



Rep. Martin J. Moylan

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LRB103 25834 RPS 62131 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 3-144.3, 4-138.15, 5-240, and 6-235 and by changing  
6 Section 5-167.1 as follows:

7 (40 ILCS 5/3-144.3 new)

8 Sec. 3-144.3. 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 or through a participating system under the  
14 Retirement Systems Reciprocal Act, as defined in Section  
15 20-108, to begin receiving a retirement annuity or survivor's  
16 annuity (as those terms are defined in Article 20) and who

1 elects to proceed under the Retirement Systems Reciprocal Act.

2 (40 ILCS 5/4-138.15 new)

3 Sec. 4-138.15. Retirement Systems Reciprocal Act. The  
4 Retirement Systems Reciprocal Act, Article 20 of this Code, is  
5 adopted and made a part of this Article, but only with respect  
6 to a person who, on or after the effective date of this  
7 amendatory Act of the 103rd General Assembly, is entitled  
8 under this Article or through a participating system under the  
9 Retirement Systems Reciprocal Act, as defined in Section  
10 20-108, to begin receiving a retirement annuity or survivor's  
11 annuity (as those terms are defined in Article 20) and who  
12 elects to proceed under the Retirement Systems Reciprocal Act.

13 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

16 (a) A policeman who retires from service after September  
17 1, 1967 with at least 20 years of service credit shall, upon  
18 either the first of the month following the first anniversary  
19 of his date of retirement if he is age 55 ~~60 (age 55 if born~~  
20 ~~before January 1, 1966)~~ or over on that anniversary date, or  
21 upon the first of the month following his attainment of age 55  
22 ~~60 (age 55 if born before January 1, 1966)~~ if it occurs after  
23 the first anniversary of his retirement date, have his then  
24 fixed and payable monthly annuity increased by 3% ~~1-1/2%~~ and

1 such first fixed annuity as granted at retirement increased by  
2 an additional 3% ~~1 1/2%~~ in January of each year thereafter ~~up~~  
3 ~~to a maximum increase of 30%. Beginning January 1, 1983 for~~  
4 ~~policemen born before January 1, 1930, and beginning January~~  
5 ~~1, 1988 for policemen born on or after January 1, 1930 but~~  
6 ~~before January 1, 1940, and beginning January 1, 1996 for~~  
7 ~~policemen born on or after January 1, 1940 but before January~~  
8 ~~1, 1945, and beginning January 1, 2000 for policemen born on or~~  
9 ~~after January 1, 1945 but before January 1, 1950, and~~  
10 ~~beginning January 1, 2005 for policemen born on or after~~  
11 ~~January 1, 1950 but before January 1, 1955, and beginning~~  
12 ~~January 1, 2017 for policemen born on or after January 1, 1955~~  
13 ~~but before January 1, 1966, such increases shall be 3% and such~~  
14 ~~policemen shall not be subject to the 30% maximum increase.~~

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

25 Any policeman born before January 1, 1950 who qualifies  
26 for a minimum annuity and retires after September 1, 1967 but

1 has not received the initial increase under this subsection  
2 before January 1, 2000 is entitled to receive the initial  
3 increase under this subsection on (1) January 1, 2000, (2) the  
4 first anniversary of the date of retirement, or (3) attainment  
5 of age 55, whichever occurs last. The changes to this Section  
6 made by this amendatory Act of the 92nd General Assembly apply  
7 without regard to whether the policeman or annuitant  
8 terminated service before the effective date of this  
9 amendatory Act.

10 Any policeman born before January 1, 1955 who qualifies  
11 for a minimum annuity and retires after September 1, 1967 but  
12 has not received the initial increase under this subsection  
13 before January 1, 2005 is entitled to receive the initial  
14 increase under this subsection on (1) January 1, 2005, (2) the  
15 first anniversary of the date of retirement, or (3) attainment  
16 of age 55, whichever occurs last. The changes to this Section  
17 made by this amendatory Act of the 94th General Assembly apply  
18 without regard to whether the policeman or annuitant  
19 terminated service before the effective date of this  
20 amendatory Act.

21 Any policeman born before January 1, 1966 who qualifies  
22 for a minimum annuity and retires after September 1, 1967 but  
23 has not received the initial increase under this subsection  
24 before January 1, 2017 is entitled to receive an initial  
25 increase under this subsection on (1) January 1, 2017, (2) the  
26 first anniversary of the date of retirement, or (3) attainment

1 of age 55, whichever occurs last, in an amount equal to 3% for  
2 each complete year following the date of retirement or  
3 attainment of age 55, whichever occurs later. The changes to  
4 this subsection made by this amendatory Act of the 99th  
5 General Assembly apply without regard to whether the policeman  
6 or annuitant terminated service before the effective date of  
7 this amendatory Act.

8 Any policeman born after January 1, 1966 who qualifies for  
9 a minimum annuity and retires after September 1, 1967 but has  
10 not received the initial increase under this subsection before  
11 January 1, 2023 is entitled to receive the initial increase  
12 under this subsection on (1) January 1, 2023, (2) the first  
13 anniversary of the date of retirement, or (3) attainment of  
14 age 55, whichever occurs last. The changes to this Section  
15 made by this amendatory Act of the 103rd General Assembly  
16 apply without regard to whether the policeman or annuitant  
17 terminated service before the effective date of this  
18 amendatory Act of the 103rd General Assembly.

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

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

26 The city, in addition to the contributions otherwise made

1 by it for annuity purposes under other provisions of this  
2 Article, shall make matching contributions concurrently with  
3 such salary deductions.

4 Each such 1/2 of 1% deduction from salary and each such  
5 contribution by the city of 1/2 of 1% of salary shall be  
6 credited to the Automatic Increase Reserve, to be used to  
7 defray the cost of the annuity increase provided by this  
8 Section. Any balance in such reserve as of the beginning of  
9 each calendar year shall be credited with interest at the rate  
10 of 3% per annum.

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

13 The salary deductions provided in this Section are not  
14 subject to refund, except to the policeman himself, in any  
15 case in which: (i) the policeman withdraws prior to  
16 qualification for minimum annuity or Tier 2 monthly retirement  
17 annuity and applies for refund, (ii) the policeman applies for  
18 an annuity of a type that is not subject to annual increases  
19 under this Section, or (iii) a term annuity becomes payable.  
20 In such cases, the total of such salary deductions shall be  
21 refunded to the policeman, without interest, and charged to  
22 the Automatic Increase Reserve.

23 (d) Notwithstanding any other provision of this Article,  
24 the Tier 2 monthly retirement annuity of a person who first  
25 becomes a policeman under this Article on or after the  
26 effective date of this amendatory Act of the 97th General

1 Assembly shall be increased on the January 1 occurring either  
2 on or after (i) the attainment of age 60 or (ii) the first  
3 anniversary of the annuity start date, whichever is later.  
4 Each annual increase shall be calculated at 3% or one-half the  
5 annual unadjusted percentage increase (but not less than zero)  
6 in the consumer price index-u for the 12 months ending with the  
7 September preceding each November 1, whichever is less, of the  
8 originally granted retirement annuity. If the annual  
9 unadjusted percentage change in the consumer price index-u for  
10 a 12-month period ending in September is zero or, when  
11 compared with the preceding period, decreases, then the  
12 annuity shall not be increased.

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

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

23 (40 ILCS 5/5-240 new)

24 Sec. 5-240. Retirement Systems Reciprocal Act. The  
25 Retirement Systems Reciprocal Act, Article 20 of this Code, is

1 adopted and made a part of this Article, but only with respect  
2 to a person who, on or after the effective date of this  
3 amendatory Act of the 103rd General Assembly, is entitled  
4 under this Article or through a participating system under the  
5 Retirement Systems Reciprocal Act, as defined in Section  
6 20-108, to begin receiving a retirement annuity or survivor's  
7 annuity (as those terms are defined in Article 20) and who  
8 elects to proceed under the Retirement Systems Reciprocal Act.

9 (40 ILCS 5/6-235 new)

10 Sec. 6-235. Retirement Systems Reciprocal Act. The  
11 Retirement Systems Reciprocal Act, Article 20 of this Code, is  
12 adopted and made a part of this Article, but only with respect  
13 to a person who, on or after the effective date of this  
14 amendatory Act of the 103rd General Assembly, is entitled  
15 under this Article or through a participating system under the  
16 Retirement Systems Reciprocal Act, as defined in Section  
17 20-108, to begin receiving a retirement annuity or survivor's  
18 annuity (as those terms are defined in Article 20) and who  
19 elects to proceed under the Retirement Systems Reciprocal Act.

20 Section 90. The State Mandates Act is amended by adding  
21 Section 8.47 as follows:

22 (30 ILCS 805/8.47 new)

23 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and



1 8 of this Act, no reimbursement by the State is required for  
2 the implementation of any mandate created by this amendatory  
3 Act of the 103rd General Assembly.

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.".