



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5392

Introduced 2/5/2010, by Rep. Michael P. McAuliffe

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-167.1
30 ILCS 805/8.34 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, 2011, 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 18726 AMC 34111 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, 2011 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, 2011 is entitled to receive the initial increase
17 under this subsection on (1) January 1, 2011, (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 8.34 as follows:

3 (30 ILCS 805/8.34 new)

4 Sec. 8.34. 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.