



Rep. Martin J. Moylan

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LRB103 25834 RPS 62061 a

1 AMENDMENT TO SENATE BILL 1956

2 AMENDMENT NO. _____. Amend Senate Bill 1956 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by adding
5 Sections 4-138.15, 5-240, and 6-235 and by changing Section
6 5-167.1 as follows:

7 (40 ILCS 5/4-138.15 new)

8 Sec. 4-138.15. Retirement Systems Reciprocal Act. The
9 Retirement Systems Reciprocal Act, Article 20 of this Code, is
10 adopted and made a part of this Article, but only with respect
11 to a person who, on or after the effective date of this
12 amendatory Act of the 103rd General Assembly, is entitled
13 under this Article to begin receiving a retirement annuity or
14 survivor's annuity (as those terms are defined in Article 20)
15 and who elects to proceed under the Retirement Systems
16 Reciprocal Act.

1 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

2 Sec. 5-167.1. Automatic increase in annuity; retirement
3 from service after September 1, 1967.

4 (a) A policeman who retires from service after September
5 1, 1967 with at least 20 years of service credit shall, upon
6 either the first of the month following the first anniversary
7 of his date of retirement if he is age 55 ~~60 (age 55 if born~~
8 ~~before January 1, 1966)~~ or over on that anniversary date, or
9 upon the first of the month following his attainment of age 55
10 ~~60 (age 55 if born before January 1, 1966)~~ if it occurs after
11 the first anniversary of his retirement date, have his then
12 fixed and payable monthly annuity increased by 3% ~~4 1/2%~~ and
13 such first fixed annuity as granted at retirement increased by
14 an additional 3% ~~4 1/2%~~ in January of each year thereafter ~~up~~
15 ~~to a maximum increase of 30%. Beginning January 1, 1983 for~~
16 ~~policemen born before January 1, 1930, and beginning January~~
17 ~~1, 1988 for policemen born on or after January 1, 1930 but~~
18 ~~before January 1, 1940, and beginning January 1, 1996 for~~
19 ~~policemen born on or after January 1, 1940 but before January~~
20 ~~1, 1945, and beginning January 1, 2000 for policemen born on or~~
21 ~~after January 1, 1945 but before January 1, 1950, and~~
22 ~~beginning January 1, 2005 for policemen born on or after~~
23 ~~January 1, 1950 but before January 1, 1955, and beginning~~
24 ~~January 1, 2017 for policemen born on or after January 1, 1955~~
25 ~~but before January 1, 1966, such increases shall be 3% and such~~

1 ~~policemen shall not be subject to the 30% maximum increase.~~

2 Any policeman born before January 1, 1945 who qualifies
3 for a minimum annuity and retires after September 1, 1967 but
4 has not received the initial increase under this subsection
5 before January 1, 1996 is entitled to receive the initial
6 increase under this subsection on (1) January 1, 1996, (2) the
7 first anniversary of the date of retirement, or (3) attainment
8 of age 55, whichever occurs last. The changes to this Section
9 made by Public Act 89-12 apply beginning January 1, 1996 and
10 without regard to whether the policeman or annuitant
11 terminated service before the effective date of that Act.

12 Any policeman born before January 1, 1950 who qualifies
13 for a minimum annuity and retires after September 1, 1967 but
14 has not received the initial increase under this subsection
15 before January 1, 2000 is entitled to receive the initial
16 increase under this subsection on (1) January 1, 2000, (2) the
17 first anniversary of the date of retirement, or (3) attainment
18 of age 55, whichever occurs last. The changes to this Section
19 made by this amendatory Act of the 92nd General Assembly apply
20 without regard to whether the policeman or annuitant
21 terminated service before the effective date of this
22 amendatory Act.

23 Any policeman born before January 1, 1955 who qualifies
24 for a minimum annuity and retires after September 1, 1967 but
25 has not received the initial increase under this subsection
26 before January 1, 2005 is entitled to receive the initial

1 increase under this subsection on (1) January 1, 2005, (2) the
2 first anniversary of the date of retirement, or (3) attainment
3 of age 55, whichever occurs last. The changes to this Section
4 made by this amendatory Act of the 94th General Assembly apply
5 without regard to whether the policeman or annuitant
6 terminated service before the effective date of this
7 amendatory Act.

8 Any policeman born before January 1, 1966 who qualifies
9 for a minimum annuity and retires after September 1, 1967 but
10 has not received the initial increase under this subsection
11 before January 1, 2017 is entitled to receive an initial
12 increase under this subsection on (1) January 1, 2017, (2) the
13 first anniversary of the date of retirement, or (3) attainment
14 of age 55, whichever occurs last, in an amount equal to 3% for
15 each complete year following the date of retirement or
16 attainment of age 55, whichever occurs later. The changes to
17 this subsection made by this amendatory Act of the 99th
18 General Assembly apply without regard to whether the policeman
19 or annuitant terminated service before the effective date of
20 this amendatory Act.

21 Any policeman born after January 1, 1966 who qualifies for
22 a minimum annuity and retires after September 1, 1967 but has
23 not received the initial increase under this subsection before
24 January 1, 2023 is entitled to receive the initial increase
25 under this subsection on (1) January 1, 2023, (2) the first
26 anniversary of the date of retirement, or (3) attainment of

1 age 55, whichever occurs last. The changes to this Section
2 made by this amendatory Act of the 103rd General Assembly
3 apply without regard to whether the policeman or annuitant
4 terminated service before the effective date of this
5 amendatory Act of the 103rd General Assembly.

6 (b) Subsection (a) of this Section is not applicable to an
7 employee receiving a term annuity.

8 (c) To help defray the cost of such increases in annuity,
9 there shall be deducted, beginning September 1, 1967, from
10 each payment of salary to a policeman, 1/2 of 1% of each salary
11 payment concurrently with and in addition to the salary
12 deductions otherwise made for annuity purposes.

13 The city, in addition to the contributions otherwise made
14 by it for annuity purposes under other provisions of this
15 Article, shall make matching contributions concurrently with
16 such salary deductions.

17 Each such 1/2 of 1% deduction from salary and each such
18 contribution by the city of 1/2 of 1% of salary shall be
19 credited to the Automatic Increase Reserve, to be used to
20 defray the cost of the annuity increase provided by this
21 Section. Any balance in such reserve as of the beginning of
22 each calendar year shall be credited with interest at the rate
23 of 3% per annum.

24 Such deductions from salary and city contributions shall
25 continue while the policeman is in service.

26 The salary deductions provided in this Section are not

1 subject to refund, except to the policeman himself, in any
2 case in which: (i) the policeman withdraws prior to
3 qualification for minimum annuity or Tier 2 monthly retirement
4 annuity and applies for refund, (ii) the policeman applies for
5 an annuity of a type that is not subject to annual increases
6 under this Section, or (iii) a term annuity becomes payable.
7 In such cases, the total of such salary deductions shall be
8 refunded to the policeman, without interest, and charged to
9 the Automatic Increase Reserve.

10 (d) Notwithstanding any other provision of this Article,
11 the Tier 2 monthly retirement annuity of a person who first
12 becomes a policeman under this Article on or after the
13 effective date of this amendatory Act of the 97th General
14 Assembly shall be increased on the January 1 occurring either
15 on or after (i) the attainment of age 60 or (ii) the first
16 anniversary of the annuity start date, whichever is later.
17 Each annual increase shall be calculated at 3% or one-half the
18 annual unadjusted percentage increase (but not less than zero)
19 in the consumer price index-u for the 12 months ending with the
20 September preceding each November 1, whichever is less, of the
21 originally granted retirement annuity. If the annual
22 unadjusted percentage change in the consumer price index-u for
23 a 12-month period ending in September is zero or, when
24 compared with the preceding period, decreases, then the
25 annuity shall not be increased.

26 For the purposes of this subsection (d), "consumer price

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

9 (Source: P.A. 99-905, eff. 11-29-16.)

10 (40 ILCS 5/5-240 new)

11 Sec. 5-240. Retirement Systems Reciprocal Act. The
12 Retirement Systems Reciprocal Act, Article 20 of this Code, is
13 adopted and made a part of this Article, but only with respect
14 to a person who, on or after the effective date of this
15 amendatory Act of the 103rd General Assembly, is entitled
16 under this Article to begin receiving a retirement annuity or
17 survivor's annuity (as those terms are defined in Article 20)
18 and who elects to proceed under the Retirement Systems
19 Reciprocal Act.

20 (40 ILCS 5/6-235 new)

21 Sec. 6-235. Retirement Systems Reciprocal Act. The
22 Retirement Systems Reciprocal Act, Article 20 of this Code, is
23 adopted and made a part of this Article, but only with respect
24 to a person who, on or after the effective date of this

1 amendatory Act of the 103rd General Assembly, is entitled
2 under this Article to begin receiving a retirement annuity or
3 survivor's annuity (as those terms are defined in Article 20)
4 and who elects to proceed under the Retirement Systems
5 Reciprocal Act.

6 Section 90. The State Mandates Act is amended by adding
7 Section 8.47 as follows:

8 (30 ILCS 805/8.47 new)

9 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and
10 8 of this Act, no reimbursement by the State is required for
11 the implementation of any mandate created by this amendatory
12 Act of the 103rd General Assembly.

13 Section 999. Effective date. This Act takes effect upon
14 becoming law."