



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2623

Introduced 1/20/2006, by Sen. James A. DeLeo

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-167.2	from Ch. 108 1/2, par. 5-167.2
40 ILCS 5/5-167.4	from Ch. 108 1/2, par. 5-167.4
30 ILCS 805/8.30 new	

Amends the Chicago Police Article of the Illinois Pension Code. Increases the minimum monthly annuity payment to \$1,250 for any policeman who retired from the service before January 1, 2007, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 2007. Increases the minimum amount of a widow's annuity to \$1,200 per month. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 17461 AMC 52756 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning 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 Sections 5-167.2 and 5-167.4 as follows:

6 (40 ILCS 5/5-167.2) (from Ch. 108 1/2, par. 5-167.2)

7 Sec. 5-167.2. Retirement before September 1, 1967. A
8 retired policeman, qualifying for minimum annuity or who
9 retired from service with 20 or more years of service, before
10 September 1, 1967, shall, in January of the year following the
11 year he attains the age of 65, or in January of the year 1970,
12 if then more than 65 years of age, have his then fixed and
13 payable monthly annuity increased by an amount equal to 2% of
14 the original grant of annuity, for each year the policeman was
15 in receipt of annuity payments after the year in which he
16 attains, or did attain the age of 63. An additional 2% increase
17 in such then fixed and payable original granted annuity shall
18 accrue in each January thereafter. Beginning January 1, 1986,
19 the rate of such increase shall be 3% instead of 2%.

20 The provisions of the preceding paragraph of this Section
21 apply only to a retired policeman eligible for such increases
22 in his annuity who contributes to the Fund a sum equal to \$5
23 for each full year of credited service upon which his annuity
24 was computed. All such sums contributed shall be placed in a
25 Supplementary Payment Reserve and shall be used for the
26 purposes of such Fund account.

27 Beginning with the monthly annuity payment due in July,
28 1982, the fixed and granted monthly annuity payment for any
29 policeman who retired from the service, before September 1,
30 1976, at age 50 or over with 20 or more years of service and
31 entitled to an annuity on January 1, 1974, shall be not less
32 than \$400. It is the intent of the General Assembly that the

1 change made in this Section by this amendatory Act of 1982
2 shall apply retroactively to July 1, 1982.

3 Beginning with the monthly annuity payment due on January
4 1, 1986, the fixed and granted monthly annuity payment for any
5 policeman who retired from the service before January 1, 1986,
6 at age 50 or over with 20 or more years of service, or any
7 policeman who retired from service due to termination of
8 disability and who is entitled to an annuity on January 1,
9 1986, shall be not less than \$475.

10 Beginning with the monthly annuity payment due on January
11 1, 1992, the fixed and granted monthly annuity payment for any
12 policeman who retired from the service before January 1, 1992,
13 at age 50 or over with 20 or more years of service, and for any
14 policeman who retired from service due to termination of
15 disability and who is entitled to an annuity on January 1,
16 1992, shall be not less than \$650.

17 Beginning with the monthly annuity payment due on January
18 1, 1993, the fixed and granted monthly annuity payment for any
19 policeman who retired from the service before January 1, 1993,
20 at age 50 or over with 20 or more years of service, and for any
21 policeman who retired from service due to termination of
22 disability and who is entitled to an annuity on January 1,
23 1993, shall be not less than \$750.

24 Beginning with the monthly annuity payment due on January
25 1, 1994, the fixed and granted monthly annuity payment for any
26 policeman who retired from the service before January 1, 1994,
27 at age 50 or over with 20 or more years of service, and for any
28 policeman who retired from service due to termination of
29 disability and who is entitled to an annuity on January 1,
30 1994, shall be not less than \$850.

31 Beginning with the monthly annuity payment due on January
32 1, 2004, the fixed and granted monthly annuity payment for any
33 policeman who retired from the service before January 1, 2004,
34 at age 50 or over with 20 or more years of service, and for any
35 policeman who retired from service due to termination of
36 disability and who is entitled to an annuity on January 1,

1 2004, shall be not less than \$950.

2 Beginning with the monthly annuity payment due on January
3 1, 2005, the fixed and granted monthly annuity payment for any
4 policeman who retired from the service before January 1, 2005,
5 at age 50 or over with 20 or more years of service, and for any
6 policeman who retired from service due to termination of
7 disability and who is entitled to an annuity on January 1,
8 2005, shall be not less than \$1,050.

9 Beginning with the monthly annuity payment due on January
10 1, 2007, the fixed and granted monthly annuity payment for any
11 policeman who retired from the service before January 1, 2007,
12 at age 50 or over with 20 or more years of service, and for any
13 policeman who retired from service due to termination of
14 disability and who is entitled to an annuity on January 1,
15 2007, shall be not less than \$1,250.

16 The difference in amount between the original fixed and
17 granted monthly annuity of any such policeman on the date of
18 his retirement from the service and the monthly annuity
19 provided for in the immediately preceding paragraph shall be
20 paid as a supplement in the manner set forth in the immediately
21 following paragraph.

22 To defray the annual cost of the increases indicated in the
23 preceding part of this Section, the annual interest income
24 accruing from investments held by this Fund, exclusive of gains
25 or losses on sales or exchanges of assets during the year, over
26 and above 4% a year shall be used to the extent necessary and
27 available to finance the cost of such increases for the
28 following year and such amount shall be transferred as of the
29 end of each year beginning with the year 1969 to a Fund account
30 designated as the Supplementary Payment Reserve from the
31 Interest and Investment Reserve set forth in Section 5-207.

32 In the event the funds in the Supplementary Payment Reserve
33 in any year arising from: (1) the interest income accruing in
34 the preceding year above 4% a year and (2) the contributions by
35 retired persons are insufficient to make the total payments to
36 all persons entitled to the annuity specified in this Section

1 and (3) any interest earnings over 4% a year beginning with the
2 year 1969 which were not previously used to finance such
3 increases and which were transferred to the Prior Service
4 Annuity Reserve, may be used to the extent necessary and
5 available to provide sufficient funds to finance such increases
6 for the current year and such sums shall be transferred from
7 the Prior Service Annuity Reserve. In the event the total money
8 available in the Supplementary Payment Reserve from such
9 sources are insufficient to make the total payments to all
10 persons entitled to such increases for the year, a
11 proportionate amount computed as the ratio of the money
12 available to the total of the total payments specified for that
13 year shall be paid to each person for that year.

14 The Fund shall be obligated for the payment of the
15 increases in annuity as provided for in this Section only to
16 the extent that the assets for such purpose are available.

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

18 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

19 Sec. 5-167.4. Widow annuitant minimum annuity.

20 (a) Notwithstanding any other provision of this Article,
21 beginning January 1, 1996, the minimum amount of widow's
22 annuity payable to any person who is entitled to receive a
23 widow's annuity under this Article is \$700 per month, without
24 regard to whether the deceased policeman is in service on or
25 after the effective date of this amendatory Act of 1995.

26 Notwithstanding any other provision of this Article,
27 beginning January 1, 1999, the minimum amount of widow's
28 annuity payable to any person who is entitled to receive a
29 widow's annuity under this Article is \$800 per month, without
30 regard to whether the deceased policeman is in service on or
31 after the effective date of this amendatory Act of 1998.

32 Notwithstanding any other provision of this Article,
33 beginning January 1, 2004, the minimum amount of widow's
34 annuity payable to any person who is entitled to receive a
35 widow's annuity under this Article is \$900 per month, without

1 regard to whether the deceased policeman is in service on or
2 after the effective date of this amendatory Act of the 93rd
3 General Assembly.

4 Notwithstanding any other provision of this Article,
5 beginning January 1, 2005, the minimum amount of widow's
6 annuity payable to any person who is entitled to receive a
7 widow's annuity under this Article is \$1,000 per month, without
8 regard to whether the deceased policeman is in service on or
9 after the effective date of this amendatory Act of the 93rd
10 General Assembly.

11 Notwithstanding any other provision of this Article,
12 beginning January 1, 2007, the minimum amount of widow's
13 annuity payable to any person who is entitled to receive a
14 widow's annuity under this Article is \$1,200 per month, without
15 regard to whether the deceased policeman is in service on or
16 after the effective date of this amendatory Act of the 94th
17 General Assembly.

18 (b) Effective January 1, 1994, the minimum amount of
19 widow's annuity shall be \$700 per month for the following
20 classes of widows, without regard to whether the deceased
21 policeman is in service on or after the effective date of this
22 amendatory Act of 1993: (1) the widow of a policeman who dies
23 in service with at least 10 years of service credit, or who
24 dies in service after June 30, 1981; and (2) the widow of a
25 policeman who withdraws from service with 20 or more years of
26 service credit and does not withdraw a refund, provided that
27 the widow is married to the policeman before he withdraws from
28 service.

29 (c) The city, in addition to the contributions otherwise
30 made by it under the other provisions of this Article, shall
31 make such contributions as are necessary for the minimum
32 widow's annuities provided under this Section in the manner
33 prescribed in Section 5-175.

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

35 Section 90. The State Mandates Act is amended by adding

1 Section 8.30 as follows:

2 (30 ILCS 805/8.30 new)

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

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.