

SB2486



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
SB2486

Introduced 2/3/2004, by John J. Cullerton

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-119
30 ILCS 805/8.28 new

from Ch. 108 1/2, par. 17-119

Amends the Chicago Teacher Article of the Pension Code. Calculates the pro rata portion of the initial annual increase in retirement pension from attainment of age 55 (or the date of retirement) rather than from attainment of age 61. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 14982 LRD 40551 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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 changing
5 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 herein,
10 while he is receiving a pension from the Fund.

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

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

29 3. An increase in pension shall be granted only if the
30 retired teacher is age 60 or over. If the teacher attains
31 age 60 after retirement, the increase in pension shall
32 begin in January of the year following the 61st birthday.

1 At such time the Fund also shall pay the pro rata part of
2 the increase from the later of (i) attainment of age 55 or
3 (ii) the date of retirement ~~61st birthday~~ to the date of
4 first increase in pension.

5 (b) In addition to other increases which may be provided
6 by this Section, on January 1, 1981 any teacher who was
7 receiving a retirement pension on or before January 1, 1971
8 shall have his retirement pension then being paid increased \$1
9 per month for each year of creditable service. On January 1,
10 1982, any teacher whose retirement pension began on or before
11 January 1, 1977, shall have his retirement pension then being
12 paid increased \$1 per month for each year of creditable
13 service.

14 On January 1, 1987, any teacher whose retirement pension
15 began on or before January 1, 1977, shall have the monthly
16 retirement pension increased by an amount equal to 8¢ per year
17 of creditable service times the number of years that have
18 elapsed since the retirement pension began.

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

20 Section 90. The State Mandates Act is amended by adding
21 Section 8.28 as follows:

22 (30 ILCS 805/8.28 new)

23 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
24 of this Act, no reimbursement by the State is required for the
25 implementation of any mandate created by this amendatory Act of
26 the 93rd General Assembly.

27 Section 99. Effective date. This Act takes effect upon
28 becoming law.