

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Section 6-164 as follows:

6 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)  
7 Sec. 6-164. Automatic annual increase; retirement after  
8 September 1, 1959.

9 (a) A fireman qualifying for a minimum annuity who  
10 retires from service after September 1, 1959 shall, upon  
11 either the first of the month following the first anniversary  
12 of his date of retirement if he is age 60 (age 55 if born  
13 before January 1, 1955 ~~1945~~) or over on that anniversary  
14 date, or upon the first of the month following his attainment  
15 of age 60 (age 55 if born before January 1, 1955 ~~1945~~) if  
16 that occurs after the first anniversary of his retirement  
17 date, have his then fixed and payable monthly annuity  
18 increased by 1 1/2%, and such first fixed annuity as granted  
19 at retirement increased by an additional 1 1/2% in January of  
20 each year thereafter up to a maximum increase of 30%.  
21 Beginning July 1, 1982 for firemen born before January 1,  
22 1930, and beginning January 1, 1990 for firemen born after  
23 December 31, 1929 and before January 1, 1940, and beginning  
24 January 1, 1996 for firemen born after December 31, 1939 but  
25 before January 1, 1945, and beginning January 1, 2004 for  
26 firemen born after December 31, 1944 but before January 1,  
27 1955, such increases shall be 3% and such firemen shall not  
28 be subject to the 30% maximum increase.

29 Any fireman born before January 1, 1945 who qualifies for  
30 a minimum annuity and retires after September 1, 1967 but has  
31 not received the initial increase under this subsection

1 before January 1, 1996 is entitled to receive the initial  
2 increase under this subsection on (1) January 1, 1996, (2)  
3 the first anniversary of the date of retirement, or (3)  
4 attainment of age 55, whichever occurs last. The changes to  
5 this Section made by this amendatory Act of 1995 apply  
6 beginning January 1, 1996 and apply without regard to whether  
7 the fireman or annuitant terminated service before the  
8 effective date of this amendatory Act of 1995.

9 Any fireman born before January 1, 1955 who qualifies for  
10 a minimum annuity and retires after September 1, 1967 but has  
11 not received the initial increase under this subsection  
12 before January 1, 2004 is entitled to receive the initial  
13 increase under this subsection on (1) January 1, 2004, (2)  
14 the first anniversary of the date of retirement, or (3)  
15 attainment of age 55, whichever occurs last. The changes to  
16 this Section made by this amendatory Act of the 93rd General  
17 Assembly apply without regard to whether the fireman or  
18 annuitant terminated service before the effective date of  
19 this amendatory Act.

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

22 (c) To help defray the cost of such increases in  
23 annuity, there shall be deducted, beginning September 1,  
24 1959, from each payment of salary to a fireman, 1/8 of 1% of  
25 each such salary payment and an additional 1/8 of 1%  
26 beginning on September 1, 1961, and September 1, 1963,  
27 respectively, concurrently with and in addition to the salary  
28 deductions otherwise made for annuity purposes.

29 Each such additional 1/8 of 1% deduction from salary  
30 which shall, on September 1, 1963, result in a total increase  
31 of 3/8 of 1% of salary, shall be credited to the Automatic  
32 Increase Reserve, to be used, together with city  
33 contributions as provided in this Article, to defray the cost  
34 of the 1 1/2% annuity increments herein specified. Any

1 balance in such reserve as of the beginning of each calendar  
2 year shall be credited with interest at the rate of 3% per  
3 annum.

4 The salary deductions provided in this Section are not  
5 subject to refund, except to the fireman himself, in any case  
6 in which a fireman withdraws prior to qualification for  
7 minimum annuity and applies for refund, or applies for  
8 annuity, and also where a term annuity becomes payable. In  
9 such cases, the total of such salary deductions shall be  
10 refunded to the fireman, without interest, and charged to the  
11 aforementioned reserve.

12 (Source: P.A. 89-136, eff. 7-14-95.)

13 Section 90. The State Mandates Act is amended by adding  
14 Section 8.27 as follows:

15 (30 ILCS 805/8.27 new)

16 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
17 and 8 of this Act, no reimbursement by the State is required  
18 for the implementation of any mandate created by this  
19 amendatory Act of the 93rd General Assembly.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.