



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB6184

Introduced 2/11/2010, by Rep. Kevin A. McCarthy

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-229 new
30 ILCS 805/8.34 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Allows a fireman, prior to retirement on annuity, to elect to take a lesser amount of annuity and provide, with the actuarial value of the amount by which his or her annuity is reduced, a reversionary annuity for a spouse. Provides that a fireman exercising the option to provide a reversionary annuity may not reduce his or her annuity by more than \$400 per month or elect to provide a reversionary annuity of less than \$100 per month. Provides that a reversionary annuity shall begin on the day following the death of the annuitant and shall continue monthly thereafter until the death of the reversionary annuitant. Provides a method for calculating the amount of the reversionary annuity. Amends the State Mandates Act to require implementation without reimbursement.

LRB096 18790 AMC 34175 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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 adding
5 Section 6-229 as follows:

6 (40 ILCS 5/6-229 new)

7 Sec. 6-229. Reversionary annuity.

8 (a) A fireman, prior to retirement on annuity, may elect to
9 take a lesser amount of annuity and provide, with the actuarial
10 value of the amount by which his or her annuity is reduced, a
11 reversionary annuity for a spouse. The option may be exercised
12 by filing a written designation with the board prior to
13 retirement, and may be revoked by the fireman at any time
14 before retirement. The death of the fireman prior to his or her
15 retirement shall automatically void the option.

16 (b) The death of the designated reversionary annuitant
17 prior to the fireman's retirement shall automatically void the
18 option. If the reversionary annuitant dies after the fireman's
19 retirement and before the death of the fireman annuitant, the
20 reduced annuity being paid to the retired fireman annuitant
21 shall be increased to the amount of annuity before reduction
22 for the reversionary annuity and no reversionary annuity shall
23 be payable. The option is subject to the further condition that

1 no reversionary annuity shall be paid if the fireman dies
2 before the expiration of 730 days from the date his or her
3 written designation was filed with the board, even though he
4 has retired and is receiving a reduced annuity.

5 (c) A fireman exercising this option may not reduce his or
6 her annuity by more than \$400 per month or elect to provide a
7 reversionary annuity of less than \$100 per month.

8 (d) A reversionary annuity shall begin on the day following
9 the death of the annuitant, with the first prorated payment due
10 and payable the first day of the month following the date of
11 death, and shall continue monthly thereafter until the death of
12 the reversionary annuitant, with the last payment prorated to
13 date of death.

14 (e) Notwithstanding the fact that a fireman has elected to
15 receive a reduced annuity under this Section, the increases in
16 annuity provided in Section 6-164 of this Article shall be
17 calculated on the amount of the original unreduced annuity.

18 (f) The amount of the monthly reversionary annuity shall be
19 determined by multiplying the amount of the monthly reduction
20 in the fireman's annuity by the applicable factor in the
21 following table based on the age of the fireman and the
22 difference in the age of the fireman and the age of the
23 fireman's spouse at the starting date of the fireman's annuity:

24 Fireman's Age: 50-52 53-55 56-58 59-61 62-64 65 & over

25 Spouse's Age:

1	<u>30 or more years</u>						
2	<u>younger</u>	2.92	2.48	2.10	1.77	1.48	1.24
3	<u>25-29 years younger</u>	3.06	2.60	2.20	1.86	1.57	1.32
4	<u>20-24 years younger</u>	3.25	2.76	2.35	2.00	1.69	1.42
5	<u>15-19 years younger</u>	3.50	2.99	2.56	2.19	1.86	1.57
6	<u>10-14 years younger</u>	3.86	3.31	2.85	2.45	2.10	1.79
7	<u>5-9 years younger</u>	4.36	3.77	3.26	2.83	2.44	2.10
8	<u>0-4 years younger</u>	5.06	4.40	3.85	3.36	2.93	2.55
9	<u>1-5 years older</u>	6.04	5.30	4.68	4.13	3.63	3.19
10	<u>6-10 years older</u>	7.40	6.56	5.86	5.23	4.63	4.09
11	<u>11-15 years older</u>	9.31	8.33	7.51	6.75	6.01	5.31
12	<u>16-20 years older</u>	11.95	10.78	9.78	8.84	7.90	7.02
13	<u>21-25 years older</u>	15.54	14.07	12.86	11.73	10.60	9.56
14	<u>26-30 years older</u>	20.37	18.55	17.15	15.94	14.73	13.62
15	<u>31 or more years</u>						
16	<u>older</u>	27.03	24.90	23.51	22.52	21.60	20.90

17 Section 90. The State Mandates Act is amended by adding
 18 Section 8.34 as follows:

19 (30 ILCS 805/8.34 new)

20 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8
 21 of this Act, no reimbursement by the State is required for the
 22 implementation of any mandate created by this amendatory Act of
 23 the 96th General Assembly.