



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

### SB2024

Introduced 2/9/2023, by Sen. Robert F. Martwick

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-160	
40 ILCS 5/7-114	from Ch. 108 1/2, par. 7-114
40 ILCS 5/7-116	from Ch. 108 1/2, par. 7-116
40 ILCS 5/7-141	from Ch. 108 1/2, par. 7-141
40 ILCS 5/7-142	from Ch. 108 1/2, par. 7-142
40 ILCS 5/15-111	from Ch. 108 1/2, par. 15-111
40 ILCS 5/15-112	from Ch. 108 1/2, par. 15-112
40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
40 ILCS 5/15-198	
40 ILCS 5/16-203	
30 ILCS 805/8.47 new	

Amends the General Provisions, Illinois Municipal Retirement Fund (IMRF), State Universities, and Downstate Teacher Articles of the Illinois Pension Code. With regard to Tier 2 members under the Downstate Teacher or State Universities Article and Tier 2 regular employees under the IMRF Article who are employees of an educational employer: makes changes to the age and service credit requirements for receiving an annuity; increases the amount of the automatic annual increases to retirement annuities; makes changes to the formula for calculating final average salary; and increases the limitation on the amount of salary that is used to calculate benefits. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB103 27748 RPS 54126 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 10. The Illinois Pension Code is amended by  
5 changing Sections 1-160, 7-114, 7-116, 7-141, 7-142, 15-111,  
6 15-112, 15-135, 15-136, 15-198, and 16-203 as follows:

7 (40 ILCS 5/1-160)

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

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,

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

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

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

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

1 under Section 1-161.

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

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

22 (1) (Blank).

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

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

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

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

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

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

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

14 (B) an amount calculated by the Teachers' Retirement  
15 System of the State of Illinois using the average of the  
16 monthly (or annual) salary obtained by dividing the total  
17 salary or earnings calculated under Article 16 applicable  
18 to the member or participant during the 72 ~~96~~ months (or 6  
19 ~~8~~ years) of service within the last 120 months (or 10  
20 years) of service in which the total salary or earnings  
21 calculated under the Article was the highest by the number  
22 of months (or years) of service in that period.

23 For a member under Article 16, "final average salary"  
24 means the greater of: (i) the amount otherwise calculated  
25 under this subsection; or (ii) the average monthly (or annual)  
26 salary obtained by dividing the total salary calculated under

1 Article 16 during the 72 consecutive months (or 6 consecutive  
2 years) of service within the last 120 months (or 10 years) of  
3 service in which the total salary calculated under the Article  
4 was the highest by the number of months (or years) of service  
5 in that period.

6 (b-5) Beginning on January 1, 2011, for all purposes under  
7 this Code (including without limitation the calculation of  
8 benefits and employee contributions), the annual earnings,  
9 salary, or wages (based on the plan year) of a member or  
10 participant to whom this Section applies shall not exceed  
11 \$106,800; however, that amount shall annually thereafter be  
12 increased by the lesser of (i) 3% of that amount, including all  
13 previous adjustments, or (ii) one-half the annual unadjusted  
14 percentage increase (but not less than zero) in the consumer  
15 price index-u for the 12 months ending with the September  
16 preceding each November 1, including all previous adjustments;  
17 except that beginning in 2024 for purposes of Article 16 of  
18 this Code (including, without limitation, the calculation of  
19 benefits and employee contributions), that amount shall  
20 annually be increased by the greater of: (i) 3%; or (ii) the  
21 annual unadjusted percentage increase in the consumer price  
22 index-u for the 12 months ending with the September preceding  
23 each November 1, including all previous adjustments.

24 For the purposes of this Section, "consumer price index-u"  
25 means the index published by the Bureau of Labor Statistics of  
26 the United States Department of Labor that measures the

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

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

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

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

10 (c-10) Notwithstanding subsection (c), a member under  
11 Article 16 is entitled to a retirement annuity if he or she has  
12 attained age 60; has at least 35 years of service credit; and  
13 is otherwise eligible under the requirements of Article 16.

14 Notwithstanding subsection (c), a member under Article 16  
15 is entitled to a retirement annuity upon written application  
16 if he or she has attained age 62; has at least 10 years of  
17 service credit; and is otherwise eligible under the  
18 requirements of Article 16.

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). This subsection does not apply to a  
7 person who meets the requirements under subsection (c-10).

8 (d-5) The retirement annuity payable under Article 8 or  
9 Article 11 to an eligible person subject to subsection (c-5)  
10 of this Section who is retiring at age 60 with at least 10  
11 years of service credit shall be reduced by one-half of 1% for  
12 each full month that the member's age is 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. A person subject to this  
12 subsection who fails for any reason to make the required  
13 election within the time specified in this subsection shall be  
14 deemed to have made the election under item (ii).

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

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

25 (ii) to not agree to item (i) of this subsection  
26 (d-15), in which case the member or participant shall not

1 be eligible for the reduced retirement age specified in  
2 subsections (c) and (d) of this Section and shall not be  
3 subject to the increase in employee contributions for  
4 service annuities specified in subsection (b) of Section  
5 12-150.

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

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

1 under Article 16, each ~~Each~~ annual increase shall be  
2 calculated at 3% or one-half the annual unadjusted percentage  
3 increase (but not less than zero) in the consumer price  
4 index-u for the 12 months ending with the September preceding  
5 each November 1, whichever is less, of the originally granted  
6 retirement annuity. If the annual unadjusted percentage change  
7 in the consumer price index-u for the 12 months ending with the  
8 September preceding each November 1 is zero or there is a  
9 decrease, then the annuity shall not be increased.

10 For retirement annuities under Article 16, each annual  
11 increase shall be calculated at 3% or one-half the annual  
12 unadjusted percentage increase in the consumer price index-u  
13 for the 12 months ending with the September preceding each  
14 November 1, whichever is greater, of the originally granted  
15 retirement annuity.

16 For the purposes of Section 1-103.1 of this Code, the  
17 changes made to this Section by this amendatory Act of the  
18 103rd General Assembly are applicable without regard to  
19 whether the employee was in active service on or after the  
20 effective date of this amendatory Act of the 103rd General  
21 Assembly.

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

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

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

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

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

20 (g-5) The benefits in Section 14-110 apply if the person  
21 is a State policeman, investigator for the Secretary of State,  
22 conservation police officer, investigator for the Department  
23 of Revenue or the Illinois Gaming Board, investigator for the  
24 Office of the Attorney General, Commerce Commission police  
25 officer, or arson investigator, as those terms are defined in  
26 subsection (b) and subsection (c) of Section 14-110. A person

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

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

22 If a person who first becomes a member of a retirement  
23 system or pension fund subject to this Section on or after  
24 January 1, 2012 and is receiving a retirement annuity or  
25 retirement pension under that system or fund and accepts on a  
26 contractual basis a position to provide services to a

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

15 (i) (Blank).

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

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

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

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

24 (a) The provisions of this Section apply to a person who,  
25 on or after January 1, 2011, first becomes a member or a



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

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

1 (b) of Section 1-161 to instead receive the benefits provided  
2 under this Section and the applicable provisions of that  
3 Article.

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

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

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

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

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

8 (1) (Blank).

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

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

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

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

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

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

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

26 (B) an amount calculated by the Teachers' Retirement

1 System of the State of Illinois using the average of the  
2 monthly (or annual) salary obtained by dividing the total  
3 salary or earnings calculated under Article 16 applicable  
4 to the member or participant during the 72 ~~96~~ months (or 6  
5 ~~8~~ years) of service within the last 120 months (or 10  
6 years) of service in which the total salary or earnings  
7 calculated under the Article was the highest by the number  
8 of months (or years) of service in that period.

9 For a member under Article 16, "final average salary"  
10 means the greater of: (i) the amount otherwise calculated  
11 under this subsection; or (ii) the average monthly (or annual)  
12 salary obtained by dividing the total salary calculated under  
13 Article 16 during the 72 consecutive months (or 6 consecutive  
14 years) of service within the last 120 months (or 10 years) of  
15 service in which the total salary calculated under the Article  
16 was the highest by the number of months (or years) of service  
17 in that period.

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

1 price index-u for the 12 months ending with the September  
2 preceding each November 1, including all previous adjustments;  
3 except that beginning in 2024 for purposes of Article 16 of  
4 this Code (including, without limitation, the calculation of  
5 benefits and employee contributions), that amount shall  
6 annually be increased by the greater of: (i) 3%; or (ii) the  
7 annual unadjusted percentage increase in the consumer price  
8 index-u for the 12 months ending with the September preceding  
9 each November 1, including all previous adjustments.

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

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

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

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

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

22 (c-10) Notwithstanding subsection (c), a member under  
23 Article 16 is entitled to a retirement annuity if he or she has  
24 attained age 60; has at least 35 years of service credit; and  
25 is otherwise eligible under the requirements of Article 16.

26 Notwithstanding subsection (c), a member under Article 16

1 is entitled to a retirement annuity upon written application  
2 if he or she has attained age 62; has at least 10 years of  
3 service credit; and is otherwise eligible under the  
4 requirements of Article 16.

5 (d) The retirement annuity of a member or participant who  
6 is retiring after attaining age 62 (age 60, with respect to  
7 service under Article 12 that is subject to this Section, for a  
8 member or participant under Article 12 who first becomes a  
9 member or participant under Article 12 on or after January 1,  
10 2022 or who makes the election under item (i) of subsection  
11 (d-15) of this Section) with at least 10 years of service  
12 credit shall be reduced by one-half of 1% for each full month  
13 that the member's age is under age 67 (age 65, with respect to  
14 service under Article 12 that is subject to this Section, for a  
15 member or participant under Article 12 who first becomes a  
16 member or participant under Article 12 on or after January 1,  
17 2022 or who makes the election under item (i) of subsection  
18 (d-15) of this Section). This subsection does not apply to a  
19 person who meets the requirements under subsection (c-10).

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

25 (d-10) Each person who first became a member or  
26 participant under Article 8 or Article 11 of this Code on or

1 after January 1, 2011 and prior to July 6, 2017 (the effective  
2 date of Public Act 100-23) shall make an irrevocable election  
3 either:

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

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

20 The election provided for in this subsection shall be made  
21 between October 1, 2017 and November 15, 2017. A person  
22 subject to this subsection who makes the required election  
23 shall remain bound by that election. A person subject to this  
24 subsection who fails for any reason to make the required  
25 election within the time specified in this subsection shall be  
26 deemed to have made the election under item (ii).



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

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

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

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

25           (e) Any retirement annuity or supplemental annuity shall  
26 be subject to annual increases on the January 1 occurring

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

22 For retirement annuities under Article 16, each annual  
23 increase shall be calculated at 3% or one-half the annual  
24 unadjusted percentage increase in the consumer price index-u  
25 for the 12 months ending with the September preceding each  
26 November 1, whichever is greater, of the originally granted

1 retirement annuity.

2 For the purposes of Section 1-103.1 of this Code, the  
3 changes made to this Section by this amendatory Act of the  
4 103rd General Assembly are applicable without regard to  
5 whether the employee was in active service on or after the  
6 effective date of this amendatory Act of the 103rd General  
7 Assembly.

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

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

18 (f) The initial survivor's or widow's annuity of an  
19 otherwise eligible survivor or widow of a retired member or  
20 participant who first became a member or participant on or  
21 after January 1, 2011 shall be in the amount of 66 2/3% of the  
22 retired member's or participant's retirement annuity at the  
23 date of death. In the case of the death of a member or  
24 participant who has not retired and who first became a member  
25 or participant on or after January 1, 2011, eligibility for a  
26 survivor's or widow's annuity shall be determined by the

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

19 (g) The benefits in Section 14-110 apply only if the  
20 person is a State policeman, a fire fighter in the fire  
21 protection service of a department, a conservation police  
22 officer, an investigator for the Secretary of State, an arson  
23 investigator, a Commerce Commission police officer,  
24 investigator for the Department of Revenue or the Illinois  
25 Gaming Board, a security employee of the Department of  
26 Corrections or the Department of Juvenile Justice, or a

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

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

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

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

18 (i) (Blank).

19 (j) In the case of a conflict between the provisions of  
20 this Section and any other provision of this Code, the  
21 provisions of this Section shall control.

22 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
23 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
24 5-13-22.)

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

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

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

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

1 noncovered employee under Article 14 on or after the  
2 implementation date of the plan created under Section 1-161  
3 for that Article, unless that person elects under subsection  
4 (b) of Section 1-161 to instead receive the benefits provided  
5 under this Section and the applicable provisions of that  
6 Article.

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

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

24 (b) "Final average salary" means, except as otherwise  
25 provided in this subsection, the average monthly (or annual)  
26 salary obtained by dividing the total salary or earnings



1 calculated under the Article applicable to the member or  
2 participant during the 96 consecutive months (or 8 consecutive  
3 years) of service within the last 120 months (or 10 years) of  
4 service in which the total salary or earnings calculated under  
5 the applicable Article was the highest by the number of months  
6 (or years) of service in that period. For the purposes of a  
7 person who first becomes a member or participant of any  
8 retirement system or pension fund to which this Section  
9 applies on or after January 1, 2011, in this Code, "final  
10 average salary" shall be substituted for the following:

11 (1) (Blank).

12 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
13 annual salary for any 4 consecutive years within the last  
14 10 years of service immediately preceding the date of  
15 withdrawal".

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

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

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

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

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

1 (A) the amount otherwise calculated under the next  
2 ~~first~~ paragraph of this subsection; or

3 (B) an amount calculated by the Teachers' Retirement  
4 System of the State of Illinois using the average of the  
5 monthly (or annual) salary obtained by dividing the total  
6 salary or earnings calculated under Article 16 applicable  
7 to the member or participant during the 72 ~~96~~ months (or 6  
8 ~~8~~ years) of service within the last 120 months (or 10  
9 years) of service in which the total salary or earnings  
10 calculated under the Article was the highest by the number  
11 of months (or years) of service in that period.

12 For a member under Article 16, "final average salary"  
13 means the greater of: (i) the amount otherwise calculated  
14 under this subsection; or (ii) the average monthly (or annual)  
15 salary obtained by dividing the total salary calculated under  
16 Article 16 during the 72 consecutive months (or 6 consecutive  
17 years) of service within the last 120 months (or 10 years) of  
18 service in which the total salary calculated under the Article  
19 was the highest by the number of months (or years) of service  
20 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 except that beginning in 2024 for purposes of Article 16 of  
7 this Code (including, without limitation, the calculation of  
8 benefits and employee contributions), that amount shall  
9 annually be increased by the greater of: (i) 3%; or (ii) the  
10 annual unadjusted percentage increase in the consumer price  
11 index-u for the 12 months ending with the September preceding  
12 each November 1, including all previous adjustments.

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

23 (c) A member or participant is entitled to a retirement  
24 annuity upon written application if he or she has attained age  
25 67 (age 65, with respect to service under Article 12 that is  
26 subject to this Section, for a member or participant under

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

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

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

25 (c-10) Notwithstanding subsection (c), a member under  
26 Article 16 is entitled to a retirement annuity if he or she has

1 attained age 60; has at least 35 years of service credit; and  
2 is otherwise eligible under the requirements of Article 16.

3 Notwithstanding subsection (c), a member under Article 16  
4 is entitled to a retirement annuity upon written application  
5 if he or she has attained age 62; has at least 10 years of  
6 service credit; and is otherwise eligible under the  
7 requirements of Article 16.

8 (d) The retirement annuity of a member or participant who  
9 is retiring after attaining age 62 (age 60, with respect to  
10 service under Article 12 that is subject to this Section, for a  
11 member or participant under Article 12 who first becomes a  
12 member or participant under Article 12 on or after January 1,  
13 2022 or who makes the election under item (i) of subsection  
14 (d-15) of this Section) with at least 10 years of service  
15 credit shall be reduced by one-half of 1% for each full month  
16 that the member's age is under age 67 (age 65, with respect to  
17 service under Article 12 that is subject to this Section, for a  
18 member or participant under Article 12 who first becomes a  
19 member or participant under Article 12 on or after January 1,  
20 2022 or who makes the election under item (i) of subsection  
21 (d-15) of this Section). This subsection does not apply to a  
22 person who meets the requirements under subsection (c-10).

23 (d-5) The retirement annuity payable under Article 8 or  
24 Article 11 to an eligible person subject to subsection (c-5)  
25 of this Section who is retiring at age 60 with at least 10  
26 years of service credit shall be reduced by one-half of 1% for

1 each full month that the member's age is under age 65.

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

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

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

23 The election provided for in this subsection shall be made  
24 between October 1, 2017 and November 15, 2017. A person  
25 subject to this subsection who makes the required election  
26 shall remain bound by that election. A person subject to this

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

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

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

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

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

1 made the election under item (ii).

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

25 For retirement annuities under Article 16, each annual  
26 increase shall be calculated at 3% or one-half the annual



1 unadjusted percentage increase in the consumer price index-u  
2 for the 12 months ending with the September preceding each  
3 November 1, whichever is greater, of the originally granted  
4 retirement annuity.

5 For the purposes of Section 1-103.1 of this Code, the  
6 changes made to this Section by this amendatory Act of the  
7 103rd General Assembly are applicable without regard to  
8 whether the employee was in active service on or after the  
9 effective date of this amendatory Act of the 103rd General  
10 Assembly.

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

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

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

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

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

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

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

1 recalculated if recalculation is provided for under the  
2 applicable Article of this Code.

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

22 (i) (Blank).

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

26 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;

1 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.  
2 5-27-22.)

3 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

4 Sec. 7-114. Earnings. "Earnings":

5 (a) An amount to be determined by the board, equal to the  
6 sum of:

7 1. The total amount of money paid to an employee for  
8 personal services or official duties as an employee  
9 (except those employed as independent contractors) paid  
10 out of the general fund, or out of any special funds  
11 controlled by the municipality, or by any instrumentality  
12 thereof, or participating instrumentality, including  
13 compensation, fees, allowances (but not including amounts  
14 associated with a vehicle allowance payable to an employee  
15 who first becomes a participating employee on or after the  
16 effective date of this amendatory Act of the 100th General  
17 Assembly), or other emolument paid for official duties  
18 (but not including automobile maintenance, travel expense,  
19 or reimbursements for expenditures incurred in the  
20 performance of duties) and, for fee offices, the fees or  
21 earnings of the offices to the extent such fees are paid  
22 out of funds controlled by the municipality, or  
23 instrumentality or participating instrumentality; and

24 2. The money value, as determined by rules prescribed  
25 by the governing body of the municipality, or

1 instrumentality thereof, of any board, lodging, fuel,  
2 laundry, and other allowances provided an employee in lieu  
3 of money.

4 (b) For purposes of determining benefits payable under  
5 this fund payments to a person who is engaged in an  
6 independently established trade, occupation, profession or  
7 business and who is paid for his service on a basis other than  
8 a monthly or other regular salary, are not earnings.

9 (c) If a disabled participating employee is eligible to  
10 receive Workers' Compensation for an accidental injury and the  
11 participating municipality or instrumentality which employed  
12 the participating employee when injured continues to pay the  
13 participating employee regular salary or other compensation or  
14 pays the employee an amount in excess of the Workers'  
15 Compensation amount, then earnings shall be deemed to be the  
16 total payments, including an amount equal to the Workers'  
17 Compensation payments. These payments shall be subject to  
18 employee contributions and allocated as if paid to the  
19 participating employee when the regular payroll amounts would  
20 have been paid if the participating employee had continued  
21 working, and creditable service shall be awarded for this  
22 period.

23 (d) If an elected official who is a participating employee  
24 becomes disabled but does not resign and is not removed from  
25 office, then earnings shall include all salary payments made  
26 for the remainder of that term of office and the official shall

1 be awarded creditable service for the term of office.

2 (e) If a participating employee is paid pursuant to "An  
3 Act to provide for the continuation of compensation for law  
4 enforcement officers, correctional officers and firemen who  
5 suffer disabling injury in the line of duty", approved  
6 September 6, 1973, as amended, the payments shall be deemed  
7 earnings, and the participating employee shall be awarded  
8 creditable service for this period.

9 (f) Additional compensation received by a person while  
10 serving as a supervisor of assessments, assessor, deputy  
11 assessor or member of a board of review from the State of  
12 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax  
13 Code shall not be earnings for purposes of this Article and  
14 shall not be included in the contribution formula or  
15 calculation of benefits for such person pursuant to this  
16 Article.

17 (g) Notwithstanding any other provision of this Article,  
18 calendar year earnings for Tier 2 regular employees to whom  
19 this Section applies shall not exceed the amount determined by  
20 the Public Pension Division of the Department of Insurance as  
21 required in this subsection; however, that amount shall  
22 annually thereafter be increased by the lesser of (i) 3% of  
23 that amount, including all previous adjustments, or (ii)  
24 one-half the annual unadjusted percentage increase (but not  
25 less than zero) in the consumer price index-u for the 12 months  
26 ending with the September preceding each November 1, including

1 all previous adjustments; except that beginning in 2024, for  
2 Tier 2 regular employees who are employees of an educational  
3 employer, that amount shall annually be increased by the  
4 greater of: (i) 3%; or (ii) the annual unadjusted percentage  
5 increase in the consumer price index-u for the 12 months  
6 ending with the September preceding each November 1, including  
7 all previous adjustments.

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

17 For the purposes of Section 1-103.1 of this Code, the  
18 changes made to this Section, Section 7-141, and Section 7-142  
19 by this amendatory Act of the 103rd General Assembly are  
20 applicable without regard to whether the Tier 2 regular  
21 employee was in active service on or after the effective date  
22 of this amendatory Act of the 103rd General Assembly.

23 (Source: P.A. 102-210, eff. 1-1-22.)

24 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

25 Sec. 7-116. "Final rate of earnings":



1           (a) For retirement and survivor annuities, the monthly  
2 earnings obtained by dividing the total earnings received by  
3 the employee during the period of either (1) for Tier 1 regular  
4 employees, the 48 consecutive months of service within the  
5 last 120 months of service in which his total earnings were the  
6 highest, (2) for Tier 2 regular employees who are not  
7 employees of an educational employer, the 96 consecutive  
8 months of service within the last 120 months of service in  
9 which his total earnings were the highest, (3) for Tier 2  
10 regular employees who are employees of an educational  
11 employer, the 72 consecutive months of service within the last  
12 120 months of service in which total earnings were the  
13 highest, or (4) ~~(3)~~ the employee's total period of service, by  
14 the number of months of service in such period.

15           (b) For death benefits, the higher of the rate determined  
16 under paragraph (a) of this Section or total earnings received  
17 in the last 12 months of service divided by twelve. If the  
18 deceased employee has less than 12 months of service, the  
19 monthly final rate shall be the monthly rate of pay the  
20 employee was receiving when he began service.

21           (c) For disability benefits, the total earnings of a  
22 participating employee in the last 12 calendar months of  
23 service prior to the date he becomes disabled divided by 12.

24           (d) In computing the final rate of earnings: (1) the  
25 earnings rate for all periods of prior service shall be  
26 considered equal to the average earnings rate for the last 3

1 calendar years of prior service for which creditable service  
2 is received under Section 7-139 or, if there is less than 3  
3 years of creditable prior service, the average for the total  
4 prior service period for which creditable service is received  
5 under Section 7-139; (2) for out of state service and  
6 authorized leave, the earnings rate shall be the rate upon  
7 which service credits are granted; (3) periods of military  
8 leave shall not be considered; (4) the earnings rate for all  
9 periods of disability shall be considered equal to the rate of  
10 earnings upon which the employee's disability benefits are  
11 computed for such periods; (5) the earnings to be considered  
12 for each of the final three months of the final earnings period  
13 for persons who first became participants before January 1,  
14 2012 and the earnings to be considered for each of the final 24  
15 months for participants who first become participants on or  
16 after January 1, 2012 shall not exceed 125% of the highest  
17 earnings of any other month in the final earnings period; and  
18 (6) the annual amount of final rate of earnings shall be the  
19 monthly amount multiplied by the number of months of service  
20 normally required by the position in a year.

21 (Source: P.A. 102-210, eff. 1-1-22.)

22 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

23 Sec. 7-141. Retirement annuities; conditions. Retirement  
24 annuities shall be payable as hereinafter set forth:

25 (a) A participating employee who, regardless of cause, is

1 separated from the service of all participating municipalities  
2 and instrumentalities thereof and participating  
3 instrumentalities shall be entitled to a retirement annuity  
4 provided:

5 1. He is at least age 55 if he is a Tier 1 regular  
6 employee;~~7~~ he is age 62 if he is a Tier 2 regular employee;  
7 he is age 60 if he has at least 35 years of creditable  
8 service, is a Tier 2 regular employee, and is an employee  
9 of an educational employer;~~7~~ or, in the case of a person  
10 who is eligible to have his annuity calculated under  
11 Section 7-142.1, he is at least age 50;

12 2. He is not entitled to receive earnings for  
13 employment in a position requiring him, or entitling him  
14 to elect, to be a participating employee;

15 3. The amount of his annuity, before the application  
16 of paragraph (b) of Section 7-142 is at least \$10 per  
17 month;

18 4. If he first became a participating employee after  
19 December 31, 1961 and is a Tier 1 regular employee, he has  
20 at least 8 years of service, or, if he is a Tier 2 regular  
21 member, he has at least 10 years of service. This service  
22 requirement shall not apply to any participating employee,  
23 regardless of participation date, if the General Assembly  
24 terminates the Fund.

25 (b) Retirement annuities shall be payable:

26 1. As provided in Section 7-119;

1           2. Except as provided in item 3, upon receipt by the  
2 fund of a written application. The effective date may be  
3 not more than one year prior to the date of the receipt by  
4 the fund of the application;

5           3. Upon attainment of the required age of distribution  
6 under Section 401(a)(9) of the Internal Revenue Code of  
7 1986, as amended, if the member (i) is no longer in  
8 service, and (ii) is otherwise entitled to an annuity  
9 under this Article;

10           4. To the beneficiary of the deceased annuitant for  
11 the unpaid amount accrued to date of death, if any.

12 (Source: P.A. 102-210, Article 5, Section 5-5, eff. 7-30-21;  
13 102-210, Article 10, Section 10-5, eff. 1-1-22; 102-813, eff.  
14 5-13-22.)

15           (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

16           Sec. 7-142. Retirement annuities; amount ~~annuities~~  
17 ~~Amount.~~

18           (a) The amount of a retirement annuity shall be the sum of  
19 the following, determined in accordance with the actuarial  
20 tables in effect at the time of the grant of the annuity:

21           1. For Tier 1 regular employees with 8 or more years of  
22 service or for Tier 2 regular employees, an annuity  
23 computed pursuant to subparagraphs a or b of this  
24 subparagraph 1, whichever is the higher, and for employees  
25 with less than 8 or 10 years of service, respectively, the

1 annuity computed pursuant to subparagraph a:

2 a. The monthly annuity which can be provided from  
3 the total accumulated normal, municipality and prior  
4 service credits, as of the attained age of the  
5 employee on the date the annuity begins provided that  
6 such annuity shall not exceed 75% of the final rate of  
7 earnings of the employee.

8 b. (i) The monthly annuity amount determined as  
9 follows by multiplying (a)  $1\frac{2}{3}\%$  for annuitants with  
10 not more than 15 years or (b)  $1\frac{2}{3}\%$  for the first 15  
11 years and 2% for each year in excess of 15 years for  
12 annuitants with more than 15 years by the number of  
13 years plus fractional years, prorated on a basis of  
14 months, of creditable service and multiply the product  
15 thereof by the employee's final rate of earnings.

16 (ii) For the sole purpose of computing the formula  
17 (and not for the purposes of the limitations  
18 hereinafter stated) \$125 shall be considered the final  
19 rate of earnings in all cases where the final rate of  
20 earnings is less than such amount.

21 (iii) The monthly annuity computed in accordance  
22 with this subparagraph b, shall not exceed an amount  
23 equal to 75% of the final rate of earnings.

24 (iv) For employees who have less than 35 years of  
25 service, the annuity computed in accordance with this  
26 subparagraph b (as reduced by application of

1           subparagraph (iii) above) shall be reduced by 0.25%  
2           thereof (0.5% if service was terminated before January  
3           1, 1988 or if the employee is a Tier 2 regular  
4           employee) for each month or fraction thereof (1) that  
5           the employee's age is less than 60 years for Tier 1  
6           regular employees, (2) that the employee's age is less  
7           than 67 years for Tier 2 regular employees, or (3) if  
8           the employee has at least 30 years of service credit,  
9           that the employee's service credit is less than 35  
10          years, whichever is less, on the date the annuity  
11          begins. The following persons are not subject to this  
12          subparagraph (iv): a Tier 2 regular employee who is an  
13          employee of an educational employer, has attained age  
14          60, and has at least 35 years of creditable service;  
15          and a Tier 2 regular employee who is an employee of an  
16          educational employer, has attained age 62, and has at  
17          least 10 years of creditable service.

18           2. The annuity which can be provided from the total  
19          accumulated additional credits as of the attained age of  
20          the employee on the date the annuity begins.

21           (b) If payment of an annuity begins prior to the earliest  
22          age at which the employee will become eligible for an old age  
23          insurance benefit under the Federal Social Security Act, he  
24          may elect that the annuity payments from this fund shall  
25          exceed those payable after his attaining such age by an  
26          amount, computed as determined by rules of the Board, but not

1 in excess of his estimated Social Security Benefit, determined  
2 as of the effective date of the annuity, provided that in no  
3 case shall the total annuity payments made by this fund exceed  
4 in actuarial value the annuity which would have been payable  
5 had no such election been made.

6 (c) Beginning January 1, 1984 and each January 1  
7 thereafter, the retirement annuity of a Tier 1 regular  
8 employee shall be increased by 3% each year, not compounded.  
9 This increase shall be computed from the effective date of the  
10 retirement annuity, the first increase being 0.25% of the  
11 monthly amount times the number of months from the effective  
12 date to January 1. This increase shall not be applicable to  
13 annuitants who are not in service on or after September 8,  
14 1971.

15 A retirement annuity of a Tier 2 regular employee shall  
16 receive annual increases on the January 1 occurring either on  
17 or after the attainment of age 67 or the first anniversary of  
18 the annuity start date, whichever is later. Each annual  
19 increase shall be calculated at the lesser of 3% or one-half  
20 the annual unadjusted percentage increase (but not less than  
21 zero) in the consumer price index-u for the 12 months ending  
22 with the September preceding each November 1 of the originally  
23 granted retirement annuity; except that each annual increase  
24 to the retirement annuity of a Tier 2 regular employee who was  
25 an employee of an educational employer shall be calculated at  
26 the greater of 3% or one-half the annual unadjusted percentage

1 increase (but not less than zero) in the consumer price  
2 index-u for the 12 months ending with the September preceding  
3 each November 1 of the originally granted retirement annuity.

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

8 (d) Any elected county officer who was entitled to receive  
9 a stipend from the State on or after July 1, 2009 and on or  
10 before June 30, 2010 may establish earnings credit for the  
11 amount of stipend not received, if the elected county official  
12 applies in writing to the fund within 6 months after the  
13 effective date of this amendatory Act of the 96th General  
14 Assembly and pays to the fund an amount equal to (i) employee  
15 contributions on the amount of stipend not received, (ii)  
16 employer contributions determined by the Board equal to the  
17 employer's normal cost of the benefit on the amount of stipend  
18 not received, plus (iii) interest on items (i) and (ii) at the  
19 actuarially assumed rate.

20 (Source: P.A. 102-210, eff. 1-1-22.)

21 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

22 Sec. 15-111. Earnings.

23 (a) "Earnings": Subject to Section 15-111.5, an amount  
24 paid for personal services equal to the sum of the basic  
25 compensation plus extra compensation for summer teaching,



1 overtime or other extra service. For periods for which an  
2 employee receives service credit under subsection (c) of  
3 Section 15-113.1 or Section 15-113.2, earnings are equal to  
4 the basic compensation on which contributions are paid by the  
5 employee during such periods. Compensation for employment  
6 which is irregular, intermittent and temporary shall not be  
7 considered earnings, unless the participant is also receiving  
8 earnings from the employer as an employee under Section  
9 15-107.

10 With respect to transition pay paid by the University of  
11 Illinois to a person who was a participating employee employed  
12 in the fire department of the University of Illinois's  
13 Champaign-Urbana campus immediately prior to the elimination  
14 of that fire department:

15 (1) "Earnings" includes transition pay paid to the  
16 employee on or after the effective date of this amendatory  
17 Act of the 91st General Assembly.

18 (2) "Earnings" includes transition pay paid to the  
19 employee before the effective date of this amendatory Act  
20 of the 91st General Assembly only if (i) employee  
21 contributions under Section 15-157 have been withheld from  
22 that transition pay or (ii) the employee pays to the  
23 System before January 1, 2001 an amount representing  
24 employee contributions under Section 15-157 on that  
25 transition pay. Employee contributions under item (ii) may  
26 be paid in a lump sum, by withholding from additional

1 transition pay accruing before January 1, 2001, or in any  
2 other manner approved by the System. Upon payment of the  
3 employee contributions on transition pay, the  
4 corresponding employer contributions become an obligation  
5 of the State.

6 (b) For a Tier 2 member, the annual earnings shall not  
7 exceed \$106,800; however, that amount shall annually  
8 thereafter be increased by the lesser of (i) 3% of that amount,  
9 including all previous adjustments, or (ii) one half the  
10 annual unadjusted percentage increase (but not less than zero)  
11 in the consumer price index-u for the 12 months ending with the  
12 September preceding each November 1, including all previous  
13 adjustments; except that beginning in 2024, that amount shall  
14 annually be increased by the greater of: (i) 3% of that amount;  
15 or (ii) the annual unadjusted percentage increase in the  
16 consumer price index-u for the 12 months ending with the  
17 September preceding each November 1, including all previous  
18 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 For the purposes of Section 1-103.1 of this Code, the  
4 changes made to this Section, Section 15-135, and Section  
5 15-136 by this amendatory Act of the 103rd General Assembly  
6 are applicable without regard to whether the employee was in  
7 active service on or after the effective date of this  
8 amendatory Act of the 103rd General Assembly.

9 (c) With each submission of payroll information in the  
10 manner prescribed by the System, the employer shall certify  
11 that the payroll information is correct and complies with all  
12 applicable State and federal laws.

13 (Source: P.A. 98-92, eff. 7-16-13; 99-897, eff. 1-1-17.)

14 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

15 Sec. 15-112. Final rate of earnings. "Final rate of  
16 earnings":

17 (a) This subsection (a) applies only to a Tier 1 member.

18 For an employee who is paid on an hourly basis or who  
19 receives an annual salary in installments during 12 months of  
20 each academic year, the average annual earnings during the 48  
21 consecutive calendar month period ending with the last day of  
22 final termination of employment or the 4 consecutive academic  
23 years of service in which the employee's earnings were the  
24 highest, whichever is greater. For any other employee, the  
25 average annual earnings during the 4 consecutive academic

1 years of service in which his or her earnings were the highest.  
2 For an employee with less than 48 months or 4 consecutive  
3 academic years of service, the average earnings during his or  
4 her entire period of service. The earnings of an employee with  
5 more than 36 months of service under item (a) of Section  
6 15-113.1 prior to the date of becoming a participant are, for  
7 such period, considered equal to the average earnings during  
8 the last 36 months of such service.

9 (b) This subsection (b) applies to a Tier 2 member.

10 For an employee who is paid on an hourly basis or who  
11 receives an annual salary in installments during 12 months of  
12 each academic year, the average annual earnings obtained by  
13 dividing by 6 ~~9~~ the total earnings of the employee during the  
14 72 ~~96~~ consecutive months in which the total earnings were the  
15 highest within the last 120 months prior to termination.

16 For any other employee, the average annual earnings during  
17 the 6 ~~9~~ consecutive academic years within the 10 years prior to  
18 termination in which the employee's earnings were the highest.  
19 For an employee with less than 72 ~~96~~ consecutive months or 6 ~~9~~  
20 consecutive academic years of service, whichever is necessary,  
21 the average earnings during his or her entire period of  
22 service.

23 (c) For an employee on leave of absence with pay, or on  
24 leave of absence without pay who makes contributions during  
25 such leave, earnings are assumed to be equal to the basic  
26 compensation on the date the leave began.

1           (d) For an employee on disability leave, earnings are  
2 assumed to be equal to the basic compensation on the date  
3 disability occurs or the average earnings during the 24 months  
4 immediately preceding the month in which disability occurs,  
5 whichever is greater.

6           (e) For a Tier 1 member who retires on or after the  
7 effective date of this amendatory Act of 1997 with at least 20  
8 years of service as a firefighter or police officer under this  
9 Article, the final rate of earnings shall be the annual rate of  
10 earnings received by the participant on his or her last day as  
11 a firefighter or police officer under this Article, if that is  
12 greater than the final rate of earnings as calculated under  
13 the other provisions of this Section.

14           (f) If a Tier 1 member is an employee for at least 6 months  
15 during the academic year in which his or her employment is  
16 terminated, the annual final rate of earnings shall be 25% of  
17 the sum of (1) the annual basic compensation for that year, and  
18 (2) the amount earned during the 36 months immediately  
19 preceding that year, if this is greater than the final rate of  
20 earnings as calculated under the other provisions of this  
21 Section.

22           (g) In the determination of the final rate of earnings for  
23 an employee, that part of an employee's earnings for any  
24 academic year beginning after June 30, 1997, which exceeds the  
25 employee's earnings with that employer for the preceding year  
26 by more than 20 percent shall be excluded; in the event that an

1 employee has more than one employer this limitation shall be  
2 calculated separately for the earnings with each employer. In  
3 making such calculation, only the basic compensation of  
4 employees shall be considered, without regard to vacation or  
5 overtime or to contracts for summer employment.

6 (h) The following are not considered as earnings in  
7 determining final rate of earnings: (1) severance or  
8 separation pay, (2) retirement pay, (3) payment for unused  
9 sick leave, and (4) payments from an employer for the period  
10 used in determining final rate of earnings for any purpose  
11 other than (i) services rendered, (ii) leave of absence or  
12 vacation granted during that period, and (iii) vacation of up  
13 to 56 work days allowed upon termination of employment; except  
14 that, if the benefit has been collectively bargained between  
15 the employer and the recognized collective bargaining agent  
16 pursuant to the Illinois Educational Labor Relations Act,  
17 payment received during a period of up to 2 academic years for  
18 unused sick leave may be considered as earnings in accordance  
19 with the applicable collective bargaining agreement, subject  
20 to the 20% increase limitation of this Section. Any unused  
21 sick leave considered as earnings under this Section shall not  
22 be taken into account in calculating service credit under  
23 Section 15-113.4.

24 (i) Intermittent periods of service shall be considered as  
25 consecutive in determining final rate of earnings.

26 (Source: P.A. 98-92, eff. 7-16-13; 99-450, eff. 8-24-15.)

1 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

2 Sec. 15-135. Retirement annuities; conditions.

3 (a) This subsection (a) applies only to a Tier 1 member. A  
4 participant who retires in one of the following specified  
5 years with the specified amount of service is entitled to a  
6 retirement annuity at any age under the retirement program  
7 applicable to the participant:

8 35 years if retirement is in 1997 or before;

9 34 years if retirement is in 1998;

10 33 years if retirement is in 1999;

11 32 years if retirement is in 2000;

12 31 years if retirement is in 2001;

13 30 years if retirement is in 2002 or later.

14 A participant with 8 or more years of service after  
15 September 1, 1941, is entitled to a retirement annuity on or  
16 after attainment of age 55.

17 A participant with at least 5 but less than 8 years of  
18 service after September 1, 1941, is entitled to a retirement  
19 annuity on or after attainment of age 62.

20 A participant who has at least 25 years of service in this  
21 system as a police officer or firefighter is entitled to a  
22 retirement annuity on or after the attainment of age 50, if  
23 Rule 4 of Section 15-136 is applicable to the participant.

24 (a-5) A Tier 2 member is entitled to a retirement annuity  
25 upon written application if he or she has attained age 60; has

1 at least 35 years of service credit; and is otherwise eligible  
2 under the requirements of this Article.

3 A Tier 2 member is entitled to a retirement annuity upon  
4 written application if he or she has attained age 62; has at  
5 least 10 years of service credit; and is otherwise eligible  
6 under the requirements of this Article.

7 ~~A Tier 2 member is entitled to a retirement annuity upon~~  
8 ~~written application if he or she has attained age 67 and has at~~  
9 ~~least 10 years of service credit and is otherwise eligible~~  
10 ~~under the requirements of this Article. A Tier 2 member who has~~  
11 ~~attained age 62 and has at least 10 years of service credit and~~  
12 ~~is otherwise eligible under the requirements of this Article~~  
13 ~~may elect to receive the lower retirement annuity provided in~~  
14 ~~subsection (b-5) of Section 15-136 of this Article.~~

15 (a-10) A Tier 2 member who has at least 20 years of service  
16 in this system as a police officer or firefighter is entitled  
17 to a retirement annuity upon written application on or after  
18 the attainment of age 60 if Rule 4 of Section 15-136 is  
19 applicable to the participant. The changes made to this  
20 subsection by this amendatory Act of the 101st General  
21 Assembly apply retroactively to January 1, 2011.

22 (b) The annuity payment period shall begin on the date  
23 specified by the participant or the recipient of a disability  
24 retirement annuity submitting a written application. For a  
25 participant, the date on which the annuity payment period  
26 begins shall not be prior to termination of employment or more



1 than one year before the application is received by the board;  
2 however, if the participant is not an employee of an employer  
3 participating in this System or in a participating system as  
4 defined in Article 20 of this Code on April 1 of the calendar  
5 year next following the calendar year in which the participant  
6 attains the age specified under Section 401(a)(9) of the  
7 Internal Revenue Code of 1986, as amended, the annuity payment  
8 period shall begin on that date regardless of whether an  
9 application has been filed. For a recipient of a disability  
10 retirement annuity, the date on which the annuity payment  
11 period begins shall not be prior to the discontinuation of the  
12 disability retirement annuity under Section 15-153.2.

13 (c) An annuity is not payable if the amount provided under  
14 Section 15-136 is less than \$10 per month.

15 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

16 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

17 Sec. 15-136. Retirement annuities; amount annuities  
18 ~~Amount~~. The provisions of this Section 15-136 apply only to  
19 those participants who are participating in the traditional  
20 benefit package or the portable benefit package and do not  
21 apply to participants who are participating in the  
22 self-managed plan.

23 (a) The amount of a participant's retirement annuity,  
24 expressed in the form of a single-life annuity, shall be  
25 determined by whichever of the following rules is applicable

1 and provides the largest annuity:

2 Rule 1: The retirement annuity shall be 1.67% of final  
3 rate of earnings for each of the first 10 years of service,  
4 1.90% for each of the next 10 years of service, 2.10% for each  
5 year of service in excess of 20 but not exceeding 30, and 2.30%  
6 for each year in excess of 30; or for persons who retire on or  
7 after January 1, 1998, 2.2% of the final rate of earnings for  
8 each year of service.

9 Rule 2: The retirement annuity shall be the sum of the  
10 following, determined from amounts credited to the participant  
11 in accordance with the actuarial tables and the effective rate  
12 of interest in effect at the time the retirement annuity  
13 begins:

14 (i) the normal annuity which can be provided on an  
15 actuarially equivalent basis, by the accumulated normal  
16 contributions as of the date the annuity begins;

17 (ii) an annuity from employer contributions of an  
18 amount equal to that which can be provided on an  
19 actuarially equivalent basis from the accumulated normal  
20 contributions made by the participant under Section  
21 15-113.6 and Section 15-113.7 plus 1.4 times all other  
22 accumulated normal contributions made by the participant;  
23 and

24 (iii) the annuity that can be provided on an  
25 actuarially equivalent basis from the entire contribution  
26 made by the participant under Section 15-113.3.

1 With respect to a police officer or firefighter who  
2 retires on or after August 14, 1998, the accumulated normal  
3 contributions taken into account under clauses (i) and (ii) of  
4 this Rule 2 shall include the additional normal contributions  
5 made by the police officer or firefighter under Section  
6 15-157(a).

7 The amount of a retirement annuity calculated under this  
8 Rule 2 shall be computed solely on the basis of the  
9 participant's accumulated normal contributions, as specified  
10 in this Rule and defined in Section 15-116. Neither an  
11 employee or employer contribution for early retirement under  
12 Section 15-136.2 nor any other employer contribution shall be  
13 used in the calculation of the amount of a retirement annuity  
14 under this Rule 2.

15 This amendatory Act of the 91st General Assembly is a  
16 clarification of existing law and applies to every participant  
17 and annuitant without regard to whether status as an employee  
18 terminates before the effective date of this amendatory Act.

19 This Rule 2 does not apply to a person who first becomes an  
20 employee under this Article on or after July 1, 2005.

21 Rule 3: The retirement annuity of a participant who is  
22 employed at least one-half time during the period on which his  
23 or her final rate of earnings is based, shall be equal to the  
24 participant's years of service not to exceed 30, multiplied by  
25 (1) \$96 if the participant's final rate of earnings is less  
26 than \$3,500, (2) \$108 if the final rate of earnings is at least

1 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
2 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
3 the final rate of earnings is at least \$5,500 but less than  
4 \$6,500, (5) \$144 if the final rate of earnings is at least  
5 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
6 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
7 the final rate of earnings is at least \$8,500 but less than  
8 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
9 more, except that the annuity for those persons having made an  
10 election under Section 15-154(a-1) shall be calculated and  
11 payable under the portable retirement benefit program pursuant  
12 to the provisions of Section 15-136.4.

13 Rule 4: A participant who is at least age 50 and has 25 or  
14 more years of service as a police officer or firefighter, and a  
15 participant who is age 55 or over and has at least 20 but less  
16 than 25 years of service as a police officer or firefighter,  
17 shall be entitled to a retirement annuity of 2 1/4% of the  
18 final rate of earnings for each of the first 10 years of  
19 service as a police officer or firefighter, 2 1/2% for each of  
20 the next 10 years of service as a police officer or  
21 firefighter, and 2 3/4% for each year of service as a police  
22 officer or firefighter in excess of 20. The retirement annuity  
23 for all other service shall be computed under Rule 1. A Tier 2  
24 member is eligible for a retirement annuity calculated under  
25 Rule 4 only if that Tier 2 member meets the service  
26 requirements for that benefit calculation as prescribed under

1 this Rule 4 in addition to the applicable age requirement  
2 under subsection (a-10) of Section 15-135.

3 For purposes of this Rule 4, a participant's service as a  
4 firefighter shall also include the following:

5 (i) service that is performed while the person is an  
6 employee under subsection (h) of Section 15-107; and

7 (ii) in the case of an individual who was a  
8 participating employee employed in the fire department of  
9 the University of Illinois's Champaign-Urbana campus  
10 immediately prior to the elimination of that fire  
11 department and who immediately after the elimination of  
12 that fire department transferred to another job with the  
13 University of Illinois, service performed as an employee  
14 of the University of Illinois in a position other than  
15 police officer or firefighter, from the date of that  
16 transfer until the employee's next termination of service  
17 with the University of Illinois.

18 (b) For a Tier 1 member, the retirement annuity provided  
19 under Rules 1 and 3 above shall be reduced by 1/2 of 1% for  
20 each month the participant is under age 60 at the time of  
21 retirement. However, this reduction shall not apply in the  
22 following cases:

23 (1) For a disabled participant whose disability  
24 benefits have been discontinued because he or she has  
25 exhausted eligibility for disability benefits under clause  
26 (6) of Section 15-152;

1           (2) For a participant who has at least the number of  
2           years of service required to retire at any age under  
3           subsection (a) of Section 15-135; or

4           (3) For that portion of a retirement annuity which has  
5           been provided on account of service of the participant  
6           during periods when he or she performed the duties of a  
7           police officer or firefighter, if these duties were  
8           performed for at least 5 years immediately preceding the  
9           date the retirement annuity is to begin.

10          (b-5) (Blank). ~~The retirement annuity of a Tier 2 member~~  
11 ~~who is retiring under Rule 1 or 3 after attaining age 62 with~~  
12 ~~at least 10 years of service credit shall be reduced by 1/2 of~~  
13 ~~1% for each full month that the member's age is under age 67.~~

14          (c) The maximum retirement annuity provided under Rules 1,  
15          2, 4, and 5 shall be the lesser of (1) the annual limit of  
16          benefits as specified in Section 415 of the Internal Revenue  
17          Code of 1986, as such Section may be amended from time to time  
18          and as such benefit limits shall be adjusted by the  
19          Commissioner of Internal Revenue, and (2) 80% of final rate of  
20          earnings.

21          (d) A Tier 1 member whose status as an employee terminates  
22          after August 14, 1969 shall receive automatic increases in his  
23          or her retirement annuity as follows:

24                 Effective January 1 immediately following the date the  
25                 retirement annuity begins, the annuitant shall receive an  
26                 increase in his or her monthly retirement annuity of 0.125% of

1 the monthly retirement annuity provided under Rule 1, Rule 2,  
2 Rule 3, or Rule 4 contained in this Section, multiplied by the  
3 number of full months which elapsed from the date the  
4 retirement annuity payments began to January 1, 1972, plus  
5 0.1667% of such annuity, multiplied by the number of full  
6 months which elapsed from January 1, 1972, or the date the  
7 retirement annuity payments began, whichever is later, to  
8 January 1, 1978, plus 0.25% of such annuity multiplied by the  
9 number of full months which elapsed from January 1, 1978, or  
10 the date the retirement annuity payments began, whichever is  
11 later, to the effective date of the increase.

12 The annuitant shall receive an increase in his or her  
13 monthly retirement annuity on each January 1 thereafter during  
14 the annuitant's life of 3% of the monthly annuity provided  
15 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this  
16 Section. The change made under this subsection by P.A. 81-970  
17 is effective January 1, 1980 and applies to each annuitant  
18 whose status as an employee terminates before or after that  
19 date.

20 Beginning January 1, 1990, all automatic annual increases  
21 payable under this Section shall be calculated as a percentage  
22 of the total annuity payable at the time of the increase,  
23 including all increases previously granted under this Article.

24 The change made in this subsection by P.A. 85-1008 is  
25 effective January 26, 1988, and is applicable without regard  
26 to whether status as an employee terminated before that date.

1 (d-5) A retirement annuity of a Tier 2 member shall  
2 receive annual increases on the January 1 occurring either on  
3 or after the attainment of age 67 or the first anniversary of  
4 the annuity start date, whichever is later. Each annual  
5 increase shall be calculated at 3% or one half the annual  
6 unadjusted percentage increase (but not less than zero) in the  
7 consumer price index-u for the 12 months ending with the  
8 September preceding each November 1, whichever is greater  
9 ~~less~~, of the originally granted retirement annuity. If the  
10 annual unadjusted percentage change in the consumer price  
11 index-u for the 12 months ending with the September preceding  
12 each November 1 is zero or there is a decrease, then the  
13 annuity shall not be increased.

14 (e) If, on January 1, 1987, or the date the retirement  
15 annuity payment period begins, whichever is later, the sum of  
16 the retirement annuity provided under Rule 1 or Rule 2 of this  
17 Section and the automatic annual increases provided under the  
18 preceding subsection or Section 15-136.1, amounts to less than  
19 the retirement annuity which would be provided by Rule 3, the  
20 retirement annuity shall be increased as of January 1, 1987,  
21 or the date the retirement annuity payment period begins,  
22 whichever is later, to the amount which would be provided by  
23 Rule 3 of this Section. Such increased amount shall be  
24 considered as the retirement annuity in determining benefits  
25 provided under other Sections of this Article. This paragraph  
26 applies without regard to whether status as an employee



1 terminated before the effective date of this amendatory Act of  
2 1987, provided that the annuitant was employed at least  
3 one-half time during the period on which the final rate of  
4 earnings was based.

5 (f) A participant is entitled to such additional annuity  
6 as may be provided on an actuarially equivalent basis, by any  
7 accumulated additional contributions to his or her credit.  
8 However, the additional contributions made by the participant  
9 toward the automatic increases in annuity provided under this  
10 Section shall not be taken into account in determining the  
11 amount of such additional annuity.

12 (g) If, (1) by law, a function of a governmental unit, as  
13 defined by Section 20-107 of this Code, is transferred in  
14 whole or in part to an employer, and (2) a participant  
15 transfers employment from such governmental unit to such  
16 employer within 6 months after the transfer of the function,  
17 and (3) the sum of (A) the annuity payable to the participant  
18 under Rule 1, 2, or 3 of this Section (B) all proportional  
19 annuities payable to the participant by all other retirement  
20 systems covered by Article 20, and (C) the initial primary  
21 insurance amount to which the participant is entitled under  
22 the Social Security Act, is less than the retirement annuity  
23 which would have been payable if all of the participant's  
24 pension credits validated under Section 20-109 had been  
25 validated under this system, a supplemental annuity equal to  
26 the difference in such amounts shall be payable to the

1 participant.

2 (h) On January 1, 1981, an annuitant who was receiving a  
3 retirement annuity on or before January 1, 1971 shall have his  
4 or her retirement annuity then being paid increased \$1 per  
5 month for each year of creditable service. On January 1, 1982,  
6 an annuitant whose retirement annuity began on or before  
7 January 1, 1977, shall have his or her retirement annuity then  
8 being paid increased \$1 per month for each year of creditable  
9 service.

10 (i) On January 1, 1987, any annuitant whose retirement  
11 annuity began on or before January 1, 1977, shall have the  
12 monthly retirement annuity increased by an amount equal to 8¢  
13 per year of creditable service times the number of years that  
14 have elapsed since the annuity began.

15 (j) The changes made to this Section by this amendatory  
16 Act of the 101st General Assembly apply retroactively to  
17 January 1, 2011.

18 (Source: P.A. 101-610, eff. 1-1-20.)

19 (40 ILCS 5/15-198)

20 Sec. 15-198. Application and expiration of new benefit  
21 increases.

22 (a) As used in this Section, "new benefit increase" means  
23 an increase in the amount of any benefit provided under this  
24 Article, or an expansion of the conditions of eligibility for  
25 any benefit under this Article, that results from an amendment

1 to this Code that takes effect after June 1, 2005 (the  
2 effective date of Public Act 94-4). "New benefit increase",  
3 however, does not include any benefit increase resulting from  
4 the changes made to Article 1 or this Article by Public Act  
5 100-23, Public Act 100-587, Public Act 100-769, Public Act  
6 101-10, Public Act 101-610, Public Act 102-16, or this  
7 amendatory Act of the 103rd General Assembly ~~or this~~  
8 ~~amendatory Act of the 102nd General Assembly.~~

9 (b) Notwithstanding any other provision of this Code or  
10 any subsequent amendment to this Code, every new benefit  
11 increase is subject to this Section and shall be deemed to be  
12 granted only in conformance with and contingent upon  
13 compliance with the provisions of this Section.

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

18 Every new benefit increase is contingent upon the General  
19 Assembly providing the additional funding required under this  
20 subsection. The Commission on Government Forecasting and  
21 Accountability shall analyze whether adequate additional  
22 funding has been provided for the new benefit increase and  
23 shall report its analysis to the Public Pension Division of  
24 the Department of Insurance. A new benefit increase created by  
25 a Public Act that does not include the additional funding  
26 required under this subsection is null and void. If the Public

1 Pension Division determines that the additional funding  
2 provided for a new benefit increase under this subsection is  
3 or has become inadequate, it may so certify to the Governor and  
4 the State Comptroller and, in the absence of corrective action  
5 by the General Assembly, the new benefit increase shall expire  
6 at the end of the fiscal year in which the certification is  
7 made.

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

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

24 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
25 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

1 (40 ILCS 5/16-203)

2 Sec. 16-203. Application and expiration of new benefit  
3 increases.

4 (a) As used in this Section, "new benefit increase" means  
5 an increase in the amount of any benefit provided under this  
6 Article, or an expansion of the conditions of eligibility for  
7 any benefit under this Article, that results from an amendment  
8 to this Code that takes effect after June 1, 2005 (the  
9 effective date of Public Act 94-4). "New benefit increase",  
10 however, does not include any benefit increase resulting from  
11 the changes made to Article 1 or this Article by Public Act  
12 95-910, Public Act 100-23, Public Act 100-587, Public Act  
13 100-743, Public Act 100-769, Public Act 101-10, Public Act  
14 101-49, Public Act 102-16, Public Act 102-871, or this  
15 amendatory Act of the 103rd General Assembly ~~or Public Act~~  
16 ~~102-16 this amendatory Act of the 102nd General Assembly.~~

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

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

26 Every new benefit increase is contingent upon the General

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

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

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

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

6 (Source: P.A. 101-10, eff. 6-5-19; 101-49, eff. 7-12-19;  
7 101-81, eff. 7-12-19; 102-16, eff. 6-17-21; 102-558, eff.  
8 8-20-21; 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; revised  
9 7-26-22.)

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

12 (30 ILCS 805/8.47 new)

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

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