

Sen. Kwame Raoul

Filed: 11/9/2011

	09700HB3813sam002 LRB097 13613 JDS 59722 a
1	AMENDMENT TO HOUSE BILL 3813
2	AMENDMENT NO Amend House Bill 3813, AS AMENDED,
3	with reference to page and line numbers of Senate Amendment No.
4	1, on page 1, line 5, immediately after "6-209,", by inserting
5	"8-138,"; and
6	on page 1, line 6, immediately after "9-219,", by inserting
7	"11-134"; and
8	on page 18, line 25, by deleting "to"; and
9	on page 18, line 26, by deleting "special duty assignments";
10	and
11	on page 23, immediately below line 10, by inserting the
12	following:
13	"(40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

1 Sec. 8-138. Minimum annuities - Additional provisions.

(a) An employee who withdraws after age 65 or more with at least 20 years of service, for whom the amount of age and service and prior service annuity combined is less than the amount stated in this Section, shall from the date of withdrawal, instead of all annuities otherwise provided, be entitled to receive an annuity for life of \$150 a year, plus 1 1/2% for each year of service, to and including 20 years, and 1 2/3% for each year of service over 20 years, of his highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after 20 or more years of service, before age 65, shall be entitled to such annuity, to begin not earlier than upon attained age of 55 years if under such age at withdrawal, reduced by 2% for each full year or fractional part thereof that his attained age is less than 65, plus an additional 2% reduction for each full year or fractional part thereof that his attained age when annuity is to begin is less than 60 so that the total reduction at age 55 shall be 30%.

(b) An employee who withdraws after July 1, 1957, at age 60 or over, with 20 or more years of service, for whom the age and service and prior service annuity combined, is less than the amount stated in this paragraph, shall, from the date of withdrawal, instead of such annuities, be entitled to receive

an annuity for life equal to 1 2/3% for each year of service, of the highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided, that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, shall receive an annuity for life equal to 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957 and before January 1, 1988, with 20 or more years of service, before age 60 years is entitled to annuity, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60 if the employee was born before January 1, 1936, or 0.5% for each such month if the employee was born on or after January 1, 1936.

Any employee born before January 1, 1936, who withdraws with 20 or more years of service, and any employee with 20 or more years of service who withdraws on or after January 1, 1988, may elect to receive, in lieu of any other employee

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

annuity provided in this Section, an annuity for life equal to 1.80% for each of the first 10 years of service, 2.00% for each of the next 10 years of service, 2.20% for each year of service in excess of 20 but not exceeding 30, and 2.40% for each year of service in excess of 30, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring on or after January 1, 1988, at age 55 or over but less than age 60, having at least 35 years of service, or an employee retiring on or after July 1, 1990, at age 55 or over but less than age 60, having at least 30 years of service, or an employee retiring on or after the effective date of this amendatory Act of 1997, at age 55 or over but less than age 60, having at least 25 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

However, in the case of an employee who retired on or after January 1, 1985 but before January 1, 1988, at age 55 or older and with at least 35 years of service, and who was subject under this subsection (b) to the reduction in retirement annuity because of retirement below age 60, that reduction shall cease to be effective January 1, 1991, and the retirement

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

annuity shall be recalculated accordingly.

Any employee who withdraws on or after July 1, 1990, with 20 or more years of service, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

Any employee who withdraws on or after the effective date of this amendatory Act of 1997 with 20 or more years of service may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service, if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not

earlier than upon attainment of age 55 (age 50 if the employee has at least 30 years of service), reduced 0.25% for each full month or remaining fractional part thereof that the employee's attained age when annuity is to begin is less than 60; except that an employee retiring at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60.

The maximum annuity payable under part (a) and (b) of this Section shall not exceed 70% of highest average annual salary in the case of an employee who withdraws prior to July 1, 1971, 75% if withdrawal takes place on or after July 1, 1971 and prior to January 1, 2002, or 80% if withdrawal takes place on or after January 1, 2002. For the purpose of the minimum annuity provided in this Section \$1,500 is considered the minimum annual salary for any year; and the maximum annual salary for the computation of such annuity is \$4,800 for any year before 1953, \$6000 for the years 1953 to 1956, inclusive, and the actual annual salary, as salary is defined in this Article, for any year thereafter.

To preserve rights existing on December 31, 1959, for participants and contributors on that date to the fund created by the Court and Law Department Employees' Annuity Act, who became participants in the fund provided for on January 1, 1960, the maximum annual salary to be considered for such persons for the years 1955 and 1956 is \$7,500.

- 1 (c) For an employee receiving disability benefit, his 2 salary for annuity purposes under paragraphs (a) and (b) of 3 this Section, for all periods of disability benefit subsequent 4 to the year 1956, is the amount on which his disability benefit 5 was based.
 - (d) An employee with 20 or more years of service, whose entire disability benefit credit period expires before attainment of age 55 while still disabled for service, is entitled upon withdrawal to the larger of (1) the minimum annuity provided above, assuming he is then age 55, and reducing such annuity to its actuarial equivalent as of his attained age on such date or (2) the annuity provided from his age and service and prior service annuity credits.
 - (e) The minimum annuity provisions do not apply to any former municipal employee receiving an annuity from the fund who re-enters service as a municipal employee, unless he renders at least 3 years of additional service after the date of re-entry.
 - (f) An employee in service on July 1, 1947, or who became a contributor after July 1, 1947 and before attainment of age 70, who withdraws after age 65, with less than 20 years of service for whom the annuity has been fixed under this Article shall, instead of the annuity so fixed, receive an annuity as follows:

Such amount as he could have received had the accumulated amounts for annuity been improved with interest at the effective rate to the date of his withdrawal, or to attainment

of age 70, whichever is earlier, and had the city contributed to such earlier date for age and service annuity the amount that it would have contributed had he been under age 65, after the date his annuity was fixed in accordance with this Article, and assuming his annuity were computed from such accumulations as of his age on such earlier date. The annuity so computed shall not exceed the annuity which would be payable under the other provisions of this Section if the employee was credited with 20 years of service and would qualify for annuity thereunder.

- (g) Instead of the annuity provided in this Article, an employee having attained age 65 with at least 15 years of service who withdraws from service on or after July 1, 1971 and whose annuity computed under other provisions of this Article is less than the amount provided under this paragraph, is entitled to a minimum annuity for life equal to 1% of the highest average annual salary, as salary is defined and limited in this Section for any 4 consecutive years within the last 10 years of service for each year of service, plus the sum of \$25 for each year of service. The annuity shall not exceed 60% of such highest average annual salary.
- (g-1) Instead of any other retirement annuity provided in this Article, an employee who has at least 10 years of service and withdraws from service on or after January 1, 1999 may elect to receive a retirement annuity for life, beginning no earlier than upon attainment of age 60, equal to 2.2% if

26

withdrawal is before January 1, 2002, or 2.4% if withdrawal is 1 on or after January 1, 2002, of final average salary for each 2 year of service, subject to a maximum of 75% of final average 3 4 salary if withdrawal is before January 1, 2002, or 80% if 5 withdrawal is on or after January 1, 2002. For the purpose of 6 calculating this annuity, "final average salary" means the highest average annual salary for any 4 consecutive years in 7 8 the last 10 years of service. Nothwithstanding any provision of 9 this subsection to the contrary, the "final average salary" for 10 a participant that received credit under subsection (c) of 11 Section 8-226 means the highest average salary for any 4 consecutive years (or any 8 consecutive years if the employee 12 13 first became a participant on or after January 1, 2011) in the 14 10 years immediately prior to the leave of absence, and adding 15 to that highest average salary, the product of (i) that highest 16 average salary, (ii) the average percentage increase in the Consumer Price Index during each 12-month calendar year for the 17 calendar years during the participant's leave of absence, and 18 (iii) the length of the leave of absence in years, provided 19 20 that this shall not exceed the participant's salary at the local labor organization. For purposes of this Section, the 21 22 Consumer Price Index is the Consumer Price Index for All Urban Consumers for all items published by the United States 23 24 Department of Labor.

(h) The minimum annuities provided under this Section shall be paid in equal monthly installments.

1971.

- 1 (i) The amendatory provisions of part (b) and (g) of this 2 Section shall be effective July 1, 1971 and apply in the case 3 of every qualifying employee withdrawing on or after July 1,
- (j) The amendatory provisions of this amendatory Act of 1985 (P.A. 84-23) relating to the discount of annuity because of retirement prior to attainment of age 60, and to the retirement formula, for those born before January 1, 1936, shall apply only to qualifying employees withdrawing on or after July 18, 1985.
 - (j-1) The changes made to this Section by Public Act 92-609 (increasing the retirement formula to 2.4% per year of service and increasing the maximum to 80%) apply to persons who withdraw from service on or after January 1, 2002, regardless of whether that withdrawal takes place before the effective date of that Act. In the case of a person who withdraws from service on or after January 1, 2002 but begins to receive a retirement annuity before July 1, 2002, the annuity shall be recalculated, with the increase resulting from Public Act 92-609 accruing from the date the retirement annuity began. The changes made by Public Act 92-609 control over the changes made by Public Act 92-599, as provided in Section 95 of P.A. 92-609.
 - (k) Beginning on January 1, 1999, the minimum amount of employee's annuity shall be \$850 per month for life for the following classes of employees, without regard to the fact that withdrawal occurred prior to the effective date of this

- 1 amendatory Act of 1998:
- (1) any employee annuitant alive and receiving a life 2
- annuity on the effective date of this amendatory Act of 3
- 4 1998, except a reciprocal annuity;
- 5 (2) any employee annuitant alive and receiving a term
- annuity on the effective date of this amendatory Act of 6
- 1998, except a reciprocal annuity; 7
- 8 (3) any employee annuitant alive and receiving a
- reciprocal annuity on the effective date of this amendatory 9
- 10 Act of 1998, whose service in this fund is at least 5
- 11 years;
- (4) any employee annuitant withdrawing after age 60 on 12
- 13 or after the effective date of this amendatory Act of 1998,
- with at least 10 years of service in this fund. 14
- 15 The increases granted under items (1), (2) and (3) of this
- 16 subsection (k) shall not be limited by any other Section of
- 17 this Act.
- (Source: P.A. 95-331, eff. 8-21-07.)"; and 18
- 19 on page 35, immediately below line 16, by inserting the
- following: 20
- 21 "(40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
- 22 Sec. 11-134. Minimum annuities.
- 23 (a) An employee whose withdrawal occurs after July 1, 1957
- 24 at age 60 or over, with 20 or more years of service, (as

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

2.1

22

23

24

25

26

service is defined or computed in Section 11-216), for whom the age and service and prior service annuity combined is less than the amount stated in this Section, shall, from and after the date of withdrawal, in lieu of all annuities otherwise provided in this Article, be entitled to receive an annuity for life of an amount equal to 1 2/3% for each year of service, of the highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided, that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, shall be entitled to instead receive an annuity for life equal to 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957 and before January 1, 1988, with 20 or more years of service, before age 60, shall be entitled to an annuity, to begin not earlier than age 55, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 0.25% if the employee was born before January 1, 1936, or 0.5% if the employee was born on or after January 1, 1936, for each full month or fractional part thereof that his attained age when such annuity is to

begin is less than 60.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Any employee born before January 1, 1936 who withdraws with 20 or more years of service, and any employee with 20 or more years of service who withdraws on or after January 1, 1988, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 1.80% for each of the first 10 years of service, 2.00% for each of the next 10 years of service, 2.20% for each year of service in excess of 20, but not exceeding 30, and 2.40% for each year of service in excess of 30, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring on or after January 1, 1988, at age 55 or over but less than age 60, having at least 35 years of service, or an employee retiring on or after July 1, 1990, at age 55 or over but less than age 60, having at least 30 years of service, or an employee retiring on or after the effective date of this amendatory Act of 1997, at age 55 or over but less than age 60, having at least 25 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

However, in the case of an employee who retired on or after January 1, 1985 but before January 1, 1988, at age 55 or older

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

1 and with at least 35 years of service, and who was subject 2 under this subsection (a) to the reduction in retirement annuity because of retirement below age 60, that reduction 3 4 shall cease to be effective January 1, 1991, and the retirement 5 annuity shall be recalculated accordingly.

Any employee who withdraws on or after July 1, 1990, with 20 or more years of service, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

Any employee who withdraws on or after the effective date of this amendatory Act of 1997 with 20 or more years of service may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before January 1,

2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attainment of age 55 (age 50 if the employee has at least 30 years of service), reduced 0.25% for each full month or remaining fractional part thereof that the employee's attained age when annuity is to begin is less than 60; except that an employee retiring at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60.

The maximum annuity payable under this paragraph (a) of this Section shall not exceed 70% of highest average annual salary in the case of an employee who withdraws prior to July 1, 1971, 75% if withdrawal takes place on or after July 1, 1971 and prior to January 1, 2002, or 80% if withdrawal is on or after January 1, 2002. For the purpose of the minimum annuity provided in said paragraphs \$1,500 shall be considered the minimum annual salary for any year; and the maximum annual salary to be considered for the computation of such annuity shall be \$4,800 for any year prior to 1953, \$6,000 for the years 1953 to 1956, inclusive, and the actual annual salary, as salary is defined in this Article, for any year thereafter.

(b) For an employee receiving disability benefit, his salary for annuity purposes under this Section shall, for all

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

- 1 periods of disability benefit subsequent to the year 1956, be the amount on which his disability benefit was based. 2
 - (c) An employee with 20 or more years of service, whose entire disability benefit credit period expires prior to attainment of age 55 while still disabled for service, shall be entitled upon withdrawal to the larger of (1) the minimum annuity provided above assuming that he is then age 55, and reducing such annuity to its actuarial equivalent at his attained age on such date, or (2) the annuity provided from his age and service and prior service annuity credits.
 - (d) The minimum annuity provisions as aforesaid shall not apply to any former employee receiving an annuity from the fund, and who re-enters service as an employee, unless he renders at least 3 years of additional service after the date of re-entry.
 - (e) An employee in service on July 1, 1947, or who became a contributor after July 1, 1947 and prior to July 1, 1950, or who shall become a contributor to the fund after July 1, 1950 prior to attainment of age 70, who withdraws after age 65 with less than 20 years of service, for whom the annuity has been fixed under the foregoing Sections of this Article shall, in lieu of the annuity so fixed, receive an annuity as follows:

Such amount as he could have received had the accumulated amounts for annuity been improved with interest at the effective rate to the date of his withdrawal, or to attainment of age 70, whichever is earlier, and had the city contributed

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

to such earlier date for age and service annuity the amount that would have been contributed had he been under age 65, after the date his annuity was fixed in accordance with this Article, and assuming his annuity were computed from such accumulations as of his age on such earlier date. The annuity so computed shall not exceed the annuity which would be payable under the other provisions of this Section if the employee was credited with 20 years of service and would qualify for annuity thereunder.

- (f) In lieu of the annuity provided in this or in any other Section of this Article, an employee having attained age 65 with at least 15 years of service who withdraws from service on or after July 1, 1971 and whose annuity computed under other provisions of this Article is less than the amount provided under this paragraph shall be entitled to receive a minimum annual annuity for life equal to 1% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding retirement for each year of his service plus the sum of \$25 for each year of service. Such annual annuity shall not exceed the maximum percentages stated under paragraph (a) of this Section of such highest average annual salary.
- (f-1) Instead of any other retirement annuity provided in this Article, an employee who has at least 10 years of service and withdraws from service on or after January 1, 1999 may elect to receive a retirement annuity for life, beginning no

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

earlier than upon attainment of age 60, equal to 2.2% if withdrawal is before January 1, 2002, or 2.4% for each year of service if withdrawal is on or after January 1, 2002, of final average salary for each year of service, subject to a maximum of 75% of final average salary if withdrawal is before January 1, 2002, or 80% if withdrawal is on or after January 1, 2002. For the purpose of calculating this annuity, "final average salary" means the highest average annual salary for any 4 consecutive years in the last 10 years of service. Nothwithstanding any provision of this subsection to the contrary, the "final average salary" for a participant that received credit under item (3) of subsection (c) of Section 11-215 means the highest average salary for any 4 consecutive years (or any 8 consecutive years if the employee first became a participant on or after January 1, 2011) in the 10 years immediately prior to the leave of absence, and adding to that highest average salary, the product of (i) that highest average salary, (ii) the average percentage increase in the Consumer Price Index during each 12-month calendar year for the calendar years during the participant's leave of absence, and (iii) the length of the leave of absence in years, provided that this shall not exceed the participant's salary at the local labor organization. For purposes of this Section, the Consumer Price Index is the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor.

(g) Any annuity payable under the preceding subsections of

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- this Section 11-134 shall be paid in equal monthly installments.
- 3 (h) The amendatory provisions of part (a) and (f) of this 4 Section shall be effective July 1, 1971 and apply in the case 5 of every qualifying employee withdrawing on or after July 1, 6 1971.
 - (h-1) The changes made to this Section by Public Act 92-609 (increasing the retirement formula to 2.4% per year of service and increasing the maximum to 80%) apply to persons who withdraw from service on or after January 1, 2002, regardless of whether that withdrawal takes place before the effective date of that Act. In the case of a person who withdraws from service on or after January 1, 2002 but begins to receive a retirement annuity before July 1, 2002, the annuity shall be recalculated, with the increase resulting from Public Act 92-609 accruing from the date the retirement annuity began. The changes made by Public Act 92-609 control over the changes made by Public Act 92-599, as provided in Section 95 of P.A. 92-609.
 - (i) The amendatory provisions of this amendatory Act of 1985 relating to the discount of annuity because of retirement prior to attainment of age 60 and increasing the retirement formula for those born before January 1, 1936, shall apply only to qualifying employees withdrawing on or after August 16, 1985.
- 25 (j) Beginning on January 1, 1999, the minimum amount of 26 employee's annuity shall be \$850 per month for life for the

- 1 following classes of employees, without regard to the fact that
- withdrawal occurred prior to the effective date of this 2
- 3 amendatory Act of 1998:
- (1) any employee annuitant alive and receiving a life 4
- 5 annuity on the effective date of this amendatory Act of
- 1998, except a reciprocal annuity; 6
- (2) any employee annuitant alive and receiving a term 7
- annuity on the effective date of this amendatory Act of 8
- 9 1998, except a reciprocal annuity;
- 10 (3) any employee annuitant alive and receiving a
- reciprocal annuity on the effective date of this amendatory 11
- Act of 1998, whose service in this fund is at least 5 12
- 13 years;
- 14 (4) any employee annuitant withdrawing after age 60 on
- 15 or after the effective date of this amendatory Act of 1998,
- with at least 10 years of service in this fund. 16
- The increases granted under items (1), (2) and (3) of this 17
- 18 subsection (j) shall not be limited by any other Section of
- this Act. 19
- 20 (Source: P.A. 95-331, eff. 8-21-07.)"; and
- 21 on page 47, line 2, immediately after "participant", by
- inserting "before the effective date of this amendatory Act of 22
- the 97th General Assembly"; and 23
- 24 on page 50, line 22, immediately after "member", by inserting

- 1 "before the effective date of this amendatory Act of the 97th
- 2 General Assembly"; and
- on page 59, immediately above line 1, by inserting the 3
- 4 following:
- "Section 98. Severability. The provisions of this Act are 5
- severable under Section 1.31 of the Statute on Statutes.". 6