



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4932

Introduced 1/19/2006, by Rep. Kevin Joyce - Michael P. McAuliffe - Daniel J. Burke

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-132	from Ch. 108 1/2, par. 5-132
40 ILCS 5/5-148	from Ch. 108 1/2, par. 5-148
30 ILCS 805/8.30 new	

Amends the Chicago Police Article of the Illinois Pension Code to provide an increase in the retirement benefit formula. Changes the maximum annuity from 75% to 80% of average salary. Provides for 2.5% (rather than 2%) of average salary for each year of service beyond 20. Applies to persons withdrawing from service after the effective date. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 17519 AMC 52815 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 Sections 5-132 and 5-148 as follows:

6 (40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)  
7 Sec. 5-132. Minimum annuity.

8 (1) Any policeman who withdraws on or after July 8, 1957,  
9 or any policeman transferred to the police service of the city  
10 under the Exchange of Functions Act of 1957 who withdraws on or  
11 after July 17, 1959, after completing at least 20 years of  
12 service, for whom the annuity otherwise provided in this  
13 Article is less than that stated in this Section has a right to  
14 receive annuity as follows:

15 (a) If he is age 55 or more on withdrawal, his annuity  
16 after ~~such~~ withdrawal, shall be equal to 2% of ~~the~~ average  
17 salary ~~for 4 consecutive years of highest salaries within~~  
18 ~~the last 10 years of service before withdrawal,~~ for each  
19 year of service, together with 1/6 of 1% of ~~such~~ average  
20 salary for each complete month of service of each  
21 fractional year, but not in excess of 75% of the average  
22 annual salary.

23 (b) If he is age 50 or more but less than age 55 on  
24 withdrawal, his annuity shall be equal to 2% of the average  
25 salary ~~for the 4 highest consecutive years of the last 10~~  
26 ~~years of service~~ for each year of service, together with  
27 1/16 of 1% of ~~such~~ average salary for each month of each  
28 fractional year of service, reduced by 1/2 of 1% for each  
29 month that he is less than age 55.

30 (c) If he is less than age 50 on withdrawal, he may,  
31 upon attainment of age 50 or over, become entitled to the  
32 annuity provided in this Section or, he may, upon

1 application before age 50, receive a refund of the  
2 deductions from salary, plus interest at 1 1/2% per annum  
3 if he is entitled to refund under Section 5-163.

4 (d) In lieu of the annuity provided in the foregoing  
5 provisions of this Section 5-132 any policeman who  
6 withdraws from the service after December 31, 1973, after  
7 having attained age 53 in the service with 23 or more years  
8 of service credit shall be entitled to an annuity computed  
9 as follows if such annuity is greater than that provided in  
10 the foregoing paragraphs of this Section 5-132: An annuity  
11 equal to 50% of ~~the~~ average salary ~~for the 4 highest~~  
12 ~~consecutive years of the last 10 years of service~~ plus  
13 additional annuity equal to 2% of ~~such~~ average salary for  
14 each completed year of service or fraction thereof rendered  
15 after his attainment of age 53 and the completion of 23  
16 years of service.

17 Any policeman who has completed 23 years of service  
18 prior to his attainment of age 53 in the service and  
19 continues in the service until his attainment of age 53  
20 shall have added to his annuity, computed as provided in  
21 the immediately preceding paragraph, an additional annuity  
22 equal to 1% of ~~such~~ average salary for each completed year  
23 of service or fraction thereof in excess of 23 years up to  
24 age 53.

25 (e) In lieu of the annuity provided in the foregoing  
26 provisions of this Section any policeman who withdraws from  
27 the service either (i) after December 31, 1983 with at  
28 least 22 years of service credit and having attained age 52  
29 in the service, or (ii) after December 31, 1984 with at  
30 least 21 years of service credit and having attained age 51  
31 in the service, or (iii) after December 31, 1985 with at  
32 least 20 years of service credit and having attained age 50  
33 in the service, or (iv) after December 31, 1990, with at  
34 least 20 years of service credit regardless of age, shall  
35 be entitled to an annuity to begin not earlier than upon  
36 attainment of age 50 if under such age at withdrawal,

1           computed as follows: an annuity equal to 50% of ~~the~~ average  
2           salary ~~for the 4 highest consecutive years of the last 10~~  
3           ~~years of service,~~ plus additional annuity equal to 2% of  
4           ~~such~~ average salary for each completed year of service or  
5           fraction thereof rendered after his completion of the  
6           minimum number of years of service required for him to be  
7           eligible under this subsection (e). In lieu of any annuity  
8           provided in the foregoing provisions of this Section, any  
9           policeman who withdraws from the service after December 31,  
10          2003, with at least 20 years of service credit regardless  
11          of age, shall be entitled to an annuity to begin not  
12          earlier than upon attainment of age 50, if under that age  
13          at withdrawal, equal to 2.5% of the average salary for the  
14          4 highest consecutive years of the last 10 years of service  
15          for each completed year of service or fraction thereof.  
16          However, the annuity provided under this subsection (e) may  
17          not exceed 75% of such average salary.

18           (f) In lieu of the annuity provided in the foregoing  
19          provisions of this Section, a policeman who withdraws from  
20          service after the effective date of this amendatory Act of  
21          the 94th General Assembly with at least 20 years of service  
22          credit may elect to receive an annuity, to begin not  
23          earlier than upon attainment of age 50 if under that age at  
24          withdrawal, equal to 50% of average salary plus 2.5% of  
25          average salary for each completed year of service or  
26          fraction thereof in excess of 20, but not to exceed a  
27          maximum of 80% of average salary.

28           (2) A policeman withdrawing after September 1, 1969, may,  
29          in addition, be entitled to the benefits provided by Section  
30          5-167.1 of this Article if he so qualifies under that Section.

31           (3) If, on withdrawal, total service is less than 20 years,  
32          the policeman shall not be entitled to an annuity under this  
33          Section but may receive an annuity under the other provisions  
34          of this Article or, if entitled thereto under Section 5--163, a  
35          refund of the deductions from salary, including, in the case of  
36          policemen transferred to the police service of the city under

1 the Exchange of Functions Act of 1957, the additional  
2 contribution paid on salary received from August 1, 1957, to  
3 July 17, 1959, as provided in the Park Policemen's Annuity Act,  
4 together with interest at 1 1/2% per annum.

5 Moneys voluntarily contributed under the Policemen's  
6 Annuity and Benefit Fund Act of the Illinois Municipal Code, or  
7 the Park Policemen's Annuity Act, shall be refunded to the  
8 contributing policemen who were in service on January 1, 1954,  
9 or in the case of policemen transferred to the police service  
10 of the city under the Exchange of Functions Act of 1957, who  
11 were in service on July 17, 1959.

12 The age and service annuity formula in this Section shall  
13 not apply to any policeman who, having retired before July 8,  
14 1957, or before July 17, 1959, in the case of a policeman  
15 transferred under the provisions of the Exchange of Functions  
16 Act of 1957, re-enters the police service after such dates,  
17 whichever are applicable.

18 (4) For the purpose of this Section and Section 5-148,  
19 "average salary" means the average of the highest 4 consecutive  
20 years of salary within the last 10 years of service.

21 (Source: P.A. 93-654, eff. 1-16-04.)

22 (40 ILCS 5/5-148) (from Ch. 108 1/2, par. 5-148)

23 Sec. 5-148. Maximum annuities. No annuity in excess of 75%  
24 of the highest salary considered for annuity purposes in  
25 accordance with this Article (80% of average salary in the case  
26 of a policeman whose annuity is calculated under subdivision  
27 (1)(f) of Section 5-132) shall be payable to a policeman, or to  
28 the widow of a policeman whose death results from injury  
29 incurred in the performance of an act of duty. No amount of  
30 annuity in excess of \$500 per month shall be payable to the  
31 widow of a policeman whose death results from any cause other  
32 than injury incurred in the performance of an act of duty,  
33 except as provided in Section 5-136.1.

34 If, when a policeman's annuity is fixed, there is to his  
35 credit, for such annuity, an amount in excess of that necessary

1 to provide an annuity of 75% of his highest salary (80% of  
2 average salary in the case of a policeman whose annuity is  
3 calculated under subdivision (1)(f) of Section 5-132), 7/24 of  
4 such excess shall be refunded if the policeman is a future  
5 entrant; and if he is a present employee, there shall be  
6 refunded, a part of such excess amount proportionately equal to  
7 that part of the entire amount to his credit for such annuity  
8 purposes, which the sum that has resulted from salary  
9 deductions bears to such entire amount.

10 Until January 1, 1986, if, when a widow's annuity is fixed,  
11 there is to the policeman's credit, for widow's annuity, an  
12 amount in excess of that necessary to provide an annuity of  
13 \$500 per month, 1/3 of such excess shall be refunded to the  
14 policeman if he is a future entrant; and, if he is a present  
15 employee, there shall be refunded a part of such excess amount  
16 proportionately equal to that part of the entire amount to his  
17 credit for such annuity purposes which the sum that has  
18 resulted from employee contributions bears to such entire  
19 amount. If the widow's annuity is fixed on or after January 1,  
20 1986, no refund of excess contributions shall be made under  
21 this paragraph.

22 Until January 1, 1986, if at the time of the death of a  
23 policeman resulting from injury incurred in the performance of  
24 an act of duty, there is to his credit, for widow's annuity, an  
25 amount in excess of that necessary to provide an annuity of 75%  
26 of his highest salary, or \$500 per month if death results from  
27 any other cause, 1/3 of such excess shall be refunded to his  
28 widow if he was a future entrant; and, if he was a present  
29 employee, there shall be refunded to his widow a part of such  
30 excess amount proportionately equal to that part of the entire  
31 amount to his credit for such annuity purposes which the sum  
32 that has resulted from employee's contributions bears to such  
33 entire amount. If employee dies in service on or after January  
34 1, 1986, no refund of excess contributions shall be made under  
35 this paragraph.

36 This amendatory Act of 1972 does not increase the amount of

1 any widow's annuity which is fixed before the effective date of  
2 this amendatory Act of 1972.

3 (Source: P.A. 84-1104.)

4 Section 90. The State Mandates Act is amended by adding  
5 Section 8.30 as follows:

6 (30 ILCS 805/8.30 new)

7 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8  
8 of this Act, no reimbursement by the State is required for the  
9 implementation of any mandate created by this amendatory Act of  
10 the 94th General Assembly.

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law.