



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5211

Introduced 2/9/2024, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. With respect to persons who, on or after January 1, 2011, become participants or members under the Downstate Police, Downstate Firefighter, Chicago Police, Chicago Firefighter, Illinois Municipal Retirement Fund (IMRF), Chicago Municipal, Cook County, Cook County Forest Preserve, Chicago Laborers, Chicago Park District, and Metropolitan Water Reclamation District (MWRD) Articles of the Code, provides that, beginning on January 1, 2025 for all purposes under the Code (including, without limitation, the calculation of benefits and employee contributions) the annual earnings, salary, or wages (based on the plan year) of a member or participant shall not exceed the Social Security wage base for the applicable plan year. Provides that a participant or member shall be entitled to a retirement annuity upon written application if he or she: (1) has attained age 62, has at least 35 years of service credit, and is otherwise eligible under the requirements of the applicable Article; (2) has attained age 64, has at least 20 years of service credit, and is otherwise eligible under the requirements of the applicable Article; or (3) has attained age 67, has at least 10 years of service credit, and is otherwise eligible under the requirements of the applicable Article. Provides for a reduced annuity for persons who retire before reaching a specified age. Provides that any retirement annuity or supplemental annuity shall be subject to annual increases on January 1 beginning with the January following the member's or participant's first annuity payment date. Provides that the annual increase shall be calculated at 3% of the originally granted retirement annuity. Provides that the changes do not apply to the extent that the changes would result in an impairment or diminishment of a pension benefit. Provides that the changes are intended to be retroactive to January 1, 2011. Makes conforming changes. Amends the State Mandates Act to require implementation without reimbursement.

LRB103 38400 RPS 68535 b

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 1-160 and by adding Sections 1-103.4, 1-163,
6 3-153, 4-145, 5-239, 6-231, 7-226, 8-251.5, 9-242, 10-110,
7 11-233, 12-196, and 13-217 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 (b-10) Beginning on January 1, 2024, for all purposes
4 under this Code (including, without limitation, the
5 calculation of benefits and employee contributions), the
6 annual earnings, salary, or wages (based on the plan year) of a
7 member or participant under Article 9 to whom this Section
8 applies shall include an annual earnings, salary, or wage cap
9 that tracks the Social Security wage base. Maximum annual
10 earnings, wages, or salary shall be the annual contribution
11 and benefit base established for the applicable year by the
12 Commissioner of the Social Security Administration under the
13 federal Social Security Act.

14 However, in no event shall the annual earnings, salary, or
15 wages for the purposes of this Article and Article 9 exceed any
16 limitation imposed on annual earnings, salary, or wages under
17 Section 1-117. Under no circumstances shall the maximum amount
18 of annual earnings, salary, or wages be greater than the
19 amount set forth in this subsection (b-10) as a result of
20 reciprocal service or any provisions regarding reciprocal
21 services, nor shall the Fund under Article 9 be required to pay
22 any refund as a result of the application of this maximum
23 annual earnings, salary, and wage cap.

24 Nothing in this subsection (b-10) shall cause or otherwise
25 result in any retroactive adjustment of any employee
26 contributions. Nothing in this subsection (b-10) shall cause

1 or otherwise result in any retroactive adjustment of
2 disability or other payments made between January 1, 2011 and
3 January 1, 2024.

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

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

23 (c-5) (Blank) ~~A person who first becomes a member or a~~
24 ~~participant subject to this Section on or after July 6, 2017~~
25 ~~(the effective date of Public Act 100-23), notwithstanding any~~
26 ~~other provision of this Code to the contrary, is entitled to a~~

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

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

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

26 (d-10) Each person who first became a member or

1 participant under Article 8 or Article 11 of this Code on or
2 after January 1, 2011 and prior to July 6, 2017 (the effective
3 date of Public Act 100-23) shall make an irrevocable election
4 either:

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

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

21 The election provided for in this subsection shall be made
22 between October 1, 2017 and November 15, 2017. A person
23 subject to this subsection who makes the required election
24 shall remain bound by that election, except that an election
25 made under this subsection is rescinded by operation of law
26 and such person is subject to the provisions otherwise

1 applicable to a participant who first become a participant
2 under Article 8 or Article 11 on or after January 1, 2011. A
3 person subject to this subsection who fails for any reason to
4 make the required election within the time specified in this
5 subsection shall be deemed to have made the election under
6 item (ii).

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

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

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

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

1 bound by that election, except that an election made under
2 this subsection is rescinded by operation of law and such
3 person is subject to the provisions otherwise applicable to a
4 participant who first become a participant under Article 12 on
5 or after January 1, 2011. A person subject to this subsection
6 who fails for any reason to make the required election within
7 the time specified in this subsection shall be deemed to have
8 made the election under item (ii).

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

1 retirement annuity. If the annual unadjusted percentage change
2 in the consumer price index-u for the 12 months ending with the
3 September preceding each November 1 is zero or there is a
4 decrease, then the annuity shall not be increased.

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

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

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

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

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

1 attained age 60, regardless of whether the attainment of age
2 60 occurs while the person is still in service.

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

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

1 termination of that employment, the person's retirement
2 annuity or retirement pension payments shall resume and be
3 recalculated if recalculation is provided for under the
4 applicable Article of this Code.

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

24 (i) (Blank).

25 (j) Except for conflicts between this Section and Section
26 1-163, in ~~in~~ the case of a conflict between the provisions of

1 this Section and any other provision of this Code, the
2 provisions of this Section shall control.

3 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
4 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
5 5-6-22.)

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

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

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

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

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

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

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

24 This Section does not apply to a person who first becomes a
25 member or participant of an affected pension fund on or after 6
26 months after the resolution or ordinance date, as defined in

1 Section 1-162, unless that person elects under subsection (c)
2 of Section 1-162 to receive the benefits provided under this
3 Section and the applicable provisions of the Article under
4 which he or she is a member or participant.

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

18 (1) (Blank).

19 (2) In Articles 8, 9, 10, 11, and 12, "highest average
20 annual salary for any 4 consecutive years within the last
21 10 years of service immediately preceding the date of
22 withdrawal".

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

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

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

26 (6) In Section 22-207, "wages or salary received by

1 him at the date of retirement or discharge".

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

8 (A) the amount otherwise calculated under the first
9 paragraph of this subsection; or

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

19 (b-5) Beginning on January 1, 2011, for all purposes under
20 this Code (including without limitation the calculation of
21 benefits and employee contributions), the annual earnings,
22 salary, or wages (based on the plan year) of a member or
23 participant to whom this Section applies shall not exceed
24 \$106,800; however, that amount shall annually thereafter be
25 increased by the lesser of (i) 3% of that amount, including all
26 previous adjustments, or (ii) one-half the annual unadjusted

1 percentage increase (but not less than zero) in the consumer
2 price index-u for the 12 months ending with the September
3 preceding each November 1, including all previous adjustments.

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

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

25 However, in no event shall the annual earnings, salary, or
26 wages for the purposes of this Article and Article 9 exceed any

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

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

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

24 A member or participant who has attained age 62 (age 60,
25 with respect to service under Article 12 that is subject to
26 this Section, for a member or participant under Article 12 who

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

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

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

1 member or participant under Article 12 who first becomes a
2 member or participant under Article 12 on or after January 1,
3 2022 or who makes the election under item (i) of subsection
4 (d-15) of this Section).

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

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

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

24 (ii) to not agree to item (i) of this subsection
25 (d-10), in which case the member or participant shall
26 continue to be subject to the retirement age provisions in

1 subsections (c) and (d) of this Section and the employee
2 contributions for age and service annuity as provided in
3 subsection (a) of Section 8-174 of this Code (for service
4 under Article 8) or subsection (a) of Section 11-170 of
5 this Code (for service under Article 11).

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

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

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

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

9 The election provided for in this subsection shall be made
10 between January 1, 2022 and April 1, 2022. A person subject to
11 this subsection who makes the required election shall remain
12 bound by that election, except that an election made under
13 this subsection is rescinded by operation of law and such
14 person is subject to the provisions otherwise applicable to a
15 participant who first become a participant under Article 12 on
16 or after January 1, 2011. A person subject to this subsection
17 who fails for any reason to make the required election within
18 the time specified in this subsection shall be deemed to have
19 made the election under item (ii).

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

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

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

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

26 (f) The initial survivor's or widow's annuity of an

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

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

19 (h) If a person who first becomes a member or a participant
20 of a retirement system or pension fund subject to this Section
21 on or after January 1, 2011 is receiving a retirement annuity
22 or retirement pension under that system or fund and becomes a
23 member or participant under any other system or fund created
24 by this Code and is employed on a full-time basis, except for
25 those members or participants exempted from the provisions of
26 this Section under subsection (a) of this Section, then the

1 person's retirement annuity or retirement pension under that
2 system or fund shall be suspended during that employment. Upon
3 termination of that employment, the person's retirement
4 annuity or retirement pension payments shall resume and be
5 recalculated if recalculation is provided for under the
6 applicable Article of this Code.

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

26 (i) (Blank).

1 (j) Except for conflicts between this Section and Section
2 1-163, in ~~the~~ the case of a conflict between the provisions of
3 this Section and any other provision of this Code, the
4 provisions of this Section shall control.

5 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
6 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
7 5-13-22.)

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

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

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

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

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

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

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

26 This Section does not apply to a person who first becomes a

1 member or participant of an affected pension fund on or after 6
2 months after the resolution or ordinance date, as defined in
3 Section 1-162, unless that person elects under subsection (c)
4 of Section 1-162 to receive the benefits provided under this
5 Section and the applicable provisions of the Article under
6 which he or she is a member or participant.

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

20 (1) (Blank).

21 (2) In Articles 8, 9, 10, 11, and 12, "highest average
22 annual salary for any 4 consecutive years within the last
23 10 years of service immediately preceding the date of
24 withdrawal".

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

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

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

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

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

10 (A) the amount otherwise calculated under the first
11 paragraph of this subsection; or

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

21 (b-5) Beginning on January 1, 2011, for all purposes under
22 this Code (including without limitation the calculation of
23 benefits and employee contributions), the annual earnings,
24 salary, or wages (based on the plan year) of a member or
25 participant to whom this Section applies shall not exceed
26 \$106,800; however, that amount shall annually thereafter be

1 increased by the lesser of (i) 3% of that amount, including all
2 previous adjustments, or (ii) one-half the annual unadjusted
3 percentage increase (but not less than zero) in the consumer
4 price index-u for the 12 months ending with the September
5 preceding each November 1, including all previous adjustments.

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

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

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

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

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

26 A member or participant who has attained age 62 (age 60,

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

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

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

1 that the member's age is under age 67 (age 65, with respect to
2 service under Article 12 that is subject to this Section, for a
3 member or participant under Article 12 who first becomes a
4 member or participant under Article 12 on or after January 1,
5 2022 or who makes the election under item (i) of subsection
6 (d-15) of this Section).

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

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

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

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall
2 continue to be subject to the retirement age provisions in
3 subsections (c) and (d) of this Section and the employee
4 contributions for age and service annuity as provided in
5 subsection (a) of Section 8-174 of this Code (for service
6 under Article 8) or subsection (a) of Section 11-170 of
7 this Code (for service under Article 11).

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

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

24 (i) to be eligible for the reduced retirement age
25 specified in subsections (c) and (d) of this Section, the
26 eligibility for which is conditioned upon the member or

1 participant agreeing to the increase in employee
2 contributions for service annuities specified in
3 subsection (b) of Section 12-150; or

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

11 The election provided for in this subsection shall be made
12 between January 1, 2022 and April 1, 2022. A person subject to
13 this subsection who makes the required election shall remain
14 bound by that election, except that an election made under
15 this subsection is rescinded by operation of law and such
16 person is subject to the provisions otherwise applicable to a
17 participant who first become a participant under Article 12 on
18 or after January 1, 2011. A person subject to this subsection
19 who fails for any reason to make the required election within
20 the time specified in this subsection shall be deemed to have
21 made the election under item (ii).

22 (e) Any retirement annuity or supplemental annuity shall
23 be subject to annual increases on the January 1 occurring
24 either on or after the attainment of age 67 (age 65, with
25 respect to service under Article 12 that is subject to this
26 Section, for a member or participant under Article 12 who

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

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

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

1 Public Act 100-23).

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

1 each November 1 is zero or there is a decrease, then the
2 annuity shall not be increased.

3 (g) The benefits in Section 14-110 apply only if the
4 person is a State policeman, a fire fighter in the fire
5 protection service of a department, a conservation police
6 officer, an investigator for the Secretary of State, an
7 investigator for the Office of the Attorney General, an arson
8 investigator, a Commerce Commission police officer,
9 investigator for the Department of Revenue or the Illinois
10 Gaming Board, a security employee of the Department of
11 Corrections or the Department of Juvenile Justice, or a
12 security employee of the Department of Innovation and
13 Technology, as those terms are defined in subsection (b) and
14 subsection (c) of Section 14-110. A person who meets the
15 requirements of this Section is entitled to an annuity
16 calculated under the provisions of Section 14-110, in lieu of
17 the regular or minimum retirement annuity, only if the person
18 has withdrawn from service with not less than 20 years of
19 eligible creditable service and has attained age 60,
20 regardless of whether the attainment of age 60 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. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
9 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
10 8-11-23.)

11 (40 ILCS 5/1-163 new)

12 Sec. 1-163. Pension benefits for certain persons who first
13 become participants on or after January 1, 2011.

14 (a) Notwithstanding any provision of law to the contrary,
15 including Section 1-160, this Section applies to a person who,
16 on or after January 1, 2011, first becomes a member or
17 participant under a pension fund or retirement system
18 established under Article 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, or
19 13. To the extent that any provision of this Section conflicts
20 with a provision under those Articles or Section 1-160, this
21 Section controls, except for a conflict that would result in a
22 diminishment or impairment of a pension benefit to a member or
23 participant.

24 (b) Beginning on January 1, 2025, for all purposes under
25 this Code (including, without limitation, the calculation of

1 benefits and employee contributions) the annual earnings,
2 salary, or wages (based on the plan year) of a member or
3 participant to whom this Section applies shall not exceed the
4 Social Security wage base for the applicable plan year. In
5 this subsection, "Social Security wage base" means the
6 contribution and benefit base calculated for the calendar year
7 in question by the Commissioner of Social Security under
8 Section 230 of the federal Social Security Act (42 U.S.C.
9 430).

10 (c) A participant or member to whom this Section applies
11 shall be entitled to a retirement annuity upon written
12 application if he or she:

13 (1) has attained age 62, has at least 35 years of
14 service credit, and is otherwise eligible under the
15 requirements of the applicable Article;

16 (2) has attained age 64, has at least 20 years of
17 service credit, and is otherwise eligible under the
18 requirements of the applicable Article; or

19 (3) has attained age 67, has at least 10 years of
20 service credit, and is otherwise eligible under the
21 requirements of the applicable Article.

22 (d) The retirement annuity of a member or participant who
23 is retiring after attaining age 57 with at least 35 years of
24 service credit shall be reduced by one-half of 1% for each full
25 month that the member's age is under age 62.

26 The retirement annuity of a member or participant who is

1 retiring after attaining age 59 with at least 20 years of
2 service credit shall be reduced by one-half of 1% for each full
3 month that the member's age is under age 64.

4 The retirement annuity of a member or participant who is
5 retiring after attaining age 62 with at least 10 years of
6 service credit shall be reduced by one-half of 1% for each full
7 month that the member's age is under age 67.

8 (e) Any retirement annuity or supplemental annuity shall
9 be subject to annual increases on January 1 beginning with the
10 January following the member's or participant's first annuity
11 payment date. The annual increase shall be calculated at 3% of
12 the originally granted retirement annuity.

13 (40 ILCS 5/3-153 new)

14 Sec. 3-153. Application of Section 1-163. To the extent
15 that any provision of this Article conflicts with Section
16 1-163, Section 1-163 controls, unless the application of
17 Section 1-163 would result in a diminishment or impairment of
18 a benefit.

19 (40 ILCS 5/4-145 new)

20 Sec. 4-145. Application of Section 1-163. To the extent
21 that any provision of this Article conflicts with Section
22 1-163, Section 1-163 controls, unless the application of
23 Section 1-163 would result in a diminishment or impairment of
24 a benefit.

1 (40 ILCS 5/5-239 new)

2 Sec. 5-239. Application of Section 1-163. To the extent
3 that any provision of this Article conflicts with Section
4 1-163, Section 1-163 controls, unless the application of
5 Section 1-163 would result in a diminishment or impairment of
6 a benefit.

7 (40 ILCS 5/6-231 new)

8 Sec. 6-231. 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, unless the application of
11 Section 1-163 would result in a diminishment or impairment of
12 a benefit.

13 (40 ILCS 5/7-226 new)

14 Sec. 7-226. Application of Section 1-163. To the extent
15 that any provision of this Article conflicts with Section
16 1-163, Section 1-163 controls, unless the application of
17 Section 1-163 would result in a diminishment or impairment of
18 a benefit.

19 (40 ILCS 5/8-251.5 new)

20 Sec. 8-251.5. Application of Section 1-163. To the extent
21 that any provision of this Article conflicts with Section
22 1-163, Section 1-163 controls, unless the application of

1 Section 1-163 would result in a diminishment or impairment of
2 a benefit.

3 (40 ILCS 5/9-242 new)

4 Sec. 9-242. 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, unless the application of
7 Section 1-163 would result in a diminishment or impairment of
8 a benefit.

9 (40 ILCS 5/10-110 new)

10 Sec. 10-110. Application of Section 1-163. To the extent
11 that any provision of this Article conflicts with Section
12 1-163, Section 1-163 controls, unless the application of
13 Section 1-163 would result in a diminishment or impairment of
14 a benefit.

15 (40 ILCS 5/11-233 new)

16 Sec. 11-233. Application of Section 1-163. To the extent
17 that any provision of this Article conflicts with Section
18 1-163, Section 1-163 controls, unless the application of
19 Section 1-163 would result in a diminishment or impairment of
20 a benefit.

21 (40 ILCS 5/12-196 new)

22 Sec. 12-196. 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, unless the application of
3 Section 1-163 would result in a diminishment or impairment of
4 a benefit.

5 (40 ILCS 5/13-217 new)

6 Sec. 13-217. Application of Section 1-163. To the extent
7 that any provision of this Article conflicts with Section
8 1-163, Section 1-163 controls, unless the application of
9 Section 1-163 would result in a diminishment or impairment of
10 a benefit.

11 Section 90. The State Mandates Act is amended by adding
12 Section 8.48 as follows:

13 (30 ILCS 805/8.48 new)

14 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and
15 8 of this Act, no reimbursement by the State is required for
16 the implementation of any mandate created by this amendatory
17 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 5/3-153 new
7	40 ILCS 5/4-145 new
8	40 ILCS 5/5-239 new
9	40 ILCS 5/6-231 new
10	40 ILCS 5/7-226 new
11	40 ILCS 5/8-251.5 new
12	40 ILCS 5/9-242 new
13	40 ILCS 5/10-110 new
14	40 ILCS 5/11-233 new
15	40 ILCS 5/12-196 new
16	40 ILCS 5/13-217 new
17	30 ILCS 805/8.48 new