



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4000

Introduced 2/26/2009, by Rep. Michael P. McAuliffe

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-132

from Ch. 108 1/2, par. 5-132

30 ILCS 805/8.33 new

Amends the Chicago Police Article of the Illinois Pension Code. Increases the retirement formula. Bases the annuity on final salary (or salary during the last year of service, if greater), rather than on the average of the 4 highest years of service during the last 10. Increases the accrual rate from 2.5% to 5% of that salary for years in excess of 20. Increases the maximum annuity from 75% to 80% of that salary. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 10722 AMC 20906 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 5-132 as follows:

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

7 Sec. 5-132. Minimum annuity. Any policeman who withdraws on
8 or after July 8, 1957, or any policeman transferred to the
9 police service of the city under the Exchange of Functions Act
10 of 1957 who withdraws on or after July 17, 1959, after
11 completing at least 20 years of service, for whom the annuity
12 otherwise provided in this Article is less than that stated in
13 this Section has a right to receive annuity as follows:

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

21 (b) If he is age 50 or more but less than age 55 on
22 withdrawal, his annuity shall be equal to 2% of the average
23 salary for the 4 highest consecutive years of the last 10 years

1 of service for each year of service, together with 1/16 of 1%
2 of such average salary for each month of each fractional year
3 of service, reduced by 1/2 of 1% for each month that he is less
4 than age 55.

5 (c) If he is less than age 50 on withdrawal, he may, upon
6 attainment of age 50 or over, become entitled to the annuity
7 provided in this Section or, he may, upon application before
8 age 50, receive a refund of the deductions from salary, plus
9 interest at 1 1/2% per annum if he is entitled to refund under
10 Section 5-163.

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

23 Any policeman who has completed 23 years of service prior
24 to his attainment of age 53 in the service and continues in the
25 service until his attainment of age 53 shall have added to his
26 annuity, computed as provided in the immediately preceding

1 paragraph, an additional annuity equal to 1% of such average
2 salary for each completed year of service or fraction thereof
3 in excess of 23 years up to age 53.

4 (e) In lieu of the annuity provided in the foregoing
5 provisions of this Section any policeman who withdraws from the
6 service either (i) after December 31, 1983 with at least 22
7 years of service credit and having attained age 52 in the
8 service, or (ii) after December 31, 1984 with at least 21 years
9 of service credit and having attained age 51 in the service, or
10 (iii) after December 31, 1985 with at least 20 years of service
11 credit and having attained age 50 in the service, or (iv) after
12 December 31, 1990, with at least 20 years of service credit
13 regardless of age, shall be entitled to an annuity to begin not
14 earlier than upon attainment of age 50 if under such age at
15 withdrawal, computed as follows: an annuity equal to 50% of the
16 average salary for the 4 highest consecutive years of the last
17 10 years of service, plus additional annuity equal to 2% of
18 such average salary for each completed year of service or
19 fraction thereof rendered after his completion of the minimum
20 number of years of service required for him to be eligible
21 under this subsection (e).

22 In lieu of any annuity provided in the foregoing provisions
23 of this Section, any policeman who withdraws from the service
24 after December 31, 2003, with at least 20 years of service
25 credit regardless of age, shall be entitled to an annuity to
26 begin not earlier than upon attainment of age 50, if under that

1 age at withdrawal, equal to 2.5% of the average salary for the
2 4 highest consecutive years of the last 10 years of service for
3 each completed year of service or fraction thereof. However,
4 the annuity provided under this subsection (e) may not exceed
5 75% of such average salary.

6 (e-1) In lieu of the annuity provided in the foregoing
7 provisions of this Section, any policeman who withdraws from
8 the service after December 31, 2009 with at least 20 years of
9 service credit, regardless of age, shall be entitled to an
10 annuity to begin not earlier than upon attainment of age 50 if
11 under that age at withdrawal, computed as follows: an annuity
12 equal to 50% of the salary attached to the rank held on the
13 last day of service or for one year prior to the last day,
14 whichever is greater, plus additional annuity equal to 5% of
15 that salary for each completed year of service or fraction
16 thereof in excess of 20, subject to a maximum of 80% of that
17 salary.

18 (f) A policeman withdrawing after September 1, 1969, may,
19 in addition, be entitled to the benefits provided by Section
20 5-167.1 of this Article if he so qualifies under that Section.

21 If, on withdrawal, total service is less than 20 years, the
22 policeman shall not be entitled to an annuity under this
23 Section but may receive an annuity under the other provisions
24 of this Article or, if entitled thereto under Section 5--163, a
25 refund of the deductions from salary, including, in the case of
26 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 (Source: P.A. 93-654, eff. 1-16-04.)

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.33 as follows:

21 (30 ILCS 805/8.33 new)

22 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
23 of this Act, no reimbursement by the State is required for the
24 implementation of any mandate created by this amendatory Act of

1 the 96th General Assembly.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.