

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 9-134 as follows:

6 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

7 Sec. 9-134. Minimum annuity - Additional provisions.

8 (a) An employee who withdraws after July 1, 1957 at age  
9 60 or more with 20 or more years of service, for whom the  
10 amount of age and service and prior service annuity combined  
11 is less than the amount stated in this Section from the date  
12 of withdrawal, instead of all annuities otherwise provided in  
13 this Article, is entitled to receive an annuity for life of  
14 an amount equal to 1 2/3% for each year of service, of his  
15 highest average annual salary for any 5 consecutive years  
16 within the last 10 years of service immediately preceding the  
17 date of withdrawal; provided that in the case of any employee  
18 who withdraws on or after July 1, 1971, such employee age 60  
19 or over with 20 or more years of service, or who withdraws on  
20 or after January 1, 1982 and on or after attainment of age 65  
21 with 10 or more years of service, shall instead receive an  
22 annuity for life equal to 1.67% for each of the first 10  
23 years of service; 1.90% for each of the next 10 years of  
24 service; 2.10% for each year of service in excess of 20 but  
25 not exceeding 30; and 2.30% for each year of service in  
26 excess of 30, based on the highest average annual salary for  
27 any 4 consecutive years within the last 10 years of service  
28 immediately preceding the date of withdrawal.

29 An employee who withdraws after July 1, 1957, but prior  
30 to January 1, 1988, with 20 or more years of service, before  
31 age 60 is entitled to annuity, to begin not earlier than age

1 55, if under such age at withdrawal, as computed in the last  
2 preceding paragraph, reduced 1/2 of 1% for each full month or  
3 fractional part thereof that his attained age when annuity is  
4 to begin is less than 60 to the end that the total reduction  
5 at age 55 shall be 30%, except that an employee retiring at  
6 age 55 or over but less than age 60, having at least 35 years  
7 of service, shall not be subject to the reduction in his  
8 retirement annuity because of retirement below age 60.

9 An employee who withdraws on or after January 1, 1988,  
10 with 20 or more years of service and before age 60, is  
11 entitled to annuity as computed above, to begin not earlier  
12 than age 50 if under such age at withdrawal, reduced 1/2 of  
13 1% for each full month or fractional part thereof that his  
14 attained age when annuity is to begin is less than 60, to the  
15 end that the total reduction at age 50 shall be 60%, except  
16 that an employee retiring at age 50 or over but less than age  
17 60, having at least 30 years of service, shall not be subject  
18 to the reduction in retirement annuity because of retirement  
19 below age 60.

20 An employee who withdraws on or after January 1, 1992 but  
21 before January 1, 1993, at age 60 or over with 5 or more  
22 years of service, may elect, in lieu of any other employee  
23 annuity provided in this Section, to receive an annuity for  
24 life equal to 2.20% for each of the first 20 years of  
25 service, and 2.40% for each year of service in excess of 20,  
26 based on the highest average annual salary for any 4  
27 consecutive years within the last 10 years of service  
28 immediately preceding the date of withdrawal. An employee  
29 who withdraws on or after January 1, 1992, but before January  
30 1, 1993, on or after attainment of age 55 but before  
31 attainment of age 60 with 5 or more years of service, is  
32 entitled to elect such annuity, but the annuity shall be  
33 reduced 0.25% for each full month or fractional part thereof  
34 that his attained age when the annuity is to begin is less

1 than age 60, to the end that the total reduction at age 55  
2 shall be 15%, except that an employee retiring at age 55 or  
3 over but less than age 60, having at least 30 years of  
4 service, shall not be subject to the reduction in retirement  
5 annuity because of retirement below age 60. This annuity  
6 benefit formula shall only apply to those employees who are  
7 age 55 or over prior to January 1, 1993, and who elect to  
8 withdraw at age 55 or over on or after January 1, 1992 but  
9 before January 1, 1993.

10 An employee who withdraws on or after July 1, 1996 but  
11 before August 1, 1996, at age 55 or over with 8 or more years  
12 of service, may elect, in lieu of any other employee annuity  
13 provided in this Section, to receive an annuity for life  
14 equal to 2.20% for each of the first 20 years of service, and  
15 2.40% for each year of service in excess of 20, based on the  
16 highest average annual salary for any 4 consecutive years  
17 within the last 10 years of service immediately preceding the  
18 date of withdrawal, but the annuity shall be reduced by 0.25%  
19 for each full month or fractional part thereof that the  
20 annuitant's attained age when the annuity is to begin is less  
21 than age 60, unless the annuitant has at least 30 years of  
22 service.

23 The maximum annuity under this paragraph (a) shall not  
24 exceed 70% of highest average annual salary for any 5  
25 consecutive years within the last 10 years of service in the  
26 case of an employee who withdraws prior to July 1, 1971, and  
27 75% of the highest average annual salary for any 4  
28 consecutive years within the last 10 years of service  
29 immediately preceding the date of withdrawal if withdrawal  
30 takes place on or after July 1, 1971 and prior to January 1,  
31 1988, and 80% of the highest average annual salary for any 4  
32 consecutive years within the last 10 years of service  
33 immediately preceding the date of withdrawal if withdrawal  
34 takes place on or after January 1, 1988. Fifteen hundred

1 dollars shall be considered the minimum amount of annual  
2 salary for any year, and the maximum shall be his salary as  
3 defined in this Article, except that for the years before  
4 1957 and subsequent to 1952 the maximum annual salary to be  
5 considered shall be \$6,000, and for any year before the year  
6 1953, \$4,800.

7 (b) Any employee who withdraws on or after July 1, 1985  
8 but prior to January 1, 1988, at age 60 or over with 10 or  
9 more years of service, may elect in lieu of the benefit in  
10 paragraph (a) to receive an annuity for life equal to 2.00%  
11 for each year of service, based on the highest average annual  
12 salary for any 4 consecutive years within the last 10 years  
13 of service immediately preceding the date of withdrawal. An  
14 employee who withdraws on or after July 1, 1985, but prior to  
15 January 1, 1988, with 10 or more years of service, but before  
16 age 60, is entitled to elect such annuity, to begin not  
17 earlier than age 55, but the annuity shall be reduced 0.5%  
18 for each full month or fractional part thereof that his  
19 attained age when the annuity is to begin is less than 60, to  
20 the end that the total reduction at age 55 shall be 30%;  
21 except that an employee retiring at age 55 or over but less  
22 than age 60, having at least 30 years of service, shall not  
23 be subject to the reduction in retirement annuity because of  
24 retirement below age 60.

25 An employee who withdraws on or after January 1, 1988, at  
26 age 60 or over with 10 or more years of service, may elect,  
27 in lieu of the benefit in paragraph (a), to receive an  
28 annuity for life equal to 2.20% for each of the first 20  
29 years of service, and 2.4% for each year of service in excess  
30 of 20, based on the highest average annual salary for any 4  
31 consecutive years within the last 10 years of service  
32 immediately preceding the date of withdrawal. An employee who  
33 withdraws on or after January 1, 1988, with 10 or more years  
34 of service, but before age 60, is entitled to elect such

1 annuity, to begin not earlier than age 50, but the annuity  
2 shall be reduced 0.5% for each full month or fractional part  
3 thereof that his attained age when the annuity is to begin is  
4 less than 60, to the end that the total reduction at age 50  
5 shall be 60%, except that an employee retiring at age 50 or  
6 over but less than age 60, having at least 30 years of  
7 service, shall not be subject to the reduction in retirement  
8 annuity because of retirement below age 60.

9 An employee who withdraws on or after June 30, 2002 with  
10 10 or more years of service may elect, in lieu of any other  
11 retirement annuity provided under this Article, to receive an  
12 annuity for life, beginning no earlier than upon attainment  
13 of age 50, equal to 2.40% of his or her highest average  
14 annual salary for any 4 consecutive years within the last 10  
15 years of service immediately preceding withdrawal, for each  
16 year of service. If the employee has less than 30 years of  
17 service, the annuity shall be reduced by 0.5% for each full  
18 month or remaining fraction thereof that the employee's  
19 attained age when the annuity is to begin is less than 60.

20 The maximum annuity under this paragraph (b) shall not  
21 exceed 75% of the highest average annual salary for any 4  
22 consecutive years within the last 10 years of service  
23 immediately preceding the date of withdrawal if withdrawal  
24 occurs prior to January 1, 1988, or 80% of the highest  
25 average annual salary for any 4 consecutive years within the  
26 last 10 years of service immediately preceding the date of  
27 withdrawal if withdrawal takes place on or after January 1,  
28 1988.

29 The provisions of this paragraph (b) do not apply to any  
30 former County employee receiving an annuity from the fund,  
31 who re-enters service as a County employee, unless he renders  
32 at least 3 years of additional service after the date of  
33 re-entry.

34 (b-5) A deputy sheriff or correctional officer who

1 retires on or after July 1, 2003 with 20 or more years of  
2 service may elect, in lieu of any other retirement annuity  
3 provided under this Article, to receive an annuity for life,  
4 beginning no earlier than upon the attainment of age 50,  
5 equal to 2.4% for each year of service of the highest average  
6 annual salary for any 4 consecutive years within the last 10  
7 years of service. Any such deputy sheriff or correctional  
8 officer who elects to retire under this provision shall not  
9 be eligible for added benefits as provided under Section  
10 9-179.3.

11 (c) For an employee receiving disability benefit, the  
12 salary for annuity purposes under paragraph (a) or (b) of  
13 this Section shall, for all periods of disability benefit  
14 subsequent to the year 1956, be the amount on which his  
15 disability benefit was based.

16 (d) A county employee with 20 or more years of service,  
17 whose entire disability benefit credit period expires before  
18 attainment of age 50 (age 55 if expiration occurs before  
19 January 1, 1988), while still disabled for service is  
20 entitled upon withdrawal to the larger of:

21 (1) The minimum annuity provided above, assuming  
22 that he is then age 50 (age 55 if expiration occurs  
23 before January 1, 1988), and reducing such annuity to its  
24 actuarial equivalent at his attained age on such date, or

25 (2) the annuity provided from his age and service  
26 and prior service annuity credits.

27 (e) The minimum annuity provisions above do not apply to  
28 any former county employee receiving an annuity from the  
29 fund, who re-enters service as a county employee, unless he  
30 renders at least 3 years of additional service after the date  
31 of re-entry.

32 (f) Any employee in service on July 1, 1947, or who  
33 enters service thereafter before attaining age 65 and  
34 withdraws after age 65 with less than 10 years of service for

1 whom the annuity has been fixed under the foregoing Sections  
2 of this Article, shall, instead of the annuity so fixed,  
3 receive an annuity as follows:

4 Such amount as he could have received had the accumulated  
5 amounts for annuity been improved with interest at the  
6 effective rate to the date of withdrawal, or to attainment of  
7 age 70, whichever is earlier, and had the county contributed  
8 to such earlier date for age and service annuity the amount  
9 that it would have contributed had he been under age 65,  
10 after the date his annuity was fixed in accordance with this  
11 Article, and assuming his annuity were computed from such  
12 accumulations as of his age on such earlier date. However  
13 those employees who before July 1, 1953, made additional  
14 contributions in accordance with this Article, the annuity so  
15 computed under this paragraph shall not exceed the annuity  
16 which would be payable under the other provisions of this  
17 Section if the employee concerned was credited with 20 years  
18 of service and would qualify for annuity thereunder.

19 (g) Instead of the annuity provided in this or any other  
20 Section of this Article, an employee having attained age 65  
21 with at least 15 years of service may elect to receive a  
22 minimum annual annuity for life equal to 1% of the highest  
23 average annual salary for any 4 consecutive years within the  
24 last 10 years of service immediately preceding retirement for  
25 each year of service, plus the sum of \$25 for each year of  
26 service provided that no such minimum annual annuity may be  
27 greater than 60% of such highest average annual salary.

28 (h) The annuity is payable in equal monthly  
29 installments.

30 (i) If, by operation of law, a function of a  
31 governmental unit, as defined by Section 20-107 of this Code,  
32 is transferred in whole or in part to the county in which  
33 this Article 9 is created as set forth in Section 9-101, and  
34 employees of the governmental unit are transferred as a class

1 to such county, the earnings credits in the retirement system  
2 covering the governmental unit which have been validated  
3 under Section 20-109 of this Code shall be considered in  
4 determining the highest average annual salary for purposes of  
5 this Section 9-134.

6 (j) The annuity being paid to an employee annuitant on  
7 July 1, 1988, shall be increased on that date by 1% for each  
8 full year that has elapsed from the date the annuity began.

9 (k) Notwithstanding anything to the contrary in this  
10 Article 9, Section 20-131 shall not apply to an employee who  
11 withdraws on or after January 1, 1988, but prior to attaining  
12 age 55. Therefore, no employee shall be entitled to elect to  
13 have the alternative formula previously set forth in Section  
14 20-122 prior to the amendatory Act of 1975 apply to any  
15 annuity, the payment of which commenced after January 1,  
16 1988, but prior to such employee's attainment of age 55.

17 (Source: P.A. 92-599, eff. 6-28-02.)

18 Section 90. The State Mandates Act is amended by adding  
19 Section 8.27 as follows:

20 (30 ILCS 805/8.27 new)

21 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
22 and 8 of this Act, no reimbursement by the State is required  
23 for the implementation of any mandate created by this  
24 amendatory Act of the 93rd General Assembly.

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.