

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 17-119 as follows:

6 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)  
7 Sec. 17-119. Automatic annual increase in pension.

8 (a) Each teacher retiring on or after September 1, 1959,  
9 is entitled to the annual increase in pension, defined  
10 herein, while he is receiving a pension from the Fund.

11 1. The term "base pension" means a service  
12 retirement or disability retirement pension in the amount  
13 fixed and payable at the date of retirement of a teacher.

14 2. The annual increase in pension shall be at the  
15 rate of 1 1/2% of base pension. This increase shall first  
16 occur in January of the year next following the first  
17 anniversary of retirement. At such time the Fund shall  
18 pay the pro rata part of the increase for the period from  
19 the first anniversary date to the date of the first  
20 increase in pension. Beginning January 1, 1972, the rate  
21 of annual increase in pension shall be 2% of the base  
22 pension. Beginning January 1, 1979, the rate of annual  
23 increase in pension shall be 3% of the base pension.  
24 Beginning January 1, 1990, all automatic annual increases  
25 payable under this Section shall be calculated as a  
26 percentage of the total pension payable at the time of  
27 the increase, including all increases previously granted  
28 under this Article, notwithstanding Section 17-157.

29 3. For a retired teacher who withdraws from service  
30 before January 1, 2004, an increase in pension shall be  
31 granted only if the retired teacher is age 60 or over.

1 If the teacher attains age 60 after retirement, the  
 2 increase in pension shall begin in January of the year  
 3 following the 61st birthday. At such time the Fund also  
 4 shall pay the pro rata part of the increase from the 61st  
 5 birthday to the date of first increase in pension.

6 For a retired teacher who withdraws from service on  
 7 or after January 1, 2004, the increase in pension shall  
 8 begin in the January next following the first anniversary  
 9 of retirement. At such time the Fund shall also pay the  
 10 pro rata part of the increase from the first anniversary  
 11 of retirement to the date of first increase in pension.

12 (b) In addition to other increases which may be provided  
 13 by this Section, on January 1, 1981 any teacher who was  
 14 receiving a retirement pension on or before January 1, 1971  
 15 shall have his retirement pension then being paid increased  
 16 \$1 per month for each year of creditable service. On January  
 17 1, 1982, any teacher whose retirement pension began on or  
 18 before January 1, 1977, shall have his retirement pension  
 19 then being paid increased \$1 per month for each year of  
 20 creditable service.

21 On January 1, 1987, any teacher whose retirement pension  
 22 began on or before January 1, 1977, shall have the monthly  
 23 retirement pension increased by an amount equal to 8¢ per  
 24 year of creditable service times the number of years that  
 25 have elapsed since the retirement pension began.

26 (Source: P.A. 90-566, eff. 1-2-98.)

27 Section 90. The State Mandates Act is amended by adding  
 28 Section 8.27 as follows:

29 (30 ILCS 805/8.27 new)

30 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
 31 and 8 of this Act, no reimbursement by the State is required  
 32 for the implementation of any mandate created by this

1 amendatory Act of the 93rd General Assembly.

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.