

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 7-142 as follows:

6 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

7 Sec. 7-142. Retirement annuities - Amount.

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

11 1. For employees with 8 or more years of service,  
12 an annuity computed pursuant to subparagraphs a or b of  
13 this subparagraph 1, whichever is the higher, and for  
14 employees with less than 8 years of service the annuity  
15 computed pursuant to subparagraph a:

16 a. The monthly annuity which can be provided  
17 from the total accumulated normal, municipality and  
18 prior service credits, as of the attained age of the  
19 employee on the date the annuity begins provided  
20 that such annuity shall not exceed 75% of the final  
21 rate of earnings of the employee.

22 b. (i) The monthly annuity amount determined  
23 as follows by multiplying (a) 1 2/3% for annuitants  
24 with not more than 15 years or (b) 1 2/3% for the  
25 first 15 years and 2% for each year in excess of 15  
26 years for annuitants with more than 15 years by the  
27 number of years plus fractional years, prorated on a  
28 basis of months, of creditable service and multiply  
29 the product thereof by the employee's final rate of  
30 earnings.

31 (ii) For the sole purpose of computing the

1 formula (and not for the purposes of the limitations  
2 hereinafter stated) \$125 shall be considered the  
3 final rate of earnings in all cases where the final  
4 rate of earnings is less than that such amount.

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

9 (iv) For employees who have less than 35 years  
10 of service, the annuity computed in accordance with  
11 this subparagraph b (as reduced by application of  
12 subparagraph (iii) above) shall be reduced by 0.25%  
13 thereof (0.5% if service was terminated before  
14 January 1, 1988) for each month or fraction thereof  
15 (1) that the employee's age is less than 60 years,  
16 or (2) if the employee has at least 30 years of  
17 service credit, that the employee's service credit  
18 is less than 35 years, whichever is less, on the  
19 date the annuity begins.

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

23 (b) If payment of an annuity begins prior to the  
24 earliest age at which the employee will become eligible for  
25 an old age insurance benefit under the Federal Social  
26 Security Act, he may elect that the annuity payments from  
27 this fund shall exceed those payable after his attaining such  
28 age by an amount, computed as determined by rules of the  
29 Board, but not in excess of his estimated Social Security  
30 Benefit, determined as of the effective date of the annuity,  
31 provided that in no case shall the total annuity payments  
32 made by this fund exceed in actuarial value the annuity which  
33 would have been payable had no such election been made.

34 (c) The retirement annuity shall be increased each year

1 by 2%, not compounded, of the monthly amount of annuity,  
2 taking into consideration any adjustment under paragraph (b)  
3 of this Section. This increase shall be effective each  
4 January 1 and computed from the effective date of the  
5 retirement annuity, the first increase being .167% of the  
6 monthly amount times the number of months from the effective  
7 date to January 1. Beginning January 1, 1984 and thereafter,  
8 the retirement annuity shall be increased by 3% each year,  
9 not compounded. This increase shall not be applicable to  
10 annuitants who are not in service on or after September 8,  
11 1971.

12 (Source: P.A. 91-357, eff. 7-29-99.)