



## 96TH GENERAL ASSEMBLY

### State of Illinois

### 2009 and 2010

### HB2581

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

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-167.1  
30 ILCS 805/8.33 new

from Ch. 108 1/2, par. 5-167.1

Amends the Chicago Police Article of the Illinois Pension Code. Provides that, for policemen born on or after January 1, 1955 but before January 1, 1960, beginning on January 1, 2010, automatic annual increases shall be 3% and such policemen shall not be subject to the 30% maximum increase. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 10050 AMC 20214 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 changing  
5 Section 5-167.1 as follows:

6 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

7 Sec. 5-167.1. Automatic increase in annuity; retirement  
8 from service after September 1, 1967.

9 (a) A policeman who retires from service after September 1,  
10 1967 with at least 20 years of service credit shall, upon  
11 either the first of the month following the first anniversary  
12 of his date of retirement if he is age 60 (age 55 if born before  
13 January 1, 1955) or over on that anniversary date, or upon the  
14 first of the month following his attainment of age 60 (age 55  
15 if born before January 1, 1955) if it occurs after the first  
16 anniversary of his retirement date, have his then fixed and  
17 payable monthly annuity increased by 1 1/2% and such first  
18 fixed annuity as granted at retirement increased by an  
19 additional 1 1/2% in January of each year thereafter up to a  
20 maximum increase of 30%. Beginning January 1, 1983 for  
21 policemen born before January 1, 1930, and beginning January 1,  
22 1988 for policemen born on or after January 1, 1930 but before  
23 January 1, 1940, and beginning January 1, 1996 for policemen

1 born on or after January 1, 1940 but before January 1, 1945,  
2 and beginning January 1, 2000 for policemen born on or after  
3 January 1, 1945 but before January 1, 1950, and beginning  
4 January 1, 2005 for policemen born on or after January 1, 1950  
5 but before January 1, 1955, and beginning January 1, 2010 for  
6 policemen born on or after January 1, 1955 but before January  
7 1, 1960, such increases shall be 3% and such policemen shall  
8 not be subject to the 30% maximum increase.

9 Any policeman born before January 1, 1945 who qualifies for  
10 a minimum annuity and retires after September 1, 1967 but has  
11 not received the initial increase under this subsection before  
12 January 1, 1996 is entitled to receive the initial increase  
13 under this subsection on (1) January 1, 1996, (2) the first  
14 anniversary of the date of retirement, or (3) attainment of age  
15 55, whichever occurs last. The changes to this Section made by  
16 Public Act 89-12 apply beginning January 1, 1996 and without  
17 regard to whether the policeman or annuitant terminated service  
18 before the effective date of that Act.

19 Any policeman born before January 1, 1950 who qualifies for  
20 a minimum annuity and retires after September 1, 1967 but has  
21 not received the initial increase under this subsection before  
22 January 1, 2000 is entitled to receive the initial increase  
23 under this subsection on (1) January 1, 2000, (2) the first  
24 anniversary of the date of retirement, or (3) attainment of age  
25 55, whichever occurs last. The changes to this Section made by  
26 this amendatory Act of the 92nd General Assembly apply without

1 regard to whether the policeman or annuitant terminated service  
2 before the effective date of this amendatory Act.

3 Any policeman born before January 1, 1955 who qualifies for  
4 a minimum annuity and retires after September 1, 1967 but has  
5 not received the initial increase under this subsection before  
6 January 1, 2005 is entitled to receive the initial increase  
7 under this subsection on (1) January 1, 2005, (2) the first  
8 anniversary of the date of retirement, or (3) attainment of age  
9 55, whichever occurs last. The changes to this Section made by  
10 this amendatory Act of the 94th General Assembly apply without  
11 regard to whether the policeman or annuitant terminated service  
12 before the effective date of this amendatory Act.

13 Any policeman born before January 1, 1960 who qualifies for  
14 a minimum annuity and retires after September 1, 1967 but has  
15 not received the initial increase under this subsection before  
16 January 1, 2010 is entitled to receive the initial increase  
17 under this subsection on (1) January 1, 2010, (2) the first  
18 anniversary of the date of retirement, or (3) attainment of age  
19 55, whichever occurs last. The changes to this Section made by  
20 this amendatory Act of the 96th General Assembly apply without  
21 regard to whether the policeman or annuitant terminated service  
22 before the effective date of this amendatory Act.

23 (b) Subsection (a) of this Section is not applicable to an  
24 employee receiving a term annuity.

25 (c) To help defray the cost of such increases in annuity,  
26 there shall be deducted, beginning September 1, 1967, from each

1 payment of salary to a policeman, 1/2 of 1% of each salary  
2 payment concurrently with and in addition to the salary  
3 deductions otherwise made for annuity purposes.

4 The city, in addition to the contributions otherwise made  
5 by it for annuity purposes under other provisions of this  
6 Article, shall make matching contributions concurrently with  
7 such salary deductions.

8 Each such 1/2 of 1% deduction from salary and each such  
9 contribution by the city of 1/2 of 1% of salary shall be  
10 credited to the Automatic Increase Reserve, to be used to  
11 defray the cost of the 1 1/2% annuity increase provided by this  
12 Section. Any balance in such reserve as of the beginning of  
13 each calendar year shall be credited with interest at the rate  
14 of 3% per annum.

15 Such deductions from salary and city contributions shall  
16 continue while the policeman is in service.

17 The salary deductions provided in this Section are not  
18 subject to refund, except to the policeman himself, in any case  
19 in which a policeman withdraws prior to qualification for  
20 minimum annuity and applies for refund or applies for annuity,  
21 and also where a term annuity becomes payable. In such cases,  
22 the total of such salary deductions shall be refunded to the  
23 policeman, without interest, and charged to the Automatic  
24 Increase Reserve.

25 (Source: P.A. 94-719, eff. 1-6-06.)

1           Section 90. The State Mandates Act is amended by adding  
2           Section 8.33 as follows:

3           (30 ILCS 805/8.33 new)

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

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