



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2577

Introduced 2/20/2009, by Rep. Michael P. McAuliffe

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 805/8.33 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, 2010, 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, 2010. 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.

LRB096 06169 AMC 16251 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

1 was computed. All such sums contributed shall be placed in a
2 Supplementary Payment Reserve and shall be used for the
3 purposes of such Fund account.

4 Beginning with the monthly annuity payment due in July,
5 1982, the fixed and granted monthly annuity payment for any
6 policeman who retired from the service, before September 1,
7 1976, at age 50 or over with 20 or more years of service and
8 entitled to an annuity on January 1, 1974, shall be not less
9 than \$400. It is the intent of the General Assembly that the
10 change made in this Section by this amendatory Act of 1982
11 shall apply retroactively to July 1, 1982.

12 Beginning with the monthly annuity payment due on January
13 1, 1986, the fixed and granted monthly annuity payment for any
14 policeman who retired from the service before January 1, 1986,
15 at age 50 or over with 20 or more years of service, or any
16 policeman who retired from service due to termination of
17 disability and who is entitled to an annuity on January 1,
18 1986, shall be not less than \$475.

19 Beginning with the monthly annuity payment due on January
20 1, 1992, the fixed and granted monthly annuity payment for any
21 policeman who retired from the service before January 1, 1992,
22 at age 50 or over with 20 or more years of service, and for any
23 policeman who retired from service due to termination of
24 disability and who is entitled to an annuity on January 1,
25 1992, shall be not less than \$650.

26 Beginning with the monthly annuity payment due on January

1 1, 1993, the fixed and granted monthly annuity payment for any
2 policeman who retired from the service before January 1, 1993,
3 at age 50 or over with 20 or more years of service, and for any
4 policeman who retired from service due to termination of
5 disability and who is entitled to an annuity on January 1,
6 1993, shall be not less than \$750.

7 Beginning with the monthly annuity payment due on January
8 1, 1994, the fixed and granted monthly annuity payment for any
9 policeman who retired from the service before January 1, 1994,
10 at age 50 or over with 20 or more years of service, and for any
11 policeman who retired from service due to termination of
12 disability and who is entitled to an annuity on January 1,
13 1994, shall be not less than \$850.

14 Beginning with the monthly annuity payment due on January
15 1, 2004, the fixed and granted monthly annuity payment for any
16 policeman who retired from the service before January 1, 2004,
17 at age 50 or over with 20 or more years of service, and for any
18 policeman who retired from service due to termination of
19 disability and who is entitled to an annuity on January 1,
20 2004, shall be not less than \$950.

21 Beginning with the monthly annuity payment due on January
22 1, 2005, the fixed and granted monthly annuity payment for any
23 policeman who retired from the service before January 1, 2005,
24 at age 50 or over with 20 or more years of service, and for any
25 policeman who retired from service due to termination of
26 disability and who is entitled to an annuity on January 1,

1 2005, shall be not less than \$1,050.

2 Beginning with the monthly annuity payment due on January
3 1, 2010, the fixed and granted monthly annuity payment for any
4 policeman who retired from the service before January 1, 2010,
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 2010, shall be not less than \$1,250.

9 The difference in amount between the original fixed and
10 granted monthly annuity of any such policeman on the date of
11 his retirement from the service and the monthly annuity
12 provided for in the immediately preceding paragraph shall be
13 paid as a supplement in the manner set forth in the immediately
14 following paragraph.

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

25 In the event the funds in the Supplementary Payment Reserve
26 in any year arising from: (1) the interest income accruing in

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

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

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

21 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

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

23 (a) Notwithstanding any other provision of this Article,
24 beginning January 1, 1996, the minimum amount of widow's
25 annuity payable to any person who is entitled to receive a

1 widow's annuity under this Article is \$700 per month, without
2 regard to whether the deceased policeman is in service on or
3 after the effective date of this amendatory Act of 1995.

4 Notwithstanding any other provision of this Article,
5 beginning January 1, 1999, 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 \$800 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 1998.

10 Notwithstanding any other provision of this Article,
11 beginning January 1, 2004, the minimum amount of widow's
12 annuity payable to any person who is entitled to receive a
13 widow's annuity under this Article is \$900 per month, without
14 regard to whether the deceased policeman is in service on or
15 after the effective date of this amendatory Act of the 93rd
16 General Assembly.

17 Notwithstanding any other provision of this Article,
18 beginning January 1, 2005, the minimum amount of widow's
19 annuity payable to any person who is entitled to receive a
20 widow's annuity under this Article is \$1,000 per month, without
21 regard to whether the deceased policeman is in service on or
22 after the effective date of this amendatory Act of the 93rd
23 General Assembly.

24 Notwithstanding any other provision of this Article,
25 beginning January 1, 2010, the minimum amount of widow's
26 annuity payable to any person who is entitled to receive a

1 widow's annuity under this Article is \$1,200 per month, without
2 regard to whether the deceased policeman is in service on or
3 after the effective date of this amendatory Act of the 96th
4 General Assembly.

5 (b) Effective January 1, 1994, the minimum amount of
6 widow's annuity shall be \$700 per month for the following
7 classes of widows, without regard to whether the deceased
8 policeman is in service on or after the effective date of this
9 amendatory Act of 1993: (1) the widow of a policeman who dies
10 in service with at least 10 years of service credit, or who
11 dies in service after June 30, 1981; and (2) the widow of a
12 policeman who withdraws from service with 20 or more years of
13 service credit and does not withdraw a refund, provided that
14 the widow is married to the policeman before he withdraws from
15 service.

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

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

22 Section 90. The State Mandates Act is amended by adding
23 Section 8.33 as follows:

24 (30 ILCS 805/8.33 new)

1 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
2 of this Act, no reimbursement by the State is required for the
3 implementation of any mandate created by this amendatory Act of
4 the 96th General Assembly.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.