county board. The
17 deposit may be derived from any source otherwise legally
18 available to the county for that purpose, including, but not
19 limited to, home rule taxes. The making of a deposit shall
20 satisfy the requirements of this Section for that year to the
21 extent of the amounts so deposited. Amounts deposited under
22 this subsection may be used by the Fund for any of the purposes
23 for which the proceeds of real estate taxes levied by the
24 county under this Section may otherwise be used, including the
25 payment of any amount that is otherwise required by this
26 Article to be paid from the proceeds of that tax. If the

1 county, before the effective date of this amendatory Act of
2 the 103rd General Assembly, made a contribution or agreed to
3 make a contribution to the Fund from sources other than real
4 estate taxes, this paragraph confirms the validity of or
5 ratifies such contribution or agreement, and neither the
6 county nor any of its officers or employees shall be required
7 to answer for such contribution or agreement in any court. The
8 ~~various sums to be contributed by the county board and~~
9 ~~allocated for the purposes of this Article and any interest to~~
10 ~~be contributed by the county shall be taken from the revenue~~
11 ~~derived from this tax and no money of the county derived from~~
12 ~~any source other than the levy and collection of this tax or~~
13 ~~the sale of tax anticipation warrants, except state or federal~~
14 ~~funds contributed for annuity and benefit purposes for~~
15 ~~employees of a county department of public aid under "The~~
16 ~~Illinois Public Aid Code", approved April 11, 1967, as now or~~
17 ~~hereafter amended, may be used to provide revenue for the~~
18 ~~fund.~~

19 If it is not possible or practicable for the county to make
20 contributions for age and service annuity and widow's annuity
21 concurrently with the employee contributions made for such
22 purposes, such county shall make such contributions as soon as
23 possible and practicable thereafter with interest thereon at
24 the effective rate until the time it shall be made.

25 (d) With respect to employees whose wages are funded as
26 participants under the Comprehensive Employment and Training

1 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
2 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
3 subsequent to October 1, 1978, and in instances where the
4 board has elected to establish a manpower program reserve, the
5 board shall compute the amounts necessary to be credited to
6 the manpower program reserves established and maintained as
7 herein provided, and shall make a periodic determination of
8 the amount of required contributions from the County to the
9 reserve to be reimbursed by the federal government in
10 accordance with rules and regulations established by the
11 Secretary of the United States Department of Labor or his
12 designee, and certify the results thereof to the County Board.
13 Any such amounts shall become a credit to the County and will
14 be used to reduce the amount which the County would otherwise
15 contribute during succeeding years for all employees.

16 (e) In lieu of establishing a manpower program reserve
17 with respect to employees whose wages are funded as
18 participants under the Comprehensive Employment and Training
19 Act of 1973, as authorized by subsection (d), the board may
20 elect to establish a special County contribution rate for all
21 such employees. If this option is elected, the County shall
22 contribute to the Fund from federal funds provided under the
23 Comprehensive Employment and Training Act program at the
24 special rate so established and such contributions shall
25 become a credit to the County and be used to reduce the amount
26 which the County would otherwise contribute during succeeding

1 years for all employees.

2 (Source: P.A. 95-369, eff. 8-23-07.)

3 (40 ILCS 5/9-169.1 new)

4 Sec. 9-169.1. Annual actuarial report. The retirement
5 board shall retain an actuary who is a member in good standing
6 of the American Academy of Actuaries to produce an annual
7 actuarial report of the Fund. The annual actuarial report
8 shall include, but not be limited to: (1) a statement of the
9 minimum required contribution, the actuarial value of the
10 Fund's assets as projected over at least 30 years' time, and
11 the actuarial value of the Fund's liabilities as projected
12 over the same period of time; and (2) the minimum required
13 employer contribution, as determined under Section 9-169.2,
14 for the second year immediately following the year ending on
15 the valuation date upon which the annual actuarial report is
16 based.

17 The annual actuarial report may be prepared as part of the
18 annual audit required under Section 9-195. The annual
19 actuarial report shall be reviewed and formally adopted by the
20 retirement board and shall be included in the annual report
21 that is required to be submitted to the county in July of each
22 year under Section 9-199.

23 In this Section, "valuation date" means the date that the
24 value of the assets and liabilities of the Fund is based on in
25 the annual actuarial report.

1 (40 ILCS 5/9-169.2 new)

2 Sec. 9-169.2. Minimum required employer contribution. The
3 minimum required employer contribution for a specified year,
4 as set forth in the annual actuarial report required under
5 Section 9-169.1, shall be the amount determined by the Fund's
6 actuary to be equal to the sum of: (i) the projected normal
7 cost for pensions for that fiscal year based on the entry age
8 actuarial cost method, plus (ii) a projected unfunded
9 actuarial accrued liability amortization payment for pensions
10 for the fiscal year, plus (iii) projected expenses for that
11 fiscal year, plus (iv) interest to adjust for payment pattern
12 during the fiscal year, less (v) projected employee
13 contributions for that fiscal year.

14 The minimum required employer contribution for the next
15 year shall be submitted annually by the county on or before
16 June 14 of each year unless another time frame is agreed upon
17 by the county and the Fund.

18 For the purposes of this Section:

19 "5-Year smoothed actuarial value of assets" means the
20 value of assets as determined by a method that spreads the
21 effect of each year's investment return in excess of or below
22 the expected return.

23 "Entry age actuarial cost method" means a method of
24 determining the normal cost and is determined as a level
25 percentage of pay that, if paid from entry age to the assumed

1 retirement age, assuming all the actuarial assumptions are
2 exactly met by experience and no changes in assumptions or
3 benefit provisions, would accumulate to a fund sufficient to
4 pay all benefits provided by the Fund.

5 "Layered amortization" means a technique that separately
6 layers the different components of the unfunded actuarial
7 accrued liabilities to be amortized over a fixed period not to
8 exceed 30 years.

9 "Projected expenses" means the projected administrative
10 expenses for the cost of administering the Fund.

11 "Projected normal costs for pensions" means the cost of
12 the benefits that accrue during the year for active members
13 under the entry age actuarial cost method.

14 "Unfunded actuarial accrued liability amortization
15 payment" means the annual contribution equal to the difference
16 between the values of assets and the accrued liabilities of
17 the plan, calculated by an actuary, needed to amortize the
18 Fund's liabilities over a period of 30 years starting in 2017,
19 with layered amortization of the Fund's unexpected unfunded
20 actuarial accrued liability amortization payment following
21 2017 in periods of 30 years, with amortization payments
22 increasing 2% per year, and reflecting a discount rate for all
23 liabilities consistent with the assumed investment rate of
24 return on fund assets and a 5-year smoothed actuarial value of
25 assets.

1 (40 ILCS 5/9-179.1) (from Ch. 108 1/2, par. 9-179.1)

2 Sec. 9-179.1. Military service. A contributing employee ~~as~~
3 ~~of January 1, 1993 with at least 25 years of service credit~~ may
4 apply for creditable service for up to 2 years of military
5 service whether or not the military service followed service
6 as a county employee. The military service need not have been
7 served in wartime, but the employee must not have been
8 dishonorably discharged. To establish this creditable service
9 the applicant must pay to the Fund, while in the service of the
10 county, an amount determined by the Fund to represent the
11 employee contributions for the creditable service established,
12 based on the employee's rate of compensation on his or her last
13 day as a contributor before the military service, or on his or
14 her first day as a contributor after the military service,
15 whichever is greater, plus interest at the effective rate from
16 the date of discharge to the date of payment. If a person who
17 has established any credit under this Section applies for or
18 receives any early retirement incentive under Section 9-134.2,
19 the credit under this Section shall be forfeited and the
20 amount paid to the Fund under this Section shall be refunded.

21 (Source: P.A. 87-1265.)

22 (40 ILCS 5/9-184) (from Ch. 108 1/2, par. 9-184)

23 Sec. 9-184. Estimates of sums required for certain
24 annuities and benefits. The board shall estimate and itemize
25 the amounts required each year to pay for all annuities, each

1 benefit category, and benefits and administrative expenses
2 associated with this Article, by way of a written report and
3 request to the County Board of Commissioners. The amounts
4 shall be paid into the fund annually by the county as provided
5 in Section 9-169 ~~from the prescribed tax levy.~~

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

7 (40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)

8 Sec. 9-185. Board created.

9 (a) A board of 9 members shall constitute the board of
10 trustees authorized to carry out the provisions of this
11 Article. The board of trustees shall be known as "The
12 Retirement Board of the County Employees' Annuity and Benefit
13 Fund of County". The board shall consist of 2 members
14 appointed and 7 members elected as hereinafter prescribed.

15 (b) The appointed members shall be appointed as follows:
16 One member shall be appointed by the comptroller of such
17 county, who may be the comptroller or some person chosen by the
18 comptroller ~~him~~ from among employees of the county, who are
19 versed in the affairs of the comptroller's office; and one
20 member shall be appointed by the treasurer of such county, who
21 may be the treasurer or some person chosen by the treasurer ~~him~~
22 from among employees of the County who are versed in the
23 affairs of the treasurer's office.

24 The member appointed by the comptroller shall hold office
25 for a term ending on December 1st of the first year following

1 the year of appointment. The member appointed by the county
2 treasurer shall hold office for a term ending on December 1st
3 of the second year following the year of appointment.

4 Thereafter, each appointed member shall be appointed by
5 the officer that appointed the ~~his~~ predecessor for a term of 2
6 years.

7 (c) Three county employee members of the board shall be
8 elected as follows: within 30 days from and after the date upon
9 which this Article comes into effect in the county, the clerk
10 of the county shall arrange for and hold an election. One
11 employee shall be elected for a term ending on the first day in
12 the month of December of the first year next following the
13 effective date; one for a term ending on December 1st of the
14 following year; and one for a term ending December 1st of the
15 second following year.

16 (d) Beginning December 1, 1988, and every 3 years
17 thereafter, an annuitant member of the board shall be elected
18 as follows: the board shall arrange for and hold an election in
19 which only those participants who are currently receiving
20 retirement benefits under this Article shall be eligible to
21 vote and be elected. Each such member shall be elected to a
22 term ending on the first day in the month of December of the
23 third following year.

24 (d-1) Beginning December 1, 2001, and every 3 years
25 thereafter, an annuitant member of the board shall be elected
26 as follows: the board shall arrange for and hold an election in

1 which only those participants who are currently receiving
2 retirement benefits under this Article shall be eligible to
3 vote and be elected. Each such member shall be elected to a
4 term ending on the first day in the month of December of the
5 third following year. Until December 1, 2001, the position
6 created under this subsection (d-1) may be filled by the board
7 as in the case of a vacancy.

8 (e) Beginning December 1, 1988, if a Forest Preserve
9 District Employees' Annuity and Benefit Fund shall be in force
10 in such county and the board of this fund is charged with
11 administering the affairs of such annuity and benefit fund for
12 employees of such forest preserve district, a forest preserve
13 district member of the board shall be elected as of December 1,
14 1988, and every 3 years thereafter as follows: the board shall
15 arrange for and hold an election in which only those employees
16 of such forest preserve district who are contributors to the
17 annuity and benefit fund for employees of such forest preserve
18 district shall be eligible to vote and be elected. Each such
19 member shall be elected to a term ending on the first day in
20 the month of December of the third following year.

21 (f) Beginning December 1, 2001, and every 3 years
22 thereafter, if a Forest Preserve District Employees' Annuity
23 and Benefit Fund is in force in the county and the board of
24 this Fund is charged with administering the affairs of that
25 annuity and benefit fund for employees of the forest preserve
26 district, a forest preserve district annuitant member of the

1 board shall be elected as follows: the board shall arrange for
2 and hold an election in which only those participants who are
3 currently receiving retirement benefits under Article 10 shall
4 be eligible to vote and be elected. Each such member shall be
5 elected to a term ending on the first day in the month of
6 December of the third following year. Until December 1, 2001,
7 the position created under this subsection (f) may be filled
8 by the board as in the case of a vacancy.

9 (Source: P.A. 92-66, eff. 7-12-01.)

10 (40 ILCS 5/9-195) (from Ch. 108 1/2, par. 9-195)

11 Sec. 9-195. To have an audit. To have an audit of the
12 accounts of the fund made at least once each year by certified
13 public accountants. The audit may include the preparation of
14 the annual actuarial report required under Section 9-169.1.

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

16 (40 ILCS 5/9-199) (from Ch. 108 1/2, par. 9-199)

17 Sec. 9-199. To submit an annual report. To submit a report
18 in July of each year to the county board of the county as of
19 the close of business on December 31st of the preceding year.
20 The report shall contain a detailed statement of the affairs
21 of the fund, its income and expenditures, and assets and
22 liabilities, and it shall include the annual actuarial report
23 required under Section 9-169.1. The county board shall have
24 power to require and compel the retirement board to prepare

1 and submit such reports.

2 (Source: P.A. 95-369, eff. 8-23-07.)

3 (40 ILCS 5/9-240 new)

4 Sec. 9-240. Group health benefit funding. Beginning on the
5 effective date of this amendatory Act of the 103rd General
6 Assembly, the county shall be notified by June 14 of each year
7 of the proposed costs of any such payments allocated by the
8 Fund for all or any portion of the total health premium paid by
9 the Fund pursuant to Section 9-239.

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.47 as follows:

12 (30 ILCS 805/8.47 new)

13 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and
14 8 of this Act, no reimbursement by the State is required for
15 the implementation of any mandate created by this amendatory
16 Act of the 103rd General Assembly.

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