

**HB3397**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**HB3397**

Introduced 2/24/2011, by Rep. Robert Rita

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/17-119

from Ch. 108 1/2, par. 17-119

30 ILCS 805/8.35 new

Amends the Chicago Teacher Article of the Illinois Pension Code. Accelerates the initial annual increase in retirement pension to the January following the first anniversary of retirement. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 05111 JDS 45156 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

**A BILL FOR**

1 AN ACT in relation to 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 17-119 as follows:

6 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)  
7 Sec. 17-119. Automatic annual increase in pension.

8 (a) Each teacher retiring on or after September 1, 1959, is  
9 entitled to the annual increase in pension, defined herein,  
10 while he is receiving a pension from the Fund.

11 1. The term "base pension" means a service retirement  
12 or disability retirement pension in the amount fixed and  
13 payable at the date of retirement of a teacher.

14 2. The annual increase in pension shall be at the rate  
15 of 1 1/2% of base pension. This increase shall first occur  
16 in January of the year next following the first anniversary  
17 of retirement. At such time the Fund shall pay the pro rata  
18 part of the increase for the period from the first  
19 anniversary date to the date of the first increase in  
20 pension. Beginning January 1, 1972, the rate of annual  
21 increase in pension shall be 2% of the base pension.  
22 Beginning January 1, 1979, the rate of annual increase in  
23 pension shall be 3% of the base pension. Beginning January

1           1, 1990, all automatic annual increases payable under this  
2           Section shall be calculated as a percentage of the total  
3           pension payable at the time of the increase, including all  
4           increases previously granted under this Article,  
5           notwithstanding Section 17-157.

6           3. For a retired teacher who withdraws from service  
7           before January 1, 2012, an increase in pension shall be  
8           granted only if the retired teacher is age 60 or over. If  
9           the teacher attains age 60 after retirement, the increase  
10          in pension shall begin in January of the year following the  
11          61st birthday. At such time the Fund also shall pay the pro  
12          rata part of the increase from the 61st birthday to the  
13          date of first increase in pension.

14          For a retired teacher who withdraws from service on or  
15          after January 1, 2012, the increase in pension shall begin  
16          in the January next following the first anniversary of  
17          retirement. At such time the Fund shall also pay the pro  
18          rata part of the increase from the first anniversary of  
19          retirement to the date of first increase in pension.

20          **(b)** In addition to other increases which may be provided by  
21          this Section, on January 1, 1981 any teacher who was receiving  
22          a retirement pension on or before January 1, 1971 shall have  
23          his retirement pension then being paid increased \$1 per month  
24          for each year of creditable service. On January 1, 1982, any  
25          teacher whose retirement pension began on or before January 1,  
26          1977, shall have his retirement pension then being paid

1 increased \$1 per month for each year of creditable service.

2 On January 1, 1987, any teacher whose retirement pension  
3 began on or before January 1, 1977, shall have the monthly  
4 retirement pension increased by an amount equal to 8¢ per year  
5 of creditable service times the number of years that have  
6 elapsed since the retirement pension began.

7 (Source: P.A. 90-566, eff. 1-2-98.)

8 Section 90. The State Mandates Act is amended by adding  
9 Section 8.35 as follows:

10 (30 ILCS 805/8.35 new)

11 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
12 of this Act, no reimbursement by the State is required for the  
13 implementation of any mandate created by this amendatory Act of  
14 the 97th General Assembly.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.