



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3519

Introduced 2/17/2023, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Provides that a security employee of the Department of Corrections or the Department of Juvenile Justice under the Tier 2 provisions is entitled to an annuity calculated under the alternative retirement formula, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55 (instead of age 60). With regard to Tier 2 members and participants under the Illinois Municipal Retirement Fund (IMRF), Chicago Municipal, Cook County, State Employees, and State Universities Article: changes the retirement age to age 60 with 20 years of service or age 67 with 10 years of service; changes the final average salary calculation to the total salary during the 60 months (instead of 96 months) of service within the last 120 months of service in which the total salary was the highest; rescinds an election for certain benefits for persons under the Chicago Municipal Article; provides that the automatic annual increase in retirement annuity shall be calculated at 3% or one-half the annual unadjusted increase in the consumer-price index-u, whichever is greater (instead of whichever is less) of the originally granted retirement annuity; and makes other changes. Provides that the changes made by the amendatory Act are intended to be retroactive to January 1, 2011 and are applicable without regard to whether a member or participant was in active service on or after the effective date. Amends the State Mandates Act to require implementation without reimbursement.

LRB103 30448 RPS 56880 b

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 Sections 1-160, 14-152.1, and 15-198 and by adding
6 Sections 1-103.4, 1-163, 7-226, 8-251.5, 9-242, 14-157, and
7 15-203 as follows:

8 (40 ILCS 5/1-103.4 new)

9 Sec. 1-103.4. Application of this amendatory Act of the
10 103rd General Assembly. The changes made by this amendatory
11 Act of the 103rd General Assembly are intended to be
12 retroactive to January 1, 2011 and are applicable without
13 regard to whether a member or participant was in active
14 service on or after the effective date of this amendatory Act
15 of the 103rd General Assembly, notwithstanding Section
16 1-103.1.

17 (40 ILCS 5/1-160)

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

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

20 (a) The provisions of this Section apply to a person who,
21 on or after January 1, 2011, first becomes a member or a
22 participant under any reciprocal retirement system or pension

1 fund established under this Code, other than a retirement
2 system or pension fund established under Article 2, 3, 4, 5, 6,
3 7, 15, or 18 of this Code, notwithstanding any other provision
4 of this Code to the contrary, but do not apply to any
5 self-managed plan established under this Code or to any
6 participant of the retirement plan established under Section
7 22-101; except that this Section applies to a person who
8 elected to establish alternative credits by electing in
9 writing after January 1, 2011, but before August 8, 2011,
10 under Section 7-145.1 of this Code. Notwithstanding anything
11 to the contrary in this Section, for purposes of this Section,
12 a person who is a Tier 1 regular employee as defined in Section
13 7-109.4 of this Code or who participated in a retirement
14 system under Article 15 prior to January 1, 2011 shall be
15 deemed a person who first became a member or participant prior
16 to January 1, 2011 under any retirement system or pension fund
17 subject to this Section. The changes made to this Section by
18 Public Act 98-596 are a clarification of existing law and are
19 intended to be retroactive to January 1, 2011 (the effective
20 date of Public Act 96-889), notwithstanding the provisions of
21 Section 1-103.1 of this Code.

22 This Section does not apply to a person who first becomes a
23 noncovered employee under Article 14 on or after the
24 implementation date of the plan created under Section 1-161
25 for that Article, unless that person elects under subsection
26 (b) of Section 1-161 to instead receive the benefits provided

1 under this Section and the applicable provisions of that
2 Article.

3 This Section does not apply to a person who first becomes a
4 member or participant under Article 16 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 elects under
11 subsection (c-5) of Section 1-161 to receive the benefits
12 under Section 1-161.

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

20 (b) "Final average salary" means, except as otherwise
21 provided in this subsection, the average monthly (or annual)
22 salary obtained by dividing the total salary or earnings
23 calculated under the Article applicable to the member or
24 participant during the 96 consecutive months (or 8 consecutive
25 years) of service within the last 120 months (or 10 years) of
26 service in which the total salary or earnings calculated under

1 the applicable Article was the highest by the number of months
2 (or years) of service in that period. For the purposes of a
3 person who first becomes a member or participant of any
4 retirement system or pension fund to which this Section
5 applies on or after January 1, 2011, in this Code, "final
6 average salary" shall be substituted for the following:

7 (1) (Blank).

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

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

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

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

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

17 A member of the Teachers' Retirement System of the State
18 of Illinois who retires on or after June 1, 2021 and for whom
19 the 2020-2021 school year is used in the calculation of the
20 member's final average salary shall use the higher of the
21 following for the purpose of determining the member's final
22 average salary:

23 (A) the amount otherwise calculated under the first
24 paragraph of this subsection; or

25 (B) an amount calculated by the Teachers' Retirement
26 System of the State of Illinois using the average of the

1 monthly (or annual) salary obtained by dividing the total
2 salary or earnings calculated under Article 16 applicable
3 to the member or participant during the 96 months (or 8
4 years) of service within the last 120 months (or 10 years)
5 of service in which the total salary or earnings
6 calculated under the Article was the highest by the number
7 of months (or years) of service in that period.

8 (b-5) Beginning on January 1, 2011, for all purposes under
9 this Code (including without limitation the calculation of
10 benefits and employee contributions), the annual earnings,
11 salary, or wages (based on the plan year) of a member or
12 participant to whom this Section applies shall not exceed
13 \$106,800; however, that amount shall annually thereafter be
14 increased by the lesser of (i) 3% of that amount, including all
15 previous adjustments, or (ii) one-half the annual unadjusted
16 percentage increase (but not less than zero) in the consumer
17 price index-u for the 12 months ending with the September
18 preceding each November 1, including all previous adjustments.

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

1 boards of the retirement systems and pension funds by November
2 1 of each year.

3 (c) A member or participant is entitled to a retirement
4 annuity upon written application if he or she has attained age
5 67 (age 65, with respect to service under Article 12 that is
6 subject to this Section, for a member or participant under
7 Article 12 who first becomes a member or participant under
8 Article 12 on or after January 1, 2022 or who makes the
9 election under item (i) of subsection (d-15) of this Section)
10 and has at least 10 years of service credit and is otherwise
11 eligible under the requirements of the applicable Article.

12 A member or participant who has attained age 62 (age 60,
13 with respect to service under Article 12 that is subject to
14 this Section, for a member or participant under Article 12 who
15 first becomes a member or participant under Article 12 on or
16 after January 1, 2022 or who makes the election under item (i)
17 of subsection (d-15) of this Section) and has at least 10 years
18 of service credit and is otherwise eligible under the
19 requirements of the applicable Article may elect to receive
20 the lower retirement annuity provided in subsection (d) of
21 this Section.

22 (c-5) A person who first becomes a member or a participant
23 subject to this Section on or after July 6, 2017 (the effective
24 date of Public Act 100-23), notwithstanding any other
25 provision of this Code to the contrary, is entitled to a
26 retirement annuity under Article 8 or Article 11 upon written

1 application if he or she has attained age 65 and has at least
2 10 years of service credit and is otherwise eligible under the
3 requirements of Article 8 or Article 11 of this Code,
4 whichever is applicable.

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

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

24 (d-10) Each person who first became a member or
25 participant under Article 8 or Article 11 of this Code on or
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election
2 either:

3 (i) to be eligible for the reduced retirement age
4 provided in subsections (c-5) and (d-5) of this Section,
5 the eligibility for which is conditioned upon the member
6 or participant agreeing to the increases in employee
7 contributions for age and service annuities provided in
8 subsection (a-5) of Section 8-174 of this Code (for
9 service under Article 8) or subsection (a-5) of Section
10 11-170 of this Code (for service under Article 11); or

11 (ii) to not agree to item (i) of this subsection
12 (d-10), in which case the member or participant shall
13 continue to be subject to the retirement age provisions in
14 subsections (c) and (d) of this Section and the employee
15 contributions for age and service annuity as provided in
16 subsection (a) of Section 8-174 of this Code (for service
17 under Article 8) or subsection (a) of Section 11-170 of
18 this Code (for service under Article 11).

19 The election provided for in this subsection shall be made
20 between October 1, 2017 and November 15, 2017. A person
21 subject to this subsection who makes the required election
22 shall remain bound by that election, except that an election
23 made under this subsection by a participant under Article 8 is
24 rescinded by operation of law and such person is subject to the
25 provisions otherwise applicable to a participant who first
26 became a participant under Article 8 on or after January 1,

1 2011. A person subject to this subsection who fails for any
2 reason to make the required election within the time specified
3 in this subsection shall be deemed to have made the election
4 under item (ii).

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

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

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

22 The election provided for in this subsection shall be made
23 between January 1, 2022 and April 1, 2022. A person subject to
24 this subsection who makes the required election shall remain
25 bound by that election. A person subject to this subsection
26 who fails for any reason to make the required election within

1 the time specified in this subsection shall be deemed to have
2 made the election under item (ii).

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

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 102-263 are

1 applicable without regard to whether the employee was in
2 active service on or after August 6, 2021 (the effective date
3 of Public Act 102-263).

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

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

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

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

23 (g-1) The benefits in Section 14-110 apply if the person
24 is a security employee of the Department of Corrections or the
25 Department of Juvenile Justice, as those terms are defined in
26 subsection (b) and subsection (c) of Section 14-110. A person

1 who meets the requirements of this Section is entitled to an
2 annuity calculated under the provisions of Section 14-110, in
3 lieu of the regular or minimum retirement annuity, only if the
4 person has withdrawn from service with not less than 20 years
5 of eligible creditable service and has attained age 55,
6 regardless of whether the attainment of age 55 occurs while
7 the person is still in service.

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

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

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

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

1 retirement pension payments shall resume and, if appropriate,
2 be recalculated under the applicable provisions of this Code.

3 (i) (Blank).

4 (j) Except for conflicts between this Section and Section
5 1-163, in ~~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 (c) A member or participant is entitled to a retirement
20 annuity upon written application if he or she has attained age
21 67 (age 65, with respect to service under Article 12 that is
22 subject to this Section, for a member or participant under
23 Article 12 who first becomes a member or participant under
24 Article 12 on or after January 1, 2022 or who makes the
25 election under item (i) of subsection (d-15) of this Section)
26 and has at least 10 years of service credit and is otherwise

1 eligible under the requirements of the applicable Article.

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

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

21 (d) The retirement annuity of a member or participant who
22 is retiring after attaining age 62 (age 60, with respect to
23 service under Article 12 that is subject to this Section, for a
24 member or participant under Article 12 who first becomes a
25 member or participant under Article 12 on or after January 1,
26 2022 or who makes the election under item (i) of subsection

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

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

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

19 (i) to be eligible for the reduced retirement age
20 provided in subsections (c-5) and (d-5) of this Section,
21 the eligibility for which is conditioned upon the member
22 or participant agreeing to the increases in employee
23 contributions for age and service annuities provided in
24 subsection (a-5) of Section 8-174 of this Code (for
25 service under Article 8) or subsection (a-5) of Section
26 11-170 of this Code (for service under Article 11); or

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

9 The election provided for in this subsection shall be made
10 between October 1, 2017 and November 15, 2017. A person
11 subject to this subsection who makes the required election
12 shall remain bound by that election, except that an election
13 made under this subsection by a participant under Article 8 is
14 rescinded by operation of law and such person is subject to the
15 provisions otherwise applicable to a participant who first
16 became a participant under Article 8 on or after January 1,
17 2011. A person subject to this subsection who fails for any
18 reason to make the required election within the time specified
19 in this subsection shall be deemed to have made the election
20 under item (ii).

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

25 (i) to be eligible for the reduced retirement age
26 specified in subsections (c) and (d) of this Section, the

1 eligibility for which is conditioned upon the member or
2 participant agreeing to the increase in employee
3 contributions for service annuities specified in
4 subsection (b) of Section 12-150; or

5 (ii) to not agree to item (i) of this subsection
6 (d-15), in which case the member or participant shall not
7 be eligible for the reduced retirement age specified in
8 subsections (c) and (d) of this Section and shall not be
9 subject to the increase in employee contributions for
10 service annuities specified in subsection (b) of Section
11 12-150.

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

19 (e) Any retirement annuity or supplemental annuity shall
20 be subject to annual increases on the January 1 occurring
21 either on or after the attainment of age 67 (age 65, with
22 respect to service under Article 12 that is subject to this
23 Section, for a member or participant under Article 12 who
24 first becomes a member or participant under Article 12 on or
25 after January 1, 2022 or who makes the election under item (i)
26 of subsection (d-15); and beginning on July 6, 2017 (the

1 effective date of Public Act 100-23), age 65 with respect to
2 service under Article 8 or Article 11 for eligible persons
3 who: (i) are subject to subsection (c-5) of this Section; or
4 (ii) made the election under item (i) of subsection (d-10) of
5 this Section) or the first anniversary of the annuity start
6 date, whichever is later. Each annual increase shall be
7 calculated at 3% or one-half the annual unadjusted percentage
8 increase (but not less than zero) in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1, whichever is less, of the originally granted
11 retirement annuity. If the annual unadjusted percentage change
12 in the consumer price index-u for the 12 months ending with the
13 September preceding each November 1 is zero or there is a
14 decrease, then the annuity shall not be increased.

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

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

25 (f) The initial survivor's or widow's annuity of an
26 otherwise eligible survivor or widow of a retired member or

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

26 (g) The benefits in Section 14-110 apply only if the

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

18 (g-1) The benefits in Section 14-110 apply if the person
19 is a security employee of the Department of Corrections or the
20 Department of Juvenile Justice, as those terms are defined in
21 subsection (b) and subsection (c) of Section 14-110. A person
22 who meets the requirements of this Section is entitled to an
23 annuity calculated under the provisions of Section 14-110, in
24 lieu of the regular or minimum retirement annuity, only if the
25 person has withdrawn from service with not less than 20 years
26 of eligible creditable service and has attained age 55,

1 regardless of whether the attainment of age 55 occurs while
2 the person is still in service.

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

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

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

10 (i) (Blank).

11 (j) Except for conflicts between this Section and Section
12 1-163, in ~~in~~ the case of a conflict between the provisions of
13 this Section and any other provision of this Code, the
14 provisions of this Section shall control.

15 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
16 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
17 5-13-22.)

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

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

20 (a) The provisions of this Section apply to a person who,
21 on or after January 1, 2011, first becomes a member or a
22 participant under any reciprocal retirement system or pension
23 fund established under this Code, other than a retirement
24 system or pension fund established under Article 2, 3, 4, 5, 6,
25 7, 15, or 18 of this Code, notwithstanding any other provision

1 of this Code to the contrary, but do not apply to any
2 self-managed plan established under this Code or to any
3 participant of the retirement plan established under Section
4 22-101; except that this Section applies to a person who
5 elected to establish alternative credits by electing in
6 writing after January 1, 2011, but before August 8, 2011,
7 under Section 7-145.1 of this Code. Notwithstanding anything
8 to the contrary in this Section, for purposes of this Section,
9 a person who is a Tier 1 regular employee as defined in Section
10 7-109.4 of this Code or who participated in a retirement
11 system under Article 15 prior to January 1, 2011 shall be
12 deemed a person who first became a member or participant prior
13 to January 1, 2011 under any retirement system or pension fund
14 subject to this Section. The changes made to this Section by
15 Public Act 98-596 are a clarification of existing law and are
16 intended to be retroactive to January 1, 2011 (the effective
17 date of Public Act 96-889), notwithstanding the provisions of
18 Section 1-103.1 of this Code.

19 This Section does not apply to a person who first becomes a
20 noncovered employee under Article 14 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 first becomes a

1 member or participant under Article 16 on or after the
2 implementation date of the plan created under Section 1-161
3 for that Article, unless that person elects under subsection
4 (b) of Section 1-161 to instead receive the benefits provided
5 under this Section and the applicable provisions of that
6 Article.

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

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

17 (b) "Final average salary" means, except as otherwise
18 provided in this subsection, the average monthly (or annual)
19 salary obtained by dividing the total salary or earnings
20 calculated under the Article applicable to the member or
21 participant during the 96 consecutive months (or 8 consecutive
22 years) of service within the last 120 months (or 10 years) of
23 service in which the total salary or earnings calculated under
24 the applicable Article was the highest by the number of months
25 (or years) of service in that period. For the purposes of a
26 person who first becomes a member or participant of any

1 retirement system or pension fund to which this Section
2 applies on or after January 1, 2011, in this Code, "final
3 average salary" shall be substituted for the following:

4 (1) (Blank).

5 (2) In Articles 8, 9, 10, 11, and 12, "highest average
6 annual salary for any 4 consecutive years within the last
7 10 years of service immediately preceding the date of
8 withdrawal".

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

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

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

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

14 A member of the Teachers' Retirement System of the State
15 of Illinois who retires on or after June 1, 2021 and for whom
16 the 2020-2021 school year is used in the calculation of the
17 member's final average salary shall use the higher of the
18 following for the purpose of determining the member's final
19 average salary:

20 (A) the amount otherwise calculated under the first
21 paragraph of this subsection; or

22 (B) an amount calculated by the Teachers' Retirement
23 System of the State of Illinois using the average of the
24 monthly (or annual) salary obtained by dividing the total
25 salary or earnings calculated under Article 16 applicable
26 to the member or participant during the 96 months (or 8

1 years) of service within the last 120 months (or 10 years)
2 of service in which the total salary or earnings
3 calculated under the Article was the highest by the number
4 of months (or years) of service in that period.

5 (b-5) Beginning on January 1, 2011, for all purposes under
6 this Code (including without limitation the calculation of
7 benefits and employee contributions), the annual earnings,
8 salary, or wages (based on the plan year) of a member or
9 participant to whom this Section applies shall not exceed
10 \$106,800; however, that amount shall annually thereafter be
11 increased by the lesser of (i) 3% of that amount, including all
12 previous adjustments, or (ii) one-half the annual unadjusted
13 percentage increase (but not less than zero) in the consumer
14 price index-u for the 12 months ending with the September
15 preceding each November 1, including all previous adjustments.

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

26 (c) A member or participant is entitled to a retirement

1 annuity upon written application if he or she has attained age
2 67 (age 65, with respect to service under Article 12 that is
3 subject to this Section, for a member or participant under
4 Article 12 who first becomes a member or participant under
5 Article 12 on or after January 1, 2022 or who makes the
6 election under item (i) of subsection (d-15) of this Section)
7 and has at least 10 years of service credit and is otherwise
8 eligible under the requirements of the applicable Article.

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

19 (c-5) A person who first becomes a member or a participant
20 subject to this Section on or after July 6, 2017 (the effective
21 date of Public Act 100-23), notwithstanding any other
22 provision of this Code to the contrary, is entitled to a
23 retirement annuity under Article 8 or Article 11 upon written
24 application if he or she has attained age 65 and has at least
25 10 years of service credit and is otherwise eligible under the
26 requirements of Article 8 or Article 11 of this Code,

1 whichever is applicable.

2 (d) The retirement annuity of a member or participant who
3 is retiring after attaining age 62 (age 60, with respect to
4 service under Article 12 that is subject to this Section, for a
5 member or participant under Article 12 who first becomes a
6 member or participant under Article 12 on or after January 1,
7 2022 or who makes the election under item (i) of subsection
8 (d-15) of this Section) with at least 10 years of service
9 credit shall be reduced by one-half of 1% for each full month
10 that the member's age is under age 67 (age 65, with respect to
11 service under Article 12 that is subject to this Section, for a
12 member or participant under Article 12 who first becomes a
13 member or participant under Article 12 on or after January 1,
14 2022 or who makes the election under item (i) of subsection
15 (d-15) of this Section).

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

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

26 (i) to be eligible for the reduced retirement age

1 provided in subsections (c-5) and (d-5) of this Section,
2 the eligibility for which is conditioned upon the member
3 or participant agreeing to the increases in employee
4 contributions for age and service annuities provided in
5 subsection (a-5) of Section 8-174 of this Code (for
6 service under Article 8) or subsection (a-5) of Section
7 11-170 of this Code (for service under Article 11); or

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

16 The election provided for in this subsection shall be made
17 between October 1, 2017 and November 15, 2017. A person
18 subject to this subsection who makes the required election
19 shall remain bound by that election, except that an election
20 made under this subsection by a participant under Article 8 is
21 rescinded by operation of law and such person is subject to the
22 provisions otherwise applicable to a participant who first
23 became a participant under Article 8 on or after January 1,
24 2011. A person subject to this subsection who fails for any
25 reason to make the required election within the time specified
26 in this subsection shall be deemed to have made the election

1 under item (ii).

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

6 (i) to be eligible for the reduced retirement age
7 specified in subsections (c) and (d) of this Section, the
8 eligibility for which is conditioned upon the member or
9 participant agreeing to the increase in employee
10 contributions for service annuities specified in
11 subsection (b) of Section 12-150; or

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

19 The election provided for in this subsection shall be made
20 between January 1, 2022 and April 1, 2022. A person subject to
21 this subsection who makes the required election shall remain
22 bound by that election. A person subject to this subsection
23 who fails for any reason to make the required election within
24 the time specified in this subsection shall be deemed to have
25 made the election under item (ii).

26 (e) Any retirement annuity or supplemental annuity shall

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

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

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

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

1 ending with the September preceding each November 1, whichever
2 is less, of the originally granted survivor's annuity. If the
3 annual unadjusted percentage change in the consumer price
4 index-u for the 12 months ending with the September preceding
5 each November 1 is zero or there is a decrease, then the
6 annuity shall not be increased.

7 (g) The benefits in Section 14-110 apply ~~only~~ if the
8 person is a State policeman, a fire fighter in the fire
9 protection service of a department, a conservation police
10 officer, an investigator for the Secretary of State, an
11 investigator for the Office of the Attorney General, an arson
12 investigator, a Commerce Commission police officer,
13 investigator for the Department of Revenue or the Illinois
14 Gaming Board, ~~a security employee of the Department of~~
15 ~~Corrections or the Department of Juvenile Justice,~~ or a
16 security employee of the Department of Innovation and
17 Technology, as those terms are defined in subsection (b) and
18 subsection (c) of Section 14-110. A person who meets the
19 requirements of this Section is entitled to an annuity
20 calculated under the provisions of Section 14-110, in lieu of
21 the regular or minimum retirement annuity, only if the person
22 has withdrawn from service with not less than 20 years of
23 eligible creditable service and has attained age 60,
24 regardless of whether the attainment of age 60 occurs while
25 the person is still in service.

26 (g-1) The benefits in Section 14-110 apply if the person

1 is a security employee of the Department of Corrections or the
2 Department of Juvenile Justice, as those terms are defined in
3 subsection (b) and subsection (c) of Section 14-110. A person
4 who meets the requirements of this Section is entitled to an
5 annuity calculated under the provisions of Section 14-110, in
6 lieu of the regular or minimum retirement annuity, only if the
7 person has withdrawn from service with not less than 20 years
8 of eligible creditable service and has attained age 55,
9 regardless of whether the attainment of age 55 occurs while
10 the person is still in service.

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

25 If a person who first becomes a member of a retirement
26 system or pension fund subject to this Section on or after

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

18 (i) (Blank).

19 (j) Except for conflicts between this Section and Section
20 1-163, in ~~in~~ the case of a conflict between the provisions of
21 this Section and any other provision of this Code, the
22 provisions of this Section shall control.

23 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
24 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
25 5-27-22.)

1 (40 ILCS 5/1-163 new)

2 Sec. 1-163. Benefits for certain Tier 2 members.

3 (a) Notwithstanding any provision of law to the contrary,
4 including Section 1-160, this Section applies to a person who
5 first becomes a member or participant of a pension fund or
6 retirement system established under Article 7, 8, 9, 14, or 15
7 on or after January 1, 2011. To the extent that any provision
8 of this Section conflicts with a provision under those
9 Articles or Section 1-160, this Section controls.

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 60 consecutive months (or 5 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) In Article 7 (except for service as sheriff's law
24 enforcement employees), "final rate of earnings".

25 (2) In Articles 8 and 9, "highest average annual
26 salary for any 4 consecutive years within the last 10

1 years of service immediately preceding the date of
2 withdrawal".

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

4 (c) Beginning on January 1, 2011, for all purposes under
5 this Code (including without limitation the calculation of
6 benefits and employee contributions), the annual earnings,
7 salary, or wages (based on the plan year) of a member or
8 participant to whom this Section applies shall not exceed the
9 federal Social Security Wage Base then in effect.

10 (d) A member or participant is entitled to a retirement
11 annuity upon written application if he or she has attained age
12 60, has at least 20 years of service credit, and is otherwise
13 eligible under the requirements of the applicable Article.

14 A member or participant is entitled to a retirement
15 annuity upon written application if he or she has attained age
16 67, has at least 10 years of service credit, and is otherwise
17 eligible under the requirements of the applicable Article.

18 If the Article under which a member or participant
19 participates provides for a retirement age of under 60 with a
20 reduction in the amount of the annuity for persons who first
21 became members before January 1, 2011, then that provision
22 shall apply to the member or participant with the same age,
23 service, and other eligibility requirements and in the same
24 amount, including any reduction due to age, as provided in the
25 applicable Article.

26 (e) Any retirement annuity or supplemental annuity shall

1 be subject to annual increases on January 1 in the manner and
2 with the same eligibility requirements provided for members or
3 participants under the applicable Article who first became
4 members or participants in that Article before January 1,
5 2011, except that each annual increase shall be calculated at
6 3% or one-half the annual unadjusted percentage increase (but
7 not less than zero) in the consumer price index-u for the 12
8 months ending with the September preceding each November 1,
9 whichever is greater, of the originally granted retirement
10 annuity. If the annual unadjusted percentage change in the
11 consumer price index-u for the 12 months ending with the
12 September preceding each November 1 is zero or there is a
13 decrease, then the annuity shall not be increased.

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

24 (40 ILCS 5/7-226 new)

25 Sec. 7-226. Application of Section 1-163. To the extent

1 that any provision of this Article conflicts with Section
2 1-163, Section 1-163 controls.

3 (40 ILCS 5/8-251.5 new)

4 Sec. 8-251.5. Application of Section 1-163. To the extent
5 that any provision of this Article conflicts with Section
6 1-163, Section 1-163 controls.

7 (40 ILCS 5/9-242 new)

8 Sec. 9-242. Application of Section 1-163. To the extent
9 that any provision of this Article conflicts with Section
10 1-163, Section 1-163 controls.

11 (40 ILCS 5/14-152.1)

12 Sec. 14-152.1. Application and expiration of new benefit
13 increases.

14 (a) As used in this Section, "new benefit increase" means
15 an increase in the amount of any benefit provided under this
16 Article, or an expansion of the conditions of eligibility for
17 any benefit under this Article, that results from an amendment
18 to this Code that takes effect after June 1, 2005 (the
19 effective date of Public Act 94-4). "New benefit increase",
20 however, does not include any benefit increase resulting from
21 the changes made to Article 1 or this Article by Public Act
22 96-37, Public Act 100-23, Public Act 100-587, Public Act
23 100-611, Public Act 101-10, Public Act 101-610, Public Act

1 102-210, Public Act 102-856, Public Act 102-956, or this
2 amendatory Act of the 103rd General Assembly ~~this amendatory~~
3 ~~Act of the 102nd General Assembly.~~

4 (b) Notwithstanding any other provision of this Code or
5 any subsequent amendment to this Code, every new benefit
6 increase is subject to this Section and shall be deemed to be
7 granted only in conformance with and contingent upon
8 compliance with the provisions of this Section.

9 (c) The Public Act enacting a new benefit increase must
10 identify and provide for payment to the System of additional
11 funding at least sufficient to fund the resulting annual
12 increase in cost to the System as it accrues.

13 Every new benefit increase is contingent upon the General
14 Assembly providing the additional funding required under this
15 subsection. The Commission on Government Forecasting and
16 Accountability shall analyze whether adequate additional
17 funding has been provided for the new benefit increase and
18 shall report its analysis to the Public Pension Division of
19 the Department of Insurance. A new benefit increase created by
20 a Public Act that does not include the additional funding
21 required under this subsection is null and void. If the Public
22 Pension Division determines that the additional funding
23 provided for a new benefit increase under this subsection is
24 or has become inadequate, it may so certify to the Governor and
25 the State Comptroller and, in the absence of corrective action
26 by the General Assembly, the new benefit increase shall expire

1 at the end of the fiscal year in which the certification is
2 made.

3 (d) Every new benefit increase shall expire 5 years after
4 its effective date or on such earlier date as may be specified
5 in the language enacting the new benefit increase or provided
6 under subsection (c). This does not prevent the General
7 Assembly from extending or re-creating a new benefit increase
8 by law.

9 (e) Except as otherwise provided in the language creating
10 the new benefit increase, a new benefit increase that expires
11 under this Section continues to apply to persons who applied
12 and qualified for the affected benefit while the new benefit
13 increase was in effect and to the affected beneficiaries and
14 alternate payees of such persons, but does not apply to any
15 other person, including, without limitation, a person who
16 continues in service after the expiration date and did not
17 apply and qualify for the affected benefit while the new
18 benefit increase was in effect.

19 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
20 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
21 1-1-23; 102-956, eff. 5-27-22.)

22 (40 ILCS 5/14-157 new)

23 Sec. 14-157. Application of Section 1-163. To the extent
24 that any provision of this Article conflicts with Section
25 1-163, Section 1-163 controls.

1 (40 ILCS 5/15-198)

2 Sec. 15-198. Application and expiration of new benefit
3 increases.

4 (a) As used in this Section, "new benefit increase" means
5 an increase in the amount of any benefit provided under this
6 Article, or an expansion of the conditions of eligibility for
7 any benefit under this Article, that results from an amendment
8 to this Code that takes effect after June 1, 2005 (the
9 effective date of Public Act 94-4). "New benefit increase",
10 however, does not include any benefit increase resulting from
11 the changes made to Article 1 or this Article by Public Act
12 100-23, Public Act 100-587, Public Act 100-769, Public Act
13 101-10, Public Act 101-610, Public Act 102-16, or this
14 amendatory Act of the 103rd General Assembly ~~this amendatory~~
15 ~~Act of the 102nd General Assembly.~~

16 (b) Notwithstanding any other provision of this Code or
17 any subsequent amendment to this Code, every new benefit
18 increase is subject to this Section and shall be deemed to be
19 granted only in conformance with and contingent upon
20 compliance with the provisions of this Section.

21 (c) The Public Act enacting a new benefit increase must
22 identify and provide for payment to the System of additional
23 funding at least sufficient to fund the resulting annual
24 increase in cost to the System as it accrues.

25 Every new benefit increase is contingent upon the General

1 Assembly providing the additional funding required under this
2 subsection. The Commission on Government Forecasting and
3 Accountability shall analyze whether adequate additional
4 funding has been provided for the new benefit increase and
5 shall report its analysis to the Public Pension Division of
6 the Department of Insurance. A new benefit increase created by
7 a Public Act that does not include the additional funding
8 required under this subsection is null and void. If the Public
9 Pension Division determines that the additional funding
10 provided for a new benefit increase under this subsection is
11 or has become inadequate, it may so certify to the Governor and
12 the State Comptroller and, in the absence of corrective action
13 by the General Assembly, the new benefit increase shall expire
14 at the end of the fiscal year in which the certification is
15 made.

16 (d) Every new benefit increase shall expire 5 years after
17 its effective date or on such earlier date as may be specified
18 in the language enacting the new benefit increase or provided
19 under subsection (c). This does not prevent the General
20 Assembly from extending or re-creating a new benefit increase
21 by law.

22 (e) Except as otherwise provided in the language creating
23 the new benefit increase, a new benefit increase that expires
24 under this Section continues to apply to persons who applied
25 and qualified for the affected benefit while the new benefit
26 increase was in effect and to the affected beneficiaries and

1 alternate payees of such persons, but does not apply to any
2 other person, including, without limitation, a person who
3 continues in service after the expiration date and did not
4 apply and qualify for the affected benefit while the new
5 benefit increase was in effect.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
7 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

8 (40 ILCS 5/15-203 new)

9 Sec. 15-203. Application of Section 1-163. To the extent
10 that any provision of this Article conflicts with Section
11 1-163, Section 1-163 controls.

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.47 as follows:

14 (30 ILCS 805/8.47 new)

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

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/1-103.4 new

4 40 ILCS 5/1-160

5 40 ILCS 5/1-163 new

6 40 ILCS 5/7-226 new

7 40 ILCS 5/8-251.5 new

8 40 ILCS 5/9-242 new

9 40 ILCS 5/14-152.1

10 40 ILCS 5/14-157 new

11 40 ILCS 5/15-198

12 40 ILCS 5/15-203 new

13 30 ILCS 805/8.47 new