



Rep. Michael J. Madigan

Filed: 4/2/2014

09800SB1922ham004

LRB098 09566 EFG 58082 a

1 AMENDMENT TO SENATE BILL 1922

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1922, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 1. Findings. It is the intention of the General  
6 Assembly to address an immediate funding crisis that threatens  
7 the solvency and sustainability of the public pension systems  
8 ("Pension Funds") serving employees of the City of Chicago  
9 ("City"). The Pension Funds include the Municipal Employees'  
10 Annuity and Benefit Fund of Chicago ("MEABF") and the Laborers'  
11 and Retirement Board Employees' Annuity Benefit Fund of Chicago  
12 ("LABF"). After reviewing the condition of the Pension Funds,  
13 potential sources of funding, and assessing the need for reform  
14 thereof, the General Assembly finds and declares that:

15 1. The overall financial condition of these two city  
16 pension funds is so dire, even under the most optimistic  
17 assumptions, a balanced increase in funding, both from the City

1 and from its employees, combined with a modification of retiree  
2 benefits for both current and future retirees, is necessary to  
3 stabilize and fund the pension funds.

4 2. While considering the combined unfunded liabilities of  
5 these two City funds, as well as other pension funds that  
6 ultimately will rely on funds from the City's property tax  
7 base, a combination of benefit modification and increased  
8 revenues are necessary to keep the city funds solvent.

9 3. Furthermore, the City cannot feasibly reduce its other  
10 expenses to address this serious problem without an  
11 unprecedented reduction in basic City services. Personnel  
12 costs constitute approximately 75% of the non-discretionary  
13 appropriations for the City. As such, reductions in City  
14 expenditures to fund pensions would necessarily result in  
15 substantial cuts to City personnel, including in key services  
16 areas such as public safety, sanitation, and construction.

17 4. In sum, the crisis confronting the City and its Funds is  
18 so large and immediate that it cannot be addressed through  
19 increased funding alone, without modifying pension benefits.  
20 The consequences to the City of attempting to do so would be  
21 draconian. Accordingly, the General Assembly concludes that,  
22 unless reforms are enacted, the benefits currently promised by  
23 the Pension Funds are at risk.

24 Section 5. The Property Tax Code is amended by changing  
25 Section 20-15 as follows:

1 (35 ILCS 200/20-15)

2 Sec. 20-15. Information on bill or separate statement.  
3 There shall be printed on each bill, or on a separate slip  
4 which shall be mailed with the bill:

5 (a) a statement itemizing the rate at which taxes have  
6 been extended for each of the taxing districts in the  
7 county in whose district the property is located, and in  
8 those counties utilizing electronic data processing  
9 equipment the dollar amount of tax due from the person  
10 assessed allocable to each of those taxing districts,  
11 including a separate statement of the dollar amount of tax  
12 due which is allocable to a tax levied under the Illinois  
13 Local Library Act or to any other tax levied by a  
14 municipality or township for public library purposes,

15 (b) a separate statement for each of the taxing  
16 districts of the dollar amount of tax due which is  
17 allocable to a tax levied under the Illinois Pension Code  
18 or to any other tax levied by a municipality or township  
19 for public pension or retirement purposes; provided,  
20 however, there shall be a separate statement of the dollar  
21 amount of tax due which is allocable to the Pension  
22 Stabilization Levy under Articles 8 and 11 of the Illinois  
23 Pension Code,

24 (c) the total tax rate,

25 (d) the total amount of tax due, and

1           (e) the amount by which the total tax and the tax  
2           allocable to each taxing district differs from the  
3           taxpayer's last prior tax bill.

4           The county treasurer shall ensure that only those taxing  
5           districts in which a parcel of property is located shall be  
6           listed on the bill for that property.

7           In all counties the statement shall also provide:

8           (1) the property index number or other suitable  
9           description,

10          (2) the assessment of the property,

11          (3) the statutory amount of each homestead exemption  
12          applied to the property,

13          (4) the assessed value of the property after  
14          application of all homestead exemptions,

15          (5) the equalization factors imposed by the county and  
16          by the Department, and

17          (6) the equalized assessment resulting from the  
18          application of the equalization factors to the basic  
19          assessment.

20          In all counties which do not classify property for purposes  
21          of taxation, for property on which a single family residence is  
22          situated the statement shall also include a statement to  
23          reflect the fair cash value determined for the property. In all  
24          counties which classify property for purposes of taxation in  
25          accordance with Section 4 of Article IX of the Illinois  
26          Constitution, for parcels of residential property in the lowest

1 assessment classification the statement shall also include a  
2 statement to reflect the fair cash value determined for the  
3 property.

4 In all counties, the statement must include information  
5 that certain taxpayers may be eligible for tax exemptions,  
6 abatements, and other assistance programs and that, for more  
7 information, taxpayers should consult with the office of their  
8 township or county assessor and with the Illinois Department of  
9 Revenue.

10 In all counties, the statement shall include information  
11 that certain taxpayers may be eligible for the Senior Citizens  
12 and Disabled Persons Property Tax Relief Act and that  
13 applications are available from the Illinois Department on  
14 Aging.

15 In counties which use the estimated or accelerated billing  
16 methods, these statements shall only be provided with the final  
17 installment of taxes due. The provisions of this Section create  
18 a mandatory statutory duty. They are not merely directory or  
19 discretionary. The failure or neglect of the collector to mail  
20 the bill, or the failure of the taxpayer to receive the bill,  
21 shall not affect the validity of any tax, or the liability for  
22 the payment of any tax.

23 (Source: P.A. 97-689, eff. 6-14-12; 98-93, eff. 7-16-13.)

24 Section 10. The Illinois Pension Code is amended by  
25 changing Sections 1-160, 8-137, 8-137.1, 8-173, 8-174, 8-192,

1 11-134.1, 11-134.3, 11-169, 11-170, and 11-181 and by adding  
2 Sections 8-173.1, 8-174.2, 11-169.1, and 11-179.1 as follows:

3 (40 ILCS 5/1-160)

4 (Text of Section before amendment by P.A. 98-622)

5 Sec. 1-160. Provisions applicable to new hires.

6 (a) The provisions of this Section apply to a person who,  
7 on or after January 1, 2011, first becomes a member or a  
8 participant under any reciprocal retirement system or pension  
9 fund established under this Code, other than a retirement  
10 system or pension fund established under Article 2, 3, 4, 5, 6,  
11 15 or 18 of this Code, notwithstanding any other provision of  
12 this Code to the contrary, but do not apply to any self-managed  
13 plan established under this Code, to any person with respect to  
14 service as a sheriff's law enforcement employee under Article  
15 7, or to any participant of the retirement plan established  
16 under Section 22-101. Notwithstanding anything to the contrary  
17 in this Section, for purposes of this Section, a person who  
18 participated in a retirement system under Article 15 prior to  
19 January 1, 2011 shall be deemed a person who first became a  
20 member or participant prior to January 1, 2011 under any  
21 retirement system or pension fund subject to this Section. The  
22 changes made to this Section by Public Act 98-596 ~~this~~  
23 ~~amendatory Act of the 98th General Assembly~~ are a clarification  
24 of existing law and are intended to be retroactive to the  
25 effective date of Public Act 96-889, notwithstanding the

1 provisions of Section 1-103.1 of this Code.

2 (b) "Final average salary" means the average monthly (or  
3 annual) salary obtained by dividing the total salary or  
4 earnings calculated under the Article applicable to the member  
5 or participant during the 96 consecutive months (or 8  
6 consecutive years) of service within the last 120 months (or 10  
7 years) of service in which the total salary or earnings  
8 calculated under the applicable Article was the highest by the  
9 number of months (or years) of service in that period. For the  
10 purposes of a person who first becomes a member or participant  
11 of any retirement system or pension fund to which this Section  
12 applies on or after January 1, 2011, in this Code, "final  
13 average salary" shall be substituted for the following:

14 (1) In Article 7 (except for service as sheriff's law  
15 enforcement employees), "final rate of earnings".

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
17 annual salary for any 4 consecutive years within the last  
18 10 years of service immediately preceding the date of  
19 withdrawal".

20 (3) In Article 13, "average final salary".

21 (4) In Article 14, "final average compensation".

22 (5) In Article 17, "average salary".

23 (6) In Section 22-207, "wages or salary received by him  
24 at the date of retirement or discharge".

25 (b-5) Beginning on January 1, 2011, for all purposes under  
26 this Code (including without limitation the calculation of

1 benefits and employee contributions), the annual earnings,  
2 salary, or wages (based on the plan year) of a member or  
3 participant to whom this Section applies shall not exceed  
4 \$106,800; however, that amount shall annually thereafter be  
5 increased by the lesser of (i) 3% of that amount, including all  
6 previous adjustments, or (ii) one-half the annual unadjusted  
7 percentage increase (but not less than zero) in the consumer  
8 price index-u for the 12 months ending with the September  
9 preceding each November 1, including all previous adjustments.

10 For the purposes of this Section, "consumer price index-u"  
11 means the index published by the Bureau of Labor Statistics of  
12 the United States Department of Labor that measures the average  
13 change in prices of goods and services purchased by all urban  
14 consumers, United States city average, all items, 1982-84 =  
15 100. The new amount resulting from each annual adjustment shall  
16 be determined by the Public Pension Division of the Department  
17 of Insurance and made available to the boards of the retirement  
18 systems and pension funds by November 1 of each year.

19 (c) A member or participant is entitled to a retirement  
20 annuity upon written application if he or she has attained age  
21 67 and has at least 10 years of service credit and is otherwise  
22 eligible under the requirements of the applicable Article.

23 A member or participant who has attained age 62 and has at  
24 least 10 years of service credit and is otherwise eligible  
25 under the requirements of the applicable Article may elect to  
26 receive the lower retirement annuity provided in subsection (d)



1 of this Section.

2 (d) The retirement annuity of a member or participant who  
3 is retiring after attaining age 62 with at least 10 years of  
4 service credit shall be reduced by one-half of 1% for each full  
5 month that the member's age is under age 67.

6 (e) Any retirement annuity or supplemental annuity shall be  
7 subject to annual increases on the January 1 occurring either  
8 on or after the attainment of age 67 or the first anniversary  
9 of the annuity start date, whichever is later. Each annual  
10 increase shall be calculated at 3% or one-half the annual  
11 unadjusted percentage increase (but not less than zero) in the  
12 consumer price index-u for the 12 months ending with the  
13 September preceding each November 1, whichever is less, of the  
14 originally granted retirement annuity. If the annual  
15 unadjusted percentage change in the consumer price index-u for  
16 the 12 months ending with the September preceding each November  
17 1 is zero or there is a decrease, then the annuity shall not be  
18 increased.

19 (f) The initial survivor's or widow's annuity of an  
20 otherwise eligible survivor or widow of a retired member or  
21 participant who first became a member or participant on or  
22 after January 1, 2011 shall be in the amount of 66 2/3% of the  
23 retired member's or participant's retirement annuity at the  
24 date of death. In the case of the death of a member or  
25 participant who has not retired and who first became a member  
26 or participant on or after January 1, 2011, eligibility for a

1 survivor's or widow's annuity shall be determined by the  
2 applicable Article of this Code. The initial benefit shall be  
3 66 2/3% of the earned annuity without a reduction due to age. A  
4 child's annuity of an otherwise eligible child shall be in the  
5 amount prescribed under each Article if applicable. Any  
6 survivor's or widow's annuity shall be increased (1) on each  
7 January 1 occurring on or after the commencement of the annuity  
8 if the deceased member died while receiving a retirement  
9 annuity or (2) in other cases, on each January 1 occurring  
10 after the first anniversary of the commencement of the annuity.  
11 Each annual increase shall be calculated at 3% or one-half the  
12 annual unadjusted percentage increase (but not less than zero)  
13 in the consumer price index-u for the 12 months ending with the  
14 September preceding each November 1, whichever is less, of the  
15 originally granted survivor's annuity. If the annual  
16 unadjusted percentage change in the consumer price index-u for  
17 the 12 months ending with the September preceding each November  
18 1 is zero or there is a decrease, then the annuity shall not be  
19 increased.

20 (g) The benefits in Section 14-110 apply only if the person  
21 is a State policeman, a fire fighter in the fire protection  
22 service of a department, or a security employee of the  
23 Department of Corrections or the Department of Juvenile  
24 Justice, as those terms are defined in subsection (b) of  
25 Section 14-110. A person who meets the requirements of this  
26 Section is entitled to an annuity calculated under the

1 provisions of Section 14-110, in lieu of the regular or minimum  
2 retirement annuity, only if the person has withdrawn from  
3 service with not less than 20 years of eligible creditable  
4 service and has attained age 60, regardless of whether the  
5 attainment of age 60 occurs while the person is still in  
6 service.

7 (h) If a person who first becomes a member or a participant  
8 of a retirement system or pension fund subject to this Section  
9 on or after January 1, 2011 is receiving a retirement annuity  
10 or retirement pension under that system or fund and becomes a  
11 member or participant under any other system or fund created by  
12 this Code and is employed on a full-time basis, except for  
13 those members or participants exempted from the provisions of  
14 this Section under subsection (a) of this Section, then the  
15 person's retirement annuity or retirement pension under that  
16 system or fund shall be suspended during that employment. Upon  
17 termination of that employment, the person's retirement  
18 annuity or retirement pension payments shall resume and be  
19 recalculated if recalculation is provided for under the  
20 applicable Article of this Code.

21 If a person who first becomes a member of a retirement  
22 system or pension fund subject to this Section on or after  
23 January 1, 2012 and is receiving a retirement annuity or  
24 retirement pension under that system or fund and accepts on a  
25 contractual basis a position to provide services to a  
26 governmental entity from which he or she has retired, then that

1 person's annuity or retirement pension earned as an active  
2 employee of the employer shall be suspended during that  
3 contractual service. A person receiving an annuity or  
4 retirement pension under this Code shall notify the pension  
5 fund or retirement system from which he or she is receiving an  
6 annuity or retirement pension, as well as his or her  
7 contractual employer, of his or her retirement status before  
8 accepting contractual employment. A person who fails to submit  
9 such notification shall be guilty of a Class A misdemeanor and  
10 required to pay a fine of \$1,000. Upon termination of that  
11 contractual employment, the person's retirement annuity or  
12 retirement pension payments shall resume and, if appropriate,  
13 be recalculated under the applicable provisions of this Code.

14 (i) (Blank).

15 (j) In the case of a conflict between the provisions of  
16 this Section and any other provision of this Code, the  
17 provisions of this Section shall control.

18 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,  
19 eff. 11-19-13; revised 1-23-14.)

20 (Text of Section after amendment by P.A. 98-622)

21 Sec. 1-160. Provisions applicable to new hires.

22 (a) The provisions of this Section apply to a person who,  
23 on or after January 1, 2011, first becomes a member or a  
24 participant under any reciprocal retirement system or pension  
25 fund established under this Code, other than a retirement

1 system or pension fund established under Article 2, 3, 4, 5, 6,  
2 15 or 18 of this Code, notwithstanding any other provision of  
3 this Code to the contrary, but do not apply to any self-managed  
4 plan established under this Code, to any person with respect to  
5 service as a sheriff's law enforcement employee under Article  
6 7, or to any participant of the retirement plan established  
7 under Section 22-101. Notwithstanding anything to the contrary  
8 in this Section, for purposes of this Section, a person who  
9 participated in a retirement system under Article 15 prior to  
10 January 1, 2011 shall be deemed a person who first became a  
11 member or participant prior to January 1, 2011 under any  
12 retirement system or pension fund subject to this Section. The  
13 changes made to this Section by Public Act 98-596 ~~this~~  
14 ~~amendatory Act of the 98th General Assembly~~ are a clarification  
15 of existing law and are intended to be retroactive to the  
16 effective date of Public Act 96-889, notwithstanding the  
17 provisions of Section 1-103.1 of this Code.

18 (b) "Final average salary" means the average monthly (or  
19 annual) salary obtained by dividing the total salary or  
20 earnings calculated under the Article applicable to the member  
21 or participant during the 96 consecutive months (or 8  
22 consecutive years) of service within the last 120 months (or 10  
23 years) of service in which the total salary or earnings  
24 calculated under the applicable Article was the highest by the  
25 number of months (or years) of service in that period. For the  
26 purposes of a person who first becomes a member or participant

1 of any retirement system or pension fund to which this Section  
2 applies on or after January 1, 2011, in this Code, "final  
3 average salary" shall be substituted for the following:

4 (1) In Article 7 (except for service as sheriff's law  
5 enforcement employees), "final rate of earnings".

6 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
7 annual salary for any 4 consecutive years within the last  
8 10 years of service immediately preceding the date of  
9 withdrawal".

10 (3) In Article 13, "average final salary".

11 (4) In Article 14, "final average compensation".

12 (5) In Article 17, "average salary".

13 (6) In Section 22-207, "wages or salary received by him  
14 at the date of retirement or discharge".

15 (b-5) Beginning on January 1, 2011, for all purposes under  
16 this Code (including without limitation the calculation of  
17 benefits and employee contributions), the annual earnings,  
18 salary, or wages (based on the plan year) of a member or  
19 participant to whom this Section applies shall not exceed  
20 \$106,800; however, that amount shall annually thereafter be  
21 increased by the lesser of (i) 3% of that amount, including all  
22 previous adjustments, or (ii) one-half the annual unadjusted  
23 percentage increase (but not less than zero) in the consumer  
24 price index-u for the 12 months ending with the September  
25 preceding each November 1, including all previous adjustments.

26 For the purposes of this Section, "consumer price index-u"

1 means the index published by the Bureau of Labor Statistics of  
2 the United States Department of Labor that measures the average  
3 change in prices of goods and services purchased by all urban  
4 consumers, United States city average, all items, 1982-84 =  
5 100. The new amount resulting from each annual adjustment shall  
6 be determined by the Public Pension Division of the Department  
7 of Insurance and made available to the boards of the retirement  
8 systems and pension funds by November 1 of each year.

9 (c) A member or participant is entitled to a retirement  
10 annuity upon written application if he or she has attained age  
11 67 (beginning January 1, 2015, age 65 with respect to service  
12 under Article 8, 11, or 12 of this Code that is subject to this  
13 Section) and has at least 10 years of service credit and is  
14 otherwise eligible under the requirements of the applicable  
15 Article.

16 A member or participant who has attained age 62 (beginning  
17 January 1, 2015, age 60 with respect to service under Article  
18 8, 11, or 12 of this Code that is subject to this Section) and  
19 has at least 10 years of service credit and is otherwise  
20 eligible under the requirements of the applicable Article may  
21 elect to receive the lower retirement annuity provided in  
22 subsection (d) of this Section.

23 (d) The retirement annuity of a member or participant who  
24 is retiring after attaining age 62 (beginning January 1, 2015,  
25 age 60 with respect to service under Article 8, 11, or 12 of  
26 this Code that is subject to this Section) with at least 10

1 years of service credit shall be reduced by one-half of 1% for  
2 each full month that the member's age is under age 67  
3 (beginning January 1, 2015, age 65 with respect to service  
4 under Article 8, 11, or 12 of this Code that is subject to this  
5 Section).

6 (e) Any retirement annuity or supplemental annuity shall be  
7 subject to annual increases on the January 1 occurring either  
8 on or after the attainment of age 67 (beginning January 1,  
9 2015, age 65 with respect to service under Article 8, 11, or 12  
10 of this Code that is subject to this Section) or the first  
11 anniversary (the second anniversary with respect to service  
12 under Article 8 or 11) of the annuity start date, whichever is  
13 later. Each annual increase shall be calculated at 3% or  
14 one-half the annual unadjusted percentage increase (but not  
15 less than zero) in the consumer price index-u for the 12 months  
16 ending with the September preceding each November 1, whichever  
17 is less, of the originally granted retirement annuity. If the  
18 annual unadjusted percentage change in the consumer price  
19 index-u for the 12 months ending with the September preceding  
20 each November 1 is zero or there is a decrease, then the  
21 annuity shall not be increased.

22 Notwithstanding any provision of this Section to the  
23 contrary, with respect to service under Article 8 or 11 of this  
24 Code that is subject to this Section, no annual increase under  
25 this subsection shall be paid or accrue to any person in year  
26 2025. In all other years, the Fund shall continue to pay annual



1 increases as provided in this Section.

2 Notwithstanding Section 1-103.1 of this Code, the changes  
3 in this amendatory Act of the 98th General Assembly are  
4 applicable without regard to whether the employee was in active  
5 service on or after the effective date of this amendatory Act  
6 of the 98th General Assembly.

7 (f) The initial survivor's or widow's annuity of an  
8 otherwise eligible survivor or widow of a retired member or  
9 participant who first became a member or participant on or  
10 after January 1, 2011 shall be in the amount of 66 2/3% of the  
11 retired member's or participant's retirement annuity at the  
12 date of death. In the case of the death of a member or  
13 participant who has not retired and who first became a member  
14 or participant on or after January 1, 2011, eligibility for a  
15 survivor's or widow's annuity shall be determined by the  
16 applicable Article of this Code. The initial benefit shall be  
17 66 2/3% of the earned annuity without a reduction due to age. A  
18 child's annuity of an otherwise eligible child shall be in the  
19 amount prescribed under each Article if applicable. Any  
20 survivor's or widow's annuity shall be increased (1) on each  
21 January 1 occurring on or after the commencement of the annuity  
22 if the deceased member died while receiving a retirement  
23 annuity or (2) in other cases, on each January 1 occurring  
24 after the first anniversary of the commencement of the annuity.  
25 Each annual increase shall be calculated at 3% or one-half the  
26 annual unadjusted percentage increase (but not less than zero)

1 in the consumer price index-u for the 12 months ending with the  
2 September preceding each November 1, whichever is less, of the  
3 originally granted survivor's annuity. If the annual  
4 unadjusted percentage change in the consumer price index-u for  
5 the 12 months ending with the September preceding each November  
6 1 is zero or there is a decrease, then the annuity shall not be  
7 increased.

8 (g) The benefits in Section 14-110 apply only if the person  
9 is a State policeman, a fire fighter in the fire protection  
10 service of a department, or a security employee of the  
11 Department of Corrections or the Department of Juvenile  
12 Justice, as those terms are defined in subsection (b) of  
13 Section 14-110. A person who meets the requirements of this  
14 Section is entitled to an annuity calculated under the  
15 provisions of Section 14-110, in lieu of the regular or minimum  
16 retirement annuity, only if the person has withdrawn from  
17 service with not less than 20 years of eligible creditable  
18 service and has attained age 60, regardless of whether the  
19 attainment of age 60 occurs while the person is still in  
20 service.

21 (h) If a person who first becomes a member or a participant  
22 of a retirement system or pension fund subject to this Section  
23 on or after January 1, 2011 is receiving a retirement annuity  
24 or retirement pension under that system or fund and becomes a  
25 member or participant under any other system or fund created by  
26 this Code and is employed on a full-time basis, except for

1 those members or participants exempted from the provisions of  
2 this Section under subsection (a) of this Section, then the  
3 person's retirement annuity or retirement pension under that  
4 system or fund shall be suspended during that employment. Upon  
5 termination of that employment, the person's retirement  
6 annuity or retirement pension payments shall resume and be  
7 recalculated if recalculation is provided for under the  
8 applicable Article of this Code.

9 If a person who first becomes a member of a retirement  
10 system or pension fund subject to this Section on or after  
11 January 1, 2012 and is receiving a retirement annuity or  
12 retirement pension under that system or fund and accepts on a  
13 contractual basis a position to provide services to a  
14 governmental entity from which he or she has retired, then that  
15 person's annuity or retirement pension earned as an active  
16 employee of the employer shall be suspended during that  
17 contractual service. A person receiving an annuity or  
18 retirement pension under this Code shall notify the pension  
19 fund or retirement system from which he or she is receiving an  
20 annuity or retirement pension, as well as his or her  
21 contractual employer, of his or her retirement status before  
22 accepting contractual employment. A person who fails to submit  
23 such notification shall be guilty of a Class A misdemeanor and  
24 required to pay a fine of \$1,000. Upon termination of that  
25 contractual employment, the person's retirement annuity or  
26 retirement pension payments shall resume and, if appropriate,

1 be recalculated under the applicable provisions of this Code.

2 (i) (Blank).

3 (j) In the case of a conflict between the provisions of  
4 this Section and any other provision of this Code, the  
5 provisions of this Section shall control.

6 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,  
7 eff. 11-19-13; 98-622, eff. 6-1-14; revised 1-23-14.)

8 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

9 Sec. 8-137. Automatic increase in annuity.

10 (a) An employee who retired or retires from service after  
11 December 31, 1959 and before January 1, 1987, having attained  
12 age 60 or more, shall, in January of the year after the year in  
13 which the first anniversary of retirement occurs, have the  
14 amount of his then fixed and payable monthly annuity increased  
15 by 1 1/2%, and such first fixed annuity as granted at  
16 retirement increased by a further 1 1/2% in January of each  
17 year thereafter. Beginning with January of the year 1972, such  
18 increases shall be at the rate of 2% in lieu of the aforesaid  
19 specified 1 1/2%, and beginning with January of the year 1984  
20 such increases shall be at the rate of 3%. Beginning in January  
21 of 1999, such increases shall be at the rate of 3% of the  
22 currently payable monthly annuity, including any increases  
23 previously granted under this Article. An employee who retires  
24 on annuity after December 31, 1959 and before January 1, 1987,  
25 but before age 60, shall receive such increases beginning in

1 January of the year after the year in which he attains age 60.

2 An employee who retires from service on or after January 1,  
3 1987 shall, upon the first annuity payment date following the  
4 first anniversary of the date of retirement, or upon the first  
5 annuity payment date following attainment of age 60, whichever  
6 occurs later, have his then fixed and payable monthly annuity  
7 increased by 3%, and such annuity shall be increased by an  
8 additional 3% of the original fixed annuity on the same date  
9 each year thereafter. Beginning in January of 1999, such  
10 increases shall be at the rate of 3% of the currently payable  
11 monthly annuity, including any increases previously granted  
12 under this Article.

13 (a-5) Notwithstanding the provisions of subsection (a),  
14 upon the first annuity payment date following (1) the third  
15 anniversary of retirement, (2) the attainment of age 53, or (3)  
16 January 1, 2002, whichever occurs latest, the monthly annuity  
17 of an employee who retires on annuity prior to the attainment  
18 of age 60 and has not received an increase under subsection (a)  
19 shall be increased by 3%, and the annuity shall be increased by  
20 an additional 3% of the current payable monthly annuity,  
21 including any increases previously granted under this Article,  
22 on the same date each year thereafter. The increases provided  
23 under this subsection are in lieu of the increases provided in  
24 subsection (a).

25 (a-6) Notwithstanding the provisions of subsections (a)  
26 and (a-5), for all calendar years following the year in which

1 this amendatory Act of the 93rd General Assembly takes effect,  
2 an increase in annuity under this Section that would otherwise  
3 take effect at any time during the year shall instead take  
4 effect in January of that year.

5 (b) Subsections (a), (a-5), and (a-6) are not applicable to  
6 an employee retiring and receiving a term annuity, as herein  
7 defined, nor to any otherwise qualified employee who retires  
8 before he makes employee contributions (at the 1/2 of 1% rate  
9 as provided in this Act) for this additional annuity for not  
10 less than the equivalent of one full year. Such employee,  
11 however, shall make arrangement to pay to the fund a balance of  
12 such 1/2 of 1% contributions, based on his final salary, as  
13 will bring such 1/2 of 1% contributions, computed without  
14 interest, to the equivalent of or completion of one year's  
15 contributions.

16 Beginning with January, 1960, each employee shall  
17 contribute by means of salary deductions 1/2 of 1% of each  
18 salary payment, concurrently with and in addition to the  
19 employee contributions otherwise made for annuity purposes.

20 Each such additional contribution shall be credited to an  
21 account in the prior service annuity reserve, to be used,  
22 together with city contributions, to defray the cost of the  
23 specified annuity increments. Any balance in such account at  
24 the beginning of each calendar year shall be credited with  
25 interest at the rate of 3% per annum.

26 Such additional employee contributions are not refundable,

1 except to an employee who withdraws and applies for refund  
2 under this Article, and in cases where a term annuity becomes  
3 payable. In such cases his contributions shall be refunded,  
4 without interest, and charged to such account in the prior  
5 service annuity reserve.

6 (b-5) Notwithstanding any provision of this Section to the  
7 contrary, there shall be no annual increase under this Section  
8 in years 2017, 2019, and 2025. In all other years, beginning  
9 January 1, 2015, the Fund shall pay an annual increase to  
10 persons eligible to receive one under this Section, in lieu of  
11 any other annual increase provided under this Section, in an  
12 amount equal to the lesser of 3% or one-half the annual  
13 unadjusted percentage increase (but not less than zero) in the  
14 consumer price index-u for the 12 months ending with the  
15 September preceding each November 1, of the person's last  
16 annual annuity amount prior to January 1, 2015. If a person was  
17 not granted an annuity before the effective date of this  
18 amendatory Act of the 98th General Assembly, then this  
19 calculation shall be based on his or her originally granted  
20 annuity; provided, however, that a person retiring after the  
21 effective date of this amendatory Act of the 98th General  
22 Assembly shall not be eligible for an annual increase under  
23 this Section until one full year after the date on which such  
24 annual increase otherwise would take effect under this Section.

25 For the purposes of this Section, "consumer price index-u"  
26 means the index published by the Bureau of Labor Statistics of

1 the United States Department of Labor that measures the average  
2 change in prices of goods and services purchased by all urban  
3 consumers, United States city average, all items, 1982-84 =  
4 100.

5 Notwithstanding Section 1-103.1, this subsection (b-5) is  
6 applicable without regard to whether the employee was in active  
7 service on or after the effective date of this amendatory Act  
8 of the 98th General Assembly. This subsection (b-5) applies to  
9 any former employee who on or after the effective date of this  
10 amendatory Act of the 98th General Assembly is receiving a  
11 retirement annuity and is eligible for an automatic annual  
12 increase under this Section.

13 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
14 93-654, eff. 1-16-04.)

15 (40 ILCS 5/8-137.1) (from Ch. 108 1/2, par. 8-137.1)

16 Sec. 8-137.1. Automatic increases in annuity for certain  
17 heretofore retired participants. A retired municipal employee  
18 who (a) is receiving annuity based on a service credit of 20 or  
19 more years regardless of age at retirement or based on a  
20 service credit of 15 or more years with retirement at age 55 or  
21 over, and (b) does not qualify for the automatic increases in  
22 annuity provided for in Section 8-137 of this Article, and (c)  
23 elects to make a contribution to the Fund at a time and manner  
24 prescribed by the Retirement Board, of a sum equal to 1% of the  
25 amount of final monthly salary times the number of full years



1 of service on which the annuity was based in those cases where  
2 the annuity was computed on the money purchase formula and in  
3 those cases in which the annuity was computed under the minimum  
4 annuity formula provisions of this Article a sum equal to 1% of  
5 the average monthly salary on which the annuity was based times  
6 such number of full years of service, shall have his original  
7 fixed and payable monthly amount of annuity increased in  
8 January of the year following the year in which he attains the  
9 age of 65 years, if such age of 65 years is attained in the year  
10 1969 or later, by an amount equal to 1-1/2%, and by an equal  
11 additional 1-1/2% in January of each year thereafter. Beginning  
12 with January of the year 1972, such increases shall be at the  
13 rate of 2% in lieu of the aforesaid specified 1 1/2%, and  
14 beginning January of the year 1984 such increases shall be at  
15 the rate of 3%. Beginning in January of 1999, such increases  
16 shall be at the rate of 3% of the currently payable monthly  
17 annuity, including any increases previously granted under this  
18 Article.

19 Whenever the retired municipal employee receiving annuity  
20 has attained the age of 66 or more in 1969, he shall have such  
21 annuity increased in January, 1970 by an amount equal to 1-1/2%  
22 multiplied by the number equal to the number of months of  
23 January elapsing from and including January of the year  
24 immediately following the year he attained the age of 65 if  
25 retired at or before age 65, or from and including January of  
26 the year immediately following the year of retirement if

1 retired at an age greater than 65, to and including January,  
2 1970, and by an equal additional 1-1/2% in January of each year  
3 thereafter. Beginning with January of the year 1972, such  
4 increases shall be at the rate of 2% in lieu of the aforesaid  
5 specified 1 1/2%, and beginning January of the year 1984 such  
6 increases shall be at the rate of 3%. Beginning in January of  
7 1999, such increases shall be at the rate of 3% of the  
8 currently payable monthly annuity, including any increases  
9 previously granted under this Article.

10 To defray the annual cost of such increases, the annual  
11 interest income of the Fund, accruing from investments held by  
12 the Fund, exclusive of gains or losses on sales or exchanges of  
13 assets during the year, over and above 4% a year, shall be used  
14 to the extent necessary and available to finance the cost of  
15 such increases for the following year, and such amount shall be  
16 transferred as of the end of each year, beginning with the year  
17 1969, to a Fund account designated as the Supplementary Payment  
18 Reserve from the Investment and Interest Reserve set forth in  
19 Section 8-221. The sums contributed by annuitants as provided  
20 for in this Section shall also be placed in the aforesaid  
21 Supplementary Payment Reserve and shall be applied and used for  
22 the purposes of such Fund account, together with the aforesaid  
23 interest.

24 In the event the monies in the Supplementary Payment  
25 Reserve in any year arising from: (1) the available interest  
26 income as defined hereinbefore and accruing in the preceding

1 year above 4% a year and (2) the contributions by retired  
2 persons, as set forth hereinbefore, are insufficient to make  
3 the total payments to all persons estimated to be entitled to  
4 the annuity increases specified hereinbefore, then (3) any  
5 interest earnings over 4% a year beginning with the year 1969  
6 which were not previously used to finance such increases and  
7 which were transferred to the Prior Service Annuity Reserve may  
8 be used to the extent necessary and available to provide  
9 sufficient funds to finance such increases for the current  
10 year, and such sums shall be transferred from the Prior Service  
11 Annuity Reserve.

12 In the event the total monies available in the  
13 Supplementary Payment Reserve from the preceding indicated  
14 sources are insufficient to make the total payments to all  
15 persons entitled to such increases for the year, a  
16 proportionate amount computed as the ratio of the monies  
17 available to the total of the total payments for that year  
18 shall be paid to each person for that year.

19 The Fund shall be obligated for the payment of the  
20 increases in annuity as provided for in this Section only to  
21 the extent that the assets for such purpose, as specified  
22 herein, are available.

23 Notwithstanding any provision of this Section to the  
24 contrary, there shall be no annual increase under this Section  
25 in years 2017, 2019, and 2025. In all other years, beginning  
26 January 1, 2015, the Fund shall pay an annual increase to

1 persons eligible to receive one under this Section, in lieu of  
2 any other annual increase provided under this Section, in an  
3 amount equal to the lesser of 3% or one-half the annual  
4 unadjusted percentage increase (but not less than zero) in the  
5 consumer price index-u for the 12 months ending with the  
6 September preceding each November 1, of the person's last  
7 annual annuity amount prior to January 1, 2015.

8 For purposes of this Section, "consumer price index-u"  
9 means the index published by the Bureau of Labor Statistics of  
10 the United States Department of Labor that measures the average  
11 change in prices of goods and services purchased by all urban  
12 consumers, United States city average, all items, 1982-84 =  
13 100.

14 Notwithstanding Section 1-103.1, the changes made to this  
15 Section by this amendatory Act of the 98th General Assembly are  
16 applicable without regard to whether the employee was in active  
17 service on or after the effective date of this amendatory Act.  
18 These changes apply to any former employee who, on or after the  
19 effective date of this amendatory Act, is receiving a  
20 retirement annuity and is eligible for an automatic annual  
21 increase under this Section.

22 (Source: P.A. 90-766, eff. 8-14-98.)

23 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

24 Sec. 8-173. Financing; tax levies ~~levy~~.

25 (a) Except as provided in subsection (f) of this Section,

1 the city council of the city shall levy a tax annually upon all  
2 taxable property in the city at a rate that will produce a sum  
3 which, when added to the amounts deducted from the salaries of  
4 the employees or otherwise contributed by them and the amounts  
5 deposited under subsection (f), will be sufficient for the  
6 requirements of this Article, but which when extended will  
7 produce an amount not to exceed the greater of the following:  
8 (a) the sum obtained by the levy of a tax of .1093% of the  
9 value, as equalized or assessed by the Department of Revenue,  
10 of all taxable property within such city, or (b) the sum of  
11 \$12,000,000. However any city in which a Fund has been  
12 established and in operation under this Article for more than 3  
13 years prior to 1970 shall levy for the year 1970 a tax at a rate  
14 on the dollar of assessed valuation of all taxable property  
15 that will produce, when extended, an amount not to exceed 1.2  
16 times the total amount of contributions made by employees to  
17 the Fund for annuity purposes in the calendar year 1968, and,  
18 for the year 1971 and 1972 such levy that will produce, when  
19 extended, an amount not to exceed 1.3 times the total amount of  
20 contributions made by employees to the Fund for annuity  
21 purposes in the calendar years 1969 and 1970, respectively; and  
22 for the year 1973 an amount not to exceed 1.365 times such  
23 total amount of contributions made by employees for annuity  
24 purposes in the calendar year 1971; and for the year 1974 an  
25 amount not to exceed 1.430 times such total amount of  
26 contributions made by employees for annuity purposes in the

1 calendar year 1972; and for the year 1975 an amount not to  
2 exceed 1.495 times such total amount of contributions made by  
3 employees for annuity purposes in the calendar year 1973; and  
4 for the year 1976 an amount not to exceed 1.560 times such  
5 total amount of contributions made by employees for annuity  
6 purposes in the calendar year 1974; and for the year 1977 an  
7 amount not to exceed 1.625 times such total amount of  
8 contributions made by employees for annuity purposes in the  
9 calendar year 1975; and for the year 1978 and each year  
10 thereafter, such levy as will produce, when extended, an amount  
11 not to exceed the total amount of contributions made by or on  
12 behalf of employees to the Fund for annuity purposes in the  
13 calendar year 2 years prior to the year for which the annual  
14 applicable tax is levied, multiplied by 1.690 for the years  
15 1978 through 1998 and by 1.250 for the year 1999 and for each  
16 year thereafter.

17 The tax shall be levied and collected in like manner with  
18 the general taxes of the city, and shall be exclusive of and in  
19 addition to the amount of tax the city is now or may hereafter  
20 be authorized to levy for general purposes under any laws which  
21 may limit the amount of tax which the city may levy for general  
22 purposes. The county clerk of the county in which the city is  
23 located, in reducing tax levies under the provisions of any Act  
24 concerning the levy and extension of taxes, shall not consider  
25 the tax herein provided for as a part of the general tax levy  
26 for city purposes, and shall not include the same within any

1 limitation of the percent of the assessed valuation upon which  
2 taxes are required to be extended for such city.

3 Revenues derived from such tax shall be paid to the city  
4 treasurer of the city as collected and held by him for the  
5 benefit of the fund.

6 If the payments on account of taxes are insufficient during  
7 any year to meet the requirements of this Article, the city may  
8 issue tax anticipation warrants against the current tax levy.

9 (a-1) Notwithstanding anything to the contrary in  
10 subsection (a) of this Section, beginning with the city's levy  
11 under subsection (a) in 2015 and each year thereafter, the levy  
12 shall not exceed the amount of the city's total contribution to  
13 the Fund under this Section for payment year 2014; provided,  
14 however, that the city may continue to use other lawfully  
15 available funds in lieu of all or part of the levy as provided  
16 under subsection (f) of this Section. The increases that would  
17 have occurred under subsection (a) of this Section if not for  
18 the aforementioned limitation shall be included in the  
19 calculations under subsection (a-2) of this Section for levy  
20 purposes.

21 (a-2) For purposes of this Section, the payment year is the  
22 year following the levy year. Starting in payment year 2016,  
23 the city shall pay to the Fund annually, in the manner  
24 described in this subsection, an amount that, when added to the  
25 amounts of the contribution provided in subsection (a) of this  
26 Section as modified by subsection (a-1) of this Section, shall

1 equal the lesser of:

2 (i) (I) for payment years 2016 through 2055, the annual  
3 amount determined by the Fund to be equal to the greater of  
4 \$0, or the sum of (1) the City's portion of the projected  
5 normal cost for that fiscal year, plus (2) an amount  
6 determined on a level percentage of applicable employee  
7 payroll basis (reflecting any limits on individual  
8 participants' pay that apply for benefit and contribution  
9 purposes under this plan) that is sufficient to bring the  
10 total actuarial assets of the Fund up to 90% of the total  
11 actuarial liabilities of the Fund by the end of 2055. (II)  
12 For payment years after 2055, the annual amount determined  
13 by the Fund to be equal to the amount needed, if any, to  
14 bring the total actuarial assets of the Fund up to 90% of  
15 the total actuarial liabilities of the Fund as of the end  
16 of the year. In making the determinations under both (I)  
17 and (II), the actuarial calculations shall be determined  
18 under the entry age normal actuarial cost method, and any  
19 actuarial gains or losses from investment return incurred  
20 in a fiscal year shall be recognized in equal annual  
21 amounts over the 5-year period following the fiscal year;

22 or

23 (ii) for payment year 2016, 1.85 times the total amount  
24 of contributions made by or on behalf of employees to the  
25 Fund for annuity purposes in the calendar year 2013; for  
26 payment year 2017, 2.15 times the total amount of



1       contributions made by or on behalf of employees to the Fund  
2       for annuity purposes in the calendar year 2014; for payment  
3       year 2018, 2.45 times the total amount of contributions  
4       made by or on behalf of employees to the Fund for annuity  
5       purposes in the calendar year 2015; for payment year 2019,  
6       2.75 times the total amount of contributions made by or on  
7       behalf of employees to the Fund for annuity purposes in the  
8       calendar year 2016; for payment year 2020, 3.05 times the  
9       total amount of contributions made by or on behalf of  
10       employees to the Fund for annuity purposes in the calendar  
11       year 2017; provided however, that beginning in the earlier  
12       of the year that the annual contribution amount is at least  
13       the amount calculated under subdivision (i), or payment  
14       year 2021, and each year thereafter, the city's annual  
15       contribution shall be determined pursuant to subdivision  
16       (i) only.

17       (a-3) For levy years 2015 and thereafter, the city council  
18       of the city may levy a separate tax annually upon all taxable  
19       property in the city that shall be known as the Pension  
20       Stabilization Levy and shall be at a rate that, when extended,  
21       will produce an amount not to exceed the city's total required  
22       contribution amount under subsection (a-2) for each applicable  
23       payment year. The remainder of the city's total required  
24       contribution amount under subsection (a-2), if any, shall be  
25       paid by the city to the city treasurer of the city with any  
26       lawfully available funds, which shall be collected and held by

1 the city treasurer for the benefit of the Fund.

2 The Pension Stabilization Levy shall be levied and  
3 collected in like manner with the general taxes of the city,  
4 and shall be exclusive of and in addition to the amount of tax  
5 the city is now or may hereafter be authorized to levy for  
6 general purposes under any laws which may limit the amount of  
7 tax which the city may levy for general purposes. The county  
8 clerk of the county in which the city is located, in reducing  
9 tax levies under the provisions of any Act concerning the levy  
10 and extension of taxes, shall not consider the tax herein  
11 provided for as a part of the general tax levy for city  
12 purposes, and shall not include the same within any limitation  
13 of the percent of the assessed valuation upon which taxes are  
14 required to be extended for such city.

15 Revenues derived from such tax shall be used solely to  
16 satisfy the city's obligations to the Fund pursuant to  
17 subsection (a-2) and shall be paid to the city treasurer as  
18 collected and held by him for the benefit of the fund.

19 If the payments on account of taxes are insufficient during  
20 any year to meet the requirements of this Article, the city may  
21 issue tax anticipation warrants against the current tax levy.

22 (a-4) For levy years 2015 through 2020, if the city does  
23 not: (i) levy a tax under subsection (a-3) equal to at least  
24 50% of the city's required contribution under subsection (a-2);  
25 and (ii) transmit the proceeds of the levy to the Fund within  
26 90 days after the payment of that contribution is due, the Fund

1 may, after giving notice to the city, certify to the State  
2 Comptroller the amounts of the delinquent payment, and the  
3 Comptroller must, beginning in payment year 2016, deduct and  
4 deposit into the Fund the certified amount or a portion of that  
5 amount from the following proportions of grants of State funds  
6 to the city:

7 (1) in payment year 2016, one-third of the total amount  
8 of any grants of State funds to the city;

9 (2) in payment year 2017, two-thirds of the total  
10 amount of any grants of State funds to the city; and

11 (3) in payment years 2018 through 2021, the total  
12 amount of any grants of State funds to the city.

13 The State Comptroller may not deduct from any grants of  
14 State funds to the city more than the amount of delinquent  
15 payment certified to the State Comptroller by the Fund.

16 (b) On or before January 10, annually, the board shall  
17 notify the city council of the requirements of this Article  
18 that the taxes ~~tax~~ herein provided shall be levied for that  
19 current year. The board shall compute the amounts necessary to  
20 be credited to the reserves established and maintained as  
21 herein provided, and shall make an annual determination of the  
22 amount of the required city contributions, and certify the  
23 results thereof to the city council.

24 (c) In respect to employees of the city who are transferred  
25 to the employment of a park district by virtue of the "Exchange  
26 of Functions Act of 1957", the corporate authorities of the

1 park district shall annually levy a tax upon all the taxable  
2 property in the park district at such rate per cent of the  
3 value of such property, as equalized or assessed by the  
4 Department of Revenue, as shall be sufficient, when added to  
5 the amounts deducted from their salaries and otherwise  
6 contributed by them to provide the benefits to which they and  
7 their dependents and beneficiaries are entitled under this  
8 Article. The city shall not levy a tax hereunder in respect to  
9 such employees.

10 The tax so levied by the park district shall be in addition  
11 to and exclusive of all other taxes authorized to be levied by  
12 the park district for corporate, annuity fund, or other  
13 purposes. The county clerk of the county in which the park  
14 district is located, in reducing any tax levied under the  
15 provisions of any act concerning the levy and extension of  
16 taxes shall not consider such tax as part of the general tax  
17 levy for park purposes, and shall not include the same in any  
18 limitation of the per cent of the assessed valuation upon which  
19 taxes are required to be extended for the park district. The  
20 proceeds of the tax levied by the park district, upon receipt  
21 by the district, shall be immediately paid over to the city  
22 treasurer of the city for the uses and purposes of the fund.

23 The various sums to be contributed by the city and park  
24 district and allocated for the purposes of this Article, and  
25 any interest to be contributed by the city, shall be derived  
26 from the revenue from the taxes authorized in this Section or

1 otherwise as expressly provided in this Section.

2 If it is not possible or practicable for the city to make  
3 contributions for age and service annuity and widow's annuity  
4 at the same time that employee contributions are made for such  
5 purposes, such city contributions shall be construed to be due  
6 and payable as of the end of the fiscal year for which the tax  
7 is levied and shall accrue thereafter with interest at the  
8 effective rate until paid.

9 (d) With respect to employees whose wages are funded as  
10 participants under the Comprehensive Employment and Training  
11 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.  
12 93-567, 88 Stat. 1845), hereinafter referred to as CETA,  
13 subsequent to October 1, 1978, and in instances where the board  
14 has elected to establish a manpower program reserve, the board  
15 shall compute the amounts necessary to be credited to the  
16 manpower program reserves established and maintained as herein  
17 provided, and shall make a periodic determination of the amount  
18 of required contributions from the City to the reserve to be  
19 reimbursed by the federal government in accordance with rules  
20 and regulations established by the Secretary of the United  
21 States Department of Labor or his designee, and certify the  
22 results thereof to the City Council. Any such amounts shall  
23 become a credit to the City and will be used to reduce the  
24 amount which the City would otherwise contribute during  
25 succeeding years for all employees.

26 (e) In lieu of establishing a manpower program reserve with

1 respect to employees whose wages are funded as participants  
2 under the Comprehensive Employment and Training Act of 1973, as  
3 authorized by subsection (d), the board may elect to establish  
4 a special municipality contribution rate for all such  
5 employees. If this option is elected, the City shall contribute  
6 to the Fund from federal funds provided under the Comprehensive  
7 Employment and Training Act program at the special rate so  
8 established and such contributions shall become a credit to the  
9 City and be used to reduce the amount which the City would  
10 otherwise contribute during succeeding years for all  
11 employees.

12 (f) In lieu of levying all or a portion of the taxes ~~tax~~  
13 required under this Section in any year, the city may deposit  
14 with the city treasurer no later than March 1 of that year for  
15 the benefit of the fund, to be held in accordance with this  
16 Article, an amount that, together with the taxes levied under  
17 this Section for that year, is not less than the amount of the  
18 city contributions for that year as certified by the board to  
19 the city council. The deposit may be derived from any source  
20 legally available for that purpose, including, but not limited  
21 to, the proceeds of city borrowings. The making of a deposit  
22 shall satisfy fully the requirements of this Section for that  
23 year to the extent of the amounts so deposited. Amounts  
24 deposited under this subsection may be used by the fund for any  
25 of the purposes for which the proceeds of the taxes ~~tax~~  
26 by the city under this Section may be used, including the

1 payment of any amount that is otherwise required by this  
2 Article to be paid from the proceeds of those taxes ~~that tax~~.

3 (Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98;  
4 90-766, eff. 8-14-98.)

5 (40 ILCS 5/8-173.1 new)

6 Sec. 8-173.1. Funding Obligation.

7 (a) Beginning January 1, 2015, the city shall be obligated  
8 to contribute to the Fund in each fiscal year an amount not  
9 less than the amount determined annually under subsections (a)  
10 through (a-2) of Section 8-173 of this Code. Notwithstanding  
11 any other provision of law, if the city fails to pay the amount  
12 guaranteed under this Section on or before December 31 of the  
13 year in which such amount is due, the retirement board may  
14 bring a mandamus action in the Circuit Court of Cook County to  
15 compel the city to make the required payment, irrespective of  
16 other remedies that may be available to the Fund. The  
17 obligations and causes of action created under this Section  
18 shall be in addition to any other right or remedy otherwise  
19 accorded by common law or State or federal law, and nothing in  
20 this Section shall be construed to deny, abrogate, impair, or  
21 waive any such common law or statutory right or remedy.

22 (b) In ordering the city to make the required payment, the  
23 court may order a reasonable payment schedule to enable the  
24 city to make the required payment without significantly  
25 imperiling the public health, safety, or welfare. Any payments

1 required to be made by the city pursuant to this Section are  
2 expressly subordinated to the payment of the principal,  
3 interest, premium, if any, and other payments on or related to  
4 any bonded debt obligation of the city, either currently  
5 outstanding or to be issued, for which the source of repayment  
6 or security thereon is derived directly or indirectly from any  
7 funds collected or received by the city or collected or  
8 received on behalf of the city. Payments on such bonded  
9 obligations include any statutory fund transfers or other  
10 prefunding mechanisms or formulas set forth, now or hereafter,  
11 in State law, city ordinance, or bond indentures, into debt  
12 service funds or accounts of the city related to such bonded  
13 obligations, consistent with the payment schedules associated  
14 with such obligations.

15 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

16 Sec. 8-174. Contributions for age and service annuities for  
17 present employees and future entrants.

18 (a) Beginning on the effective date and prior to July 1,  
19 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July  
20 1, 1953, 5%; and beginning July 1, 1953, and prior to January  
21 1, 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning  
22 January 1, 2015, and prior to January 1, 2016, 7.0%; and  
23 beginning January 1, 2016, and prior to January 1, 2017, 7.5%;  
24 and, beginning January 1, 2017, and prior to January 1, 2018,  
25 8.0%; and beginning January 1, 2018, and prior to January 1,



1 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0%  
2 ~~6-1/2%~~ of each payment of the salary of each present employee  
3 and future entrant shall be contributed to the fund as a  
4 deduction from salary for age and service annuity; provided,  
5 however, that beginning with the first pay period on or after  
6 the date when the funded ratio of the Fund is first determined  
7 to have reached the 90% funding goal set forth in subsection  
8 (a-2) of Section 8-173, and each pay period thereafter for as  
9 long as the Fund maintains a funding ratio of 90% or more,  
10 employee contributions shall be 7.75% of salary for the age and  
11 service annuity. If the funding ratio falls below 90%, then  
12 employee contributions for the age and service annuity shall  
13 revert to 9.0% of salary until such time as the Fund once again  
14 is determined to have reached a funding ratio of at least 90%,  
15 at which time employee contributions of 7.75% shall resume for  
16 the age and service annuity.

17 Notwithstanding Section 1-103.1, the changes to this  
18 Section made by this amendatory Act of the 98th General  
19 Assembly apply regardless of whether the employee was in active  
20 service on or after the effective date of this amendatory Act.

21 Such deductions beginning on the effective date and prior  
22 to July 1, 1947 shall be made for a future entrant while he is  
23 in the service until he attains age 65 and for a present  
24 employee while he is in the service until the amount so  
25 deducted from his salary with the amount deducted from his  
26 salary or paid by him according to law to any municipal pension

1 fund in force on the effective date with interest on both such  
2 amounts at 4% per annum equals the sum that would have been to  
3 his credit from sums deducted from his salary if deductions at  
4 the rate herein stated had been made during his entire service  
5 until he attained age 65 with interest at 4% per annum for the  
6 period subsequent to his attainment of age 65. Such deductions  
7 beginning July 1, 1947 shall be made and continued for  
8 employees while in the service.

9 (b) Concurrently with each employee contribution beginning  
10 on the effective date and prior to July 1, 1947 the city shall  
11 contribute 5 3/4%; and beginning on July 1, 1947 and prior to  
12 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each  
13 payment of such salary until the employee attains age 65.  
14 Notwithstanding any provision of this subsection (b) to the  
15 contrary, the city shall not make a contribution for any credit  
16 established by an employee under subsection (b) of Section  
17 8-138.4.

18 (c) Each employee contribution made prior to the date the  
19 age and service annuity for an employee is fixed and each  
20 corresponding city contribution shall be credited to the  
21 employee and allocated to the account of the employee for whose  
22 benefit it is made.

23 (Source: P.A. 93-654, eff. 1-16-04.)

24 (40 ILCS 5/8-174.2 new)

25 Sec. 8-174.2. Use of contributions for health care

1 subsidies. Except as may be required pursuant to Sections  
2 8-164.1 and 8-164.2 of this Code, the Fund shall not use any  
3 contribution received by the Fund under this Article to provide  
4 a subsidy for the cost of participation in a retiree health  
5 care program.

6 (40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)  
7 Sec. 8-192. Board created. Notwithstanding any other  
8 provision of this Article:

9 (1) After discussion with the board and other  
10 interested parties, the city shall present to the General  
11 Assembly its recommendations for restructuring the board  
12 of the Fund.

13 (2) On April 1, 2015, the terms of the members of the  
14 board serving on that date are terminated, and the board  
15 shall be restructured and reconstituted as provided by the  
16 General Assembly by law.

17 Until the board is restructured in accordance with this  
18 amendatory Act of the 98th General Assembly, a A board of 5  
19 members shall constitute a Board of Trustees authorized to  
20 carry out the provisions of this Article. The board shall be  
21 known as the Retirement Board of the Municipal Employees',  
22 Officers', and Officials' Annuity and Benefit Fund of the city,  
23 or for the sake of brevity may also be known and referred to as  
24 the Retirement Board of the Municipal Employees' Annuity and  
25 Benefit Fund of such city. The board shall consist of the city

1 comptroller, the city treasurer, and 3 members who shall be  
2 employees, to be elected as follows:

3       Within 30 days after the effective date, the mayor of the  
4 city shall arrange for and hold an election.

5       One employee shall be elected for a term ending on the  
6 first day in the month of December of the first year next  
7 following the effective date; one for a term ending December  
8 1st of the following year; and one for a term ending on  
9 December 1st of the second following year.

10       The city comptroller, with the approval of the board, may  
11 appoint a designee from among employees of the city who are  
12 versed in the affairs of the comptroller's office to act in the  
13 absence of the comptroller on all matters pertaining to  
14 administering the provisions of this Article.

15       The city treasurer, with the approval of the board, may  
16 appoint a designee from among employees of the city who are  
17 versed in the affairs of the treasurer's office to act in the  
18 absence of the treasurer on all matters pertaining to  
19 administering the provisions of this Article.

20       The members of a Retirement Board of a municipal  
21 employees', officers', and officials' annuity and benefit fund  
22 holding office in a city at the time this Article becomes  
23 effective, including elective and ex-officio members, shall  
24 continue in office until the expiration of their terms and  
25 until their respective successors are elected or appointed and  
26 have qualified.

1           An employee member who takes advantage of the early  
2 retirement incentives provided under this amendatory Act of the  
3 93rd General Assembly may continue as a member until the end of  
4 his or her term.

5           (Source: P.A. 96-1427, eff. 1-1-11.)

6           (40 ILCS 5/11-134.1)   (from Ch. 108 1/2, par. 11-134.1)

7           Sec. 11-134.1. Automatic increase in annuity.

8           (a) An employee who retired or retires from service after  
9 December 31, 1963, and before January 1, 1987, having attained  
10 age 60 or more, shall, in the month of January of the year  
11 following the year in which the first anniversary of retirement  
12 occurs, have the amount of his then fixed and payable monthly  
13 annuity increased by 1 1/2%, and such first fixed annuity as  
14 granted at retirement increased by a further 1 1/2% in January  
15 of each year thereafter. Beginning with January of the year  
16 1972, such increases shall be at the rate of 2% in lieu of the  
17 aforesaid specified 1 1/2%. Beginning January, 1984, such  
18 increases shall be at the rate of 3%. Beginning in January of  
19 1999, such increases shall be at the rate of 3% of the  
20 currently payable monthly annuity, including any increases  
21 previously granted under this Article. An employee who retires  
22 on annuity after December 31, 1963 and before January 1, 1987,  
23 but prior to age 60, shall receive such increases beginning  
24 with January of the year immediately following the year in  
25 which he attains the age of 60 years.

1           An employee who retires from service on or after January 1,  
2 1987 shall, upon the first annuity payment date following the  
3 first anniversary of the date of retirement, or upon the first  
4 annuity payment date following attainment of age 60, whichever  
5 occurs later, have his then fixed and payable monthly annuity  
6 increased by 3%, and such annuity shall be increased by an  
7 additional 3% of the original fixed annuity on the same date  
8 each year thereafter. Beginning in January of 1999, such  
9 increases shall be at the rate of 3% of the currently payable  
10 monthly annuity, including any increases previously granted  
11 under this Article.

12           (a-5) Notwithstanding the provisions of subsection (a),  
13 upon the first annuity payment date following (1) the third  
14 anniversary of retirement, (2) the attainment of age 53, or (3)  
15 January 1, 2002, whichever occurs latest, the monthly annuity  
16 of an employee who retires on annuity prior to the attainment  
17 of age 60 and has not received an increase under subsection (a)  
18 shall be increased by 3%, and the annuity shall be increased by  
19 an additional 3% of the current payable monthly annuity,  
20 including any increases previously granted under this Article,  
21 on the same date each year thereafter. The increases provided  
22 under this subsection are in lieu of the increases provided in  
23 subsection (a).

24           (a-6) Notwithstanding the provisions of subsections (a)  
25 and (a-5), for all calendar years following the year in which  
26 this amendatory Act of the 93rd General Assembly takes effect,

1 an increase in annuity under this Section that would otherwise  
2 take effect at any time during the year shall instead take  
3 effect in January of that year.

4 (b) Subsections (a), (a-5), and (a-6) are not applicable to  
5 an employee retiring and receiving a term annuity, as defined  
6 in this Article, nor to any otherwise qualified employee who  
7 retires before he shall have made employee contributions (at  
8 the 1/2 of 1% rate as hereinafter provided) for the purposes of  
9 this additional annuity for not less than the equivalent of one  
10 full year. Such employee, however, shall make arrangement to  
11 pay to the fund a balance of such 1/2 of 1% contributions,  
12 based on his final salary, as will bring such 1/2 of 1%  
13 contributions, computed without interest, to the equivalent of  
14 or completion of one year's contributions.

15 Beginning with the month of January, 1964, each employee  
16 shall contribute by means of salary deductions 1/2 of 1% of  
17 each salary payment, concurrently with and in addition to the  
18 employee contributions otherwise made for annuity purposes.

19 Each such additional employee contribution shall be  
20 credited to an account in the prior service annuity reserve, to  
21 be used, together with city contributions, to defray the cost  
22 of the specified annuity increments. Any balance as of the  
23 beginning of each calendar year existing in such account shall  
24 be credited with interest at the rate of 3% per annum.

25 Such employee contributions shall not be subject to refund,  
26 except to an employee who resigns or is discharged and applies

1 for refund under this Article, and also in cases where a term  
2 annuity becomes payable.

3 In such cases the employee contributions shall be refunded  
4 him, without interest, and charged to the aforementioned  
5 account in the prior service annuity reserve.

6 (b-5) Notwithstanding any provision of this Section to the  
7 contrary, there shall be no annual increase under this Section  
8 in years 2017, 2019, and 2025. In all other years, beginning  
9 January 1, 2015, the Fund shall pay an annual increase to  
10 persons eligible to receive one under this Section, in lieu of  
11 any other annual increase provided under this Section, in an  
12 amount equal to the lesser of 3% or one-half the annual  
13 unadjusted percentage increase (but not less than zero) in the  
14 consumer price index-u for the 12 months ending with the  
15 September preceding each November 1, of the person's last  
16 annual annuity amount prior to January 1, 2015. If a person was  
17 not granted an annuity before the effective date of this  
18 amendatory Act of the 98th General Assembly, then this  
19 calculation shall be based on his or her originally granted  
20 annuity; provided, however, that a person retiring after the  
21 effective date of this amendatory Act of the 98th General  
22 Assembly shall not be eligible for an annual increase under  
23 this Section until one full year after the date on which such  
24 annual increase otherwise would take effect under this Section.

25 For the purposes of this Section, "consumer price index-u"  
26 means the index published by the Bureau of Labor Statistics of



1 the United States Department of Labor that measures the average  
2 change in prices of goods and services purchased by all urban  
3 consumers, United States city average, all items, 1982-84 =  
4 100.

5 Notwithstanding Section 1-103.1, this subsection (b-5) is  
6 applicable without regard to whether the employee was in active  
7 service on or after the effective date of this amendatory Act  
8 of the 98th General Assembly. This subsection (b-5) applies to  
9 any former employee who on or after the effective date of this  
10 amendatory Act of the 98th General Assembly is receiving a  
11 retirement annuity and is eligible for an automatic annual  
12 increase under this Section.

13 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
14 93-654, eff. 1-16-04.)

15 (40 ILCS 5/11-134.3) (from Ch. 108 1/2, par. 11-134.3)

16 Sec. 11-134.3. Automatic increases in annuity for certain  
17 heretofore retired participants. A retired employee who (a) is  
18 receiving annuity based on a service credit of 20 or more years  
19 regardless of age at retirement or based on a service credit of  
20 15 or more years with retirement at age 55 or over, and (b)  
21 does not qualify for the automatic increases in annuity  
22 provided for in Section 11-134.1 of this Article, and (c)  
23 elects to make a contribution to the Fund at a time and manner  
24 prescribed by the Retirement Board, of a sum equal to 1% of the  
25 amount of final monthly salary times the number of full years

1 of service on which the annuity was based in those cases where  
2 the annuity was computed on the money purchase formula, and in  
3 those cases in which the annuity was computed under the minimum  
4 annuity formula provisions of this Article a sum equal to 1% of  
5 the average monthly salary on which the annuity was based times  
6 such number of full years of service, shall have his original  
7 fixed and payable monthly amount of annuity increased in  
8 January of the year following the year in which he attains the  
9 age of 65 years, if such age of 65 years is attained in the year  
10 1969 or later, by an amount equal to 1 1/2%, and by an equal  
11 additional 1 1/2% in January of each year thereafter. Beginning  
12 with January of the year 1972, such increases shall be at the  
13 rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning  
14 January, 1984, such increases shall be at the rate of 3%.  
15 Beginning in January of 1999, such increases shall be at the  
16 rate of 3% of the currently payable monthly annuity, including  
17 any increases previously granted under this Article.

18 In those cases in which the retired employee receiving  
19 annuity has attained the age of 66 or more years in the year  
20 1969, he shall have such annuity increased in January of the  
21 year 1970 by an amount equal to 1 1/2% multiplied by the number  
22 equal to the number of months of January elapsing from and  
23 including January of the year immediately following the year he  
24 attained the age of 65 years if retired at or prior to age 65,  
25 or from and including January of the year immediately following  
26 the year of retirement if retired at an age greater than 65

1 years, to and including January of the year 1970, and by an  
2 equal additional 1 1/2% in January of each year thereafter.  
3 Beginning with January of the year 1972, such increases shall  
4 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.  
5 Beginning January, 1984, such increases shall be at the rate of  
6 3%. Beginning in January of 1999, such increases shall be at  
7 the rate of 3% of the currently payable monthly annuity,  
8 including any increases previously granted under this Article.

9 To defray the annual cost of such increases, the annual  
10 interest income of the Fund, accruing from investments held by  
11 the Fund, exclusive of gains or losses on sales or exchanges of  
12 assets during the year, over and above 4% a year, shall be used  
13 to the extent necessary and available to finance the cost of  
14 such increases for the following year, and such amount shall be  
15 transferred as of the end of each year, beginning with the year  
16 1969, to a Fund account designated as the Supplementary Payment  
17 Reserve from the Investment and Interest Reserve set forth in  
18 Sec. 11-210. The sums contributed by annuitants as provided for  
19 in this Section shall also be placed in the aforesaid  
20 Supplementary Payment Reserve and shall be applied for and used  
21 for the purposes of such Fund account, together with the  
22 aforesaid interest.

23 In the event the monies in the Supplementary Payment  
24 Reserve in any year arising from: (1) the available interest  
25 income as defined hereinbefore and accruing in the preceding  
26 year above 4% a year and (2) the contributions by retired

1 persons, as set forth hereinbefore, are insufficient to make  
2 the total payments to all persons estimated to be entitled to  
3 the annuity increases specified hereinbefore, then (3) any  
4 interest earnings over 4% a year beginning with the year 1969  
5 which were not previously used to finance such increases and  
6 which were transferred to the Prior Service Annuity Reserve may  
7 be used to the extent necessary and available to provide  
8 sufficient funds to finance such increases for the current  
9 year, and such sums shall be transferred from the Prior Service  
10 Annuity Reserve.

11 In the event the total monies available in the  
12 Supplementary Payment Reserve from the preceding indicated  
13 sources are insufficient to make the total payments to all  
14 persons entitled to such increases for the year, a  
15 proportionate amount computed as the ratio of the monies  
16 available to the total of the total payments for that year  
17 shall be paid to each person for that year.

18 The Fund shall be obligated for the payment of the  
19 increases in annuity as provided for in this Section only to  
20 the extent that the assets for such purpose, as specified  
21 herein, are available.

22 Notwithstanding any provision of this Section to the  
23 contrary, there shall be no annual increase under this Section  
24 in years 2017, 2019, and 2025. In all other years, beginning  
25 January 1, 2015, the Fund shall pay an annual increase to  
26 persons eligible to receive one under this Section, in lieu of

1 any other annual increase provided under this Section, in an  
2 amount equal to the lesser of 3% or one-half the annual  
3 unadjusted percentage increase (but not less than zero) in the  
4 consumer price index-u for the 12 months ending with the  
5 September preceding each November 1 of the person's last annual  
6 annuity amount prior to January 1, 2015.

7 For purposes of this Section, "consumer price index-u"  
8 means the index published by the Bureau of Labor Statistics of  
9 the United States Department of Labor that measures the average  
10 change in prices of goods and services purchased by all urban  
11 consumers, United States city average, all items, 1982-84 =  
12 100.

13 Notwithstanding Section 1-103.1, the changes made to this  
14 Section by this amendatory Act of the 98th General Assembly are  
15 applicable without regard to whether the employee was in active  
16 service on or after the effective date of this amendatory Act.  
17 These changes apply to any former employee who, on or after the  
18 effective date of this amendatory Act, is receiving a  
19 retirement annuity and is eligible for an automatic annual  
20 increase under this Section.

21 (Source: P.A. 90-766, eff. 8-14-98.)

22 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

23 Sec. 11-169. Financing; tax levies ~~levy~~.

24 (a) Except as provided in subsection (f) of this Section,  
25 the city council of the city shall levy a tax annually upon all

1 taxable property in the city at the rate that will produce a  
2 sum which, when added to the amounts deducted from the salaries  
3 of the employees or otherwise contributed by them and the  
4 amounts deposited under subsection (f), will be sufficient for  
5 the requirements of this Article. For the years prior to the  
6 year 1950 the tax rate shall be as provided for under "The 1935  
7 Act". Beginning with the year 1950 to and including the year  
8 1969 such tax shall be not more than .036% annually of the  
9 value, as equalized or assessed by the Department of Revenue,  
10 of all taxable property within such city. Beginning with the  
11 year 1970 and each year thereafter the city shall levy a tax  
12 annually at a rate on the dollar of the value, as equalized or  
13 assessed by the Department of Revenue of all taxable property  
14 within such city that will produce, when extended, not to  
15 exceed an amount equal to the total amount of contributions by  
16 the employees to the fund made in the calendar year 2 years  
17 prior to the year for which the annual applicable tax is  
18 levied, multiplied by 1.1 for the years 1970, 1971 and 1972;  
19 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the  
20 year 1975; 1.280 for the year 1976; 1.325 for the year 1977;  
21 1.370 for the years 1978 through 1998; and 1.000 for the year  
22 1999 and for each year thereafter.

23 The tax shall be levied and collected in like manner with  
24 the general taxes of the city, and shall be exclusive of and in  
25 addition to the amount of tax the city is now or may hereafter  
26 be authorized to levy for general purposes under any laws which

1 may limit the amount of tax which the city may levy for general  
2 purposes. The county clerk of the county in which the city is  
3 located, in reducing tax levies under the provisions of any Act  
4 concerning the levy and extension of taxes, shall not consider  
5 the tax herein provided for as a part of the general tax levy  
6 for city purposes, and shall not include the same within any  
7 limitation of the per cent of the assessed valuation upon which  
8 taxes are required to be extended for such city.

9 Revenues derived from such tax shall be paid to the city  
10 treasurer of the city as collected and held by him for the  
11 benefit of the fund.

12 If the payments on account of taxes are insufficient during  
13 any year to meet the requirements of this Article, the city may  
14 issue tax anticipation warrants against the current tax levy.

15 (a-1) Notwithstanding anything to the contrary in  
16 subsection (a) of this Section, beginning with the city's levy  
17 under subsection (a) in 2015 and each year thereafter, the levy  
18 shall not exceed the amount of the city's total contribution to  
19 the Fund under this Section for payment year 2014; provided,  
20 however, that the city may continue to use other lawfully  
21 available funds in lieu of all or part of the levy as provided  
22 under subsection (f) of this Section. The increases that would  
23 have occurred under subsection (a) of this Section if not for  
24 the aforementioned limitation shall be included in  
25 calculations under subsection (a-2) of this Section for levy  
26 purposes.

1       (a-2) For purposes of this Section, the payment year is the  
2 year following the levy year. Starting in payment year 2016,  
3 the city shall pay to the Fund annually, in the manner  
4 described in this subsection, an amount that, when added to the  
5 amounts of the contribution provided in subsection (a) of this  
6 Section as modified by subsection (a-1) of this Section, shall  
7 equal the lesser of:

8           (i) (I) for payment years 2016 through 2055, the annual  
9 amount determined by the Fund to be equal to the greater of  
10 \$0, or the sum of (1) the City's portion of the projected  
11 normal cost for that fiscal year, plus (2) an amount  
12 determined on a level percentage of applicable employee  
13 payroll basis (reflecting any limits on individual  
14 participants' pay that apply for benefit and contribution  
15 purposes under this plan) that is sufficient to bring the  
16 total actuarial assets of the Fund up to 90% of the total  
17 actuarial liabilities of the Fund by the end of 2055. (II)  
18 For payment years after 2055, the annual amount determined  
19 by the Fund to be equal to the amount needed, if any, to  
20 bring the total actuarial assets of the Fund up to 90% of  
21 the total actuarial liabilities of the Fund as of the end  
22 of the year. In making the determinations under both (I)  
23 and (II), the actuarial calculations shall be determined  
24 under the entry age normal actuarial cost method, and any  
25 actuarial gains or losses from investment return incurred  
26 in a fiscal year shall be recognized in equal annual



1 amounts over the 5-year period following the fiscal year;

2 or

3 (ii) for payment year 2016, 1.60 times the total amount  
4 of contributions made by or on behalf of employees to the  
5 Fund for annuity purposes in the calendar year 2013; for  
6 payment year 2017, 1.90 times the total amount of  
7 contributions made by or on behalf of employees to the Fund  
8 for annuity purposes in the calendar year 2014; for payment  
9 year 2018, 2.20 times the total amount of contributions  
10 made by or on behalf of employees to the Fund for annuity  
11 purposes in the calendar year 2015; for payment year 2019,  
12 2.50 times the total amount of contributions made by or on  
13 behalf of employees to the Fund for annuity purposes in the  
14 calendar year 2016; for payment year 2020, 2.80 times the  
15 total amount of contributions made by or on behalf of  
16 employees to the Fund for annuity purposes in the calendar  
17 year 2017; provided however, that beginning in the earlier  
18 of the year that the annual contribution amount is the  
19 amount calculated under subdivision (i), or payment year  
20 2021, and each year thereafter, the city's annual  
21 contribution shall be determined pursuant to subdivision  
22 (i) only.

23 (a-3) For levy years 2015 and thereafter, the city council  
24 of the city may levy a separate tax annually upon all taxable  
25 property in the city that shall be known as the Pension  
26 Stabilization Levy and shall be at a rate that, when extended,

1 will produce an amount not to exceed the city's total required  
2 contribution amount under subsection (a-2) for each applicable  
3 payment year. The remainder of the city's total required  
4 contribution amount under subsection (a-2), if any, shall be  
5 paid by the city to the city treasurer of the city with any  
6 lawfully available funds, which shall be collected and held by  
7 the city treasurer for the benefit of the Fund.

8 The Pension Stabilization Levy shall be levied and  
9 collected in like manner with the general taxes of the city,  
10 and shall be exclusive of and in addition to the amount of tax  
11 the city is now or may hereafter be authorized to levy for  
12 general purposes under any laws which may limit the amount of  
13 tax which the city may levy for general purposes. The county  
14 clerk of the county in which the city is located, in reducing  
15 tax levies under the provisions of any Act concerning the levy  
16 and extension of taxes, shall not consider the tax herein  
17 provided for as a part of the general tax levy for city  
18 purposes, and shall not include the same within any limitation  
19 of the percent of the assessed valuation upon which taxes are  
20 required to be extended for such city.

21 Revenues derived from such tax shall be used solely to  
22 satisfy the city's obligations to the Fund pursuant to  
23 subsection (a-2) and shall be paid to the city treasurer as  
24 collected and held by him for the benefit of the fund.

25 If the payments on account of taxes are insufficient during  
26 any year to meet the requirements of this Article, the city may

1 issue tax anticipation warrants against the current tax levy.

2 (a-4) For levy years 2015 through 2020, if the city does  
3 not: (i) levy a tax under subsection (a-3) equal to at least  
4 50% of the city's required contribution under subsection (a-2);  
5 and (ii) transmit the proceeds of the levy to the Fund within  
6 90 days after the payment of that contribution is due, the Fund  
7 may, after giving notice to the city, certify to the State  
8 Comptroller the amounts of the delinquent payment, and the  
9 Comptroller must, beginning in payment year 2016, deduct and  
10 deposit into the Fund the certified amount or a portion of that  
11 amount from the following proportions of grants of State funds  
12 to the city:

13 (1) in payment year 2016, one-third of the total amount  
14 of any grants of State funds to the city;

15 (2) in payment year 2017, two-thirds of the total  
16 amount of any grants of State funds to the city; and

17 (3) in payment years 2018 through 2021, the total  
18 amount of any grants of State funds to the city.

19 The State Comptroller may not deduct from any grants of  
20 State funds to the city more than the amount of delinquent  
21 payment certified to the State Comptroller by the Fund.

22 (b) On or before January 10, annually, the board shall  
23 notify the city council of the requirement of this Article that  
24 the taxes ~~tax~~ herein provided shall be levied for that current  
25 year. The board shall compute the amounts necessary for the  
26 purposes of this fund to be credited to the reserves

1 established and maintained as herein provided, and shall make  
2 an annual determination of the amount of the required city  
3 contributions; and certify the results thereof to the city  
4 council.

5 (c) In respect to employees of the city who are transferred  
6 to the employment of a park district by virtue of "Exchange of  
7 Functions Act of 1957" the corporate authorities of the park  
8 district shall annually levy a tax upon all the taxable  
9 property in the park district at such rate per cent of the  
10 value of such property, as equalized or assessed by the  
11 Department of Revenue, as shall be sufficient, when added to  
12 the amounts deducted from their salaries and otherwise  
13 contributed by them, to provide the benefits to which they and  
14 their dependents and beneficiaries are entitled under this  
15 Article. The city shall not levy a tax hereunder in respect to  
16 such employees.

17 The tax so levied by the park district shall be in addition  
18 to and exclusive of all other taxes authorized to be levied by  
19 the park district for corporate, annuity fund, or other  
20 purposes. The county clerk of the county in which the park  
21 district is located, in reducing any tax levied under the  
22 provisions of any Act concerning the levy and extension of  
23 taxes shall not consider such tax as part of the general tax  
24 levy for park purposes, and shall not include the same in any  
25 limitation of the per cent of the assessed valuation upon which  
26 taxes are required to be extended for the park district. The

1 proceeds of the tax levied by the park district, upon receipt  
2 by the district, shall be immediately paid over to the city  
3 treasurer of the city for the uses and purposes of the fund.

4 The various sums to be contributed by the city and  
5 allocated for the purposes of this Article, and any interest to  
6 be contributed by the city, shall be taken from the revenue  
7 derived from the taxes authorized in this Section, and no money  
8 of such city derived from any source other than the levy and  
9 collection of those taxes or the sale of tax anticipation  
10 warrants in accordance with the provisions of this Article  
11 shall be used to provide revenue for this Article, except as  
12 expressly provided in this Section.

13 If it is not possible for the city to make contributions  
14 for age and service annuity and widow's annuity concurrently  
15 with the employee's contributions made for such purposes, such  
16 city shall make such contributions as soon as possible and  
17 practicable thereafter with interest thereon at the effective  
18 rate to the time they shall be made.

19 (d) With respect to employees whose wages are funded as  
20 participants under the Comprehensive Employment and Training  
21 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.  
22 93-567, 88 Stat. 1845), hereinafter referred to as CETA,  
23 subsequent to October 1, 1978, and in instances where the board  
24 has elected to establish a manpower program reserve, the board  
25 shall compute the amounts necessary to be credited to the  
26 manpower program reserves established and maintained as herein

1 provided, and shall make a periodic determination of the amount  
2 of required contributions from the City to the reserve to be  
3 reimbursed by the federal government in accordance with rules  
4 and regulations established by the Secretary of the United  
5 States Department of Labor or his designee, and certify the  
6 results thereof to the City Council. Any such amounts shall  
7 become a credit to the City and will be used to reduce the  
8 amount which the City would otherwise contribute during  
9 succeeding years for all employees.

10 (e) In lieu of establishing a manpower program reserve with  
11 respect to employees whose wages are funded as participants  
12 under the Comprehensive Employment and Training Act of 1973, as  
13 authorized by subsection (d), the board may elect to establish  
14 a special municipality contribution rate for all such  
15 employees. If this option is elected, the City shall contribute  
16 to the Fund from federal funds provided under the Comprehensive  
17 Employment and Training Act program at the special rate so  
18 established and such contributions shall become a credit to the  
19 City and be used to reduce the amount which the City would  
20 otherwise contribute during succeeding years for all  
21 employees.

22 (f) In lieu of levying all or a portion of the tax required  
23 under this Section in any year, the city may deposit with the  
24 city treasurer no later than March 1 of that year for the  
25 benefit of the fund, to be held in accordance with this  
26 Article, an amount that, together with the taxes levied under

1 this Section for that year, is not less than the amount of the  
2 city contributions for that year as certified by the board to  
3 the city council. The deposit may be derived from any source  
4 legally available for that purpose, including, but not limited  
5 to, the proceeds of city borrowings. The making of a deposit  
6 shall satisfy fully the requirements of this Section for that  
7 year to the extent of the amounts so deposited. Amounts  
8 deposited under this subsection may be used by the fund for any  
9 of the purposes for which the proceeds of the taxes ~~tax~~ levied  
10 by the city under this Section may be used, including the  
11 payment of any amount that is otherwise required by this  
12 Article to be paid from the proceeds of those taxes ~~that tax~~.

13 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

14 (40 ILCS 5/11-169.1 new)

15 Sec. 11-169.1. Funding Obligation.

16 (a) Beginning January 1, 2015, the city shall be obligated  
17 to contribute to the Fund in each fiscal year an amount not  
18 less than the amount determined annually under subsections (a)  
19 through (a-2) of Section 11-169 of this Code. Notwithstanding  
20 any other provision of law, if the city fails to pay the amount  
21 guaranteed under this Section on or before December 31 of the  
22 year in which such amount is due, the retirement board may  
23 bring a mandamus action in the Circuit Court of Cook County to  
24 compel the city to make the required payment, irrespective of  
25 other remedies that may be available to the Fund. The

1 obligations and causes of action created under this Section  
2 shall be in addition to any other right or remedy otherwise  
3 accorded by common law or State or federal law, and nothing in  
4 this Section shall be construed to deny, abrogate, impair, or  
5 waive any such common law or statutory right or remedy.

6 (b) In ordering the city to make the required payment, the  
7 court may order a reasonable payment schedule to enable the  
8 city to make the required payment without significantly  
9 imperiling the public health, safety, or welfare. Any payments  
10 required to be made by the city pursuant to this Section are  
11 expressly subordinated to the payment of the principal,  
12 interest, premium, if any, and other payments on or related to  
13 any bonded debt obligation of the city, either currently  
14 outstanding or to be issued, for which the source of repayment  
15 or security thereon is derived directly or indirectly from any  
16 funds collected or received by the city or collected or  
17 received on behalf of the city. Payments on such bonded  
18 obligations include any statutory fund transfers or other  
19 prefunding mechanisms or formulas set forth, now or hereafter,  
20 in State law, city ordinance, or bond indentures, into debt  
21 service funds or accounts of the city related to such bonded  
22 obligations, consistent with the payment schedules associated  
23 with such obligations.

24 (40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

25 Sec. 11-170. Contributions for age and service annuities



1 for present employees, future entrants and re-entrants.

2 (a) Beginning on the effective date and prior to July 1,  
3 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July  
4 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,  
5 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning  
6 January 1, 2015, and prior to January 1, 2016, 7.0%; and  
7 beginning January 1, 2016, and prior to January 1, 2017, 7.5%;  
8 and, beginning January 1, 2017, and prior to January 1, 2018,  
9 8.0%; and beginning January 1, 2018, and prior to January 1,  
10 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0%  
11 ~~6 1/2%~~ of each payment of the salary of each present employee,  
12 future entrant and re-entrant shall be contributed to the fund  
13 as a deduction from salary for age and service annuity;  
14 provided, however, that beginning with the first pay period on  
15 or after the date when the funded ratio of the Fund is first  
16 determined to have reached the 90% funding goal set forth in  
17 subsection (a-2) of Section 11-169 of this Code, and each pay  
18 period thereafter for as long as the Fund maintains a funding  
19 ratio of 90% or more, employee contributions shall be 7.75% of  
20 salary for the age and service annuity. If the funding ratio  
21 falls below 90%, then employee contributions for the age and  
22 service annuity shall revert to 9.0% of salary until such time  
23 as the Fund once again is determined to have reached a funding  
24 ratio of at least 90%, at which time employee contributions of  
25 7.75% shall resume for the age and service annuity. Such  
26 deductions beginning on the effective date and prior to June

1 30, 1947, inclusive shall be made for a future entrant while he  
2 is in service until he attains age 65, and for a present  
3 employee while he is in service until the amount so deducted  
4 from his salary with interest at the rate of 4% per annum shall  
5 be equal to the sum which would have accumulated to his credit  
6 from sums deducted from his salary if deductions at the rate  
7 herein stated had been made during his entire service until he  
8 attained age 65 with interest at 4% per annum for the period  
9 subsequent to his attainment of age 65. Such deductions  
10 beginning July 1, 1947 shall be made and continued for  
11 employees while in the service.

12 Notwithstanding Section 1-103.1, the changes to this  
13 Section made by this amendatory Act of the 98th General  
14 Assembly apply regardless of whether the employee was in active  
15 service on or after the effective date of this amendatory Act.

16 (b) Concurrently with each employee contribution, the city  
17 shall contribute beginning on the effective date and prior to  
18 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to  
19 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each  
20 payment of such salary until the employee attains age 65.

21 (c) Each employee contribution made prior to the date age  
22 and service annuity for an employee is fixed and each  
23 corresponding city contribution shall be allocated to the  
24 account of and credited to the employee for whose benefit it is  
25 made.

26 (Source: P.A. 81-1536.)

1 (40 ILCS 5/11-179.1 new)

2 Sec. 11-179.1. Use of contributions for health care  
3 subsidies. Except as may be required pursuant to Sections  
4 11-160.1 and 11-160.2 of this Code, the Fund shall not use any  
5 contribution received by the Fund under this Article to provide  
6 a subsidy for the cost of participation in a retiree health  
7 care program.

8 (40 ILCS 5/11-181) (from Ch. 108 1/2, par. 11-181)

9 Sec. 11-181. Board created. Notwithstanding any other  
10 provision of this Article:

11 (1) After discussion with the board and other  
12 interested parties, the city shall present to the General  
13 Assembly its recommendations for restructuring the board  
14 of the Fund.

15 (2) On April 1, 2015, the terms of the members of the  
16 board serving on that date are terminated, and the board  
17 shall be restructured and reconstituted as provided by the  
18 General Assembly by law.

19 Until the board is restructured in accordance with this  
20 amendatory Act of the 98th General Assembly, a A board of 8  
21 members shall constitute the board of trustees authorized to  
22 carry out the provisions of this Article. The board shall be  
23 known as the Retirement Board of the Laborers' and Retirement  
24 Board Employees' Annuity and Benefit Fund of the city. The

1 board shall consist of 5 persons appointed and 2 employees and  
2 one annuitant elected in the manner hereinafter prescribed.

3 The appointed members of the board shall be appointed as  
4 follows:

5 One member shall be appointed by the comptroller of the  
6 city, who may be himself or anyone chosen from among employees  
7 of the city who are versed in the affairs of the comptroller's  
8 office; one member shall be appointed by the City Treasurer of  
9 the city, who may be himself or a person chosen from among  
10 employees of the city who are versed in the affairs of the City  
11 Treasurer's office; one member shall be an employee of the city  
12 appointed by the president of the local labor organization  
13 representing a majority of the employees participating in the  
14 Fund; and 2 members shall be appointed by the civil service  
15 commission or the Department of Personnel of the city from  
16 among employees of the city who are versed in the affairs of  
17 the civil service commission's office or the Department of  
18 Personnel.

19 The member appointed by the comptroller shall hold office  
20 for a term ending on December 1st of the first year following  
21 the year of appointment. The member appointed by the City  
22 Treasurer shall hold office for a term ending on December 1st  
23 of the second year following the year of appointment. The  
24 member appointed by the civil service commission shall hold  
25 office for a term ending on the first day in the month of  
26 December of the third year following the year of appointment.

1 The additional member appointed by the civil service commission  
2 under this amendatory Act of 1998 shall hold office for an  
3 initial term ending on December 1, 2000, and the member  
4 appointed by the labor organization president shall hold office  
5 for an initial term ending on December 1, 2001. Thereafter each  
6 appointive member shall be appointed by the officer or body  
7 that appointed his predecessor, for a term of 3 years.

8 The 2 employee members of the board shall be elected as  
9 follows:

10 Within 30 days from and after the appointive members have  
11 been appointed and have qualified, the appointive members shall  
12 arrange for and hold an election.

13 One employee shall be elected for a term ending on December  
14 1st of the first year next following the effective date; one  
15 for a term ending on December 1st of the following year.

16 An employee member who takes advantage of the early  
17 retirement incentives provided under this amendatory Act of the  
18 93rd General Assembly may continue as a member until the end of  
19 his or her term.

20 The initial annuitant member shall be appointed by the  
21 other members of the board for an initial term ending on  
22 December 1, 1999. The annuitant member elected in 1999 shall be  
23 deemed to have been elected for a 3-year term ending on  
24 December 1, 2002. Thereafter, the annuitant member shall be  
25 elected for a 3-year term ending on December 1st of the third  
26 year following the election.

1 (Source: P.A. 93-654, eff. 1-16-04.)

2 Section 90. The State Mandates Act is amended by adding  
3 Section 8.38 as follows:

4 (30 ILCS 805/8.38 new)

5 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8  
6 of this Act, no reimbursement by the State is required for the  
7 implementation of any mandate created by this amendatory Act of  
8 the 98th General Assembly.

9 Section 93. Inseverability and severability. The  
10 provisions of this amendatory Act of 2013 set forth in Secs.  
11 1-160, 8-137, 8-137.1, 8-173, 8-173.1, 8-174, 11-134.1,  
12 11-134.3, 11-169, 11-169.1, and 11-170 of the Illinois Pension  
13 Code are mutually dependent and inseverable. If any of those  
14 provisions is held invalid other than as applied to a  
15 particular person or circumstance, then all of those provisions  
16 are invalid. The remaining provisions of this Act are severable  
17 under Section 1.31 of the Statute on Statutes, and are not  
18 mutually dependent upon the provisions set forth in any other  
19 Section of this Act.

20 Section 95. No acceleration or delay. Where this Act makes  
21 changes in a statute that is represented in this Act by text  
22 that is not yet or no longer in effect (for example, a Section

1 represented by multiple versions), the use of that text does  
2 not accelerate or delay the taking effect of (i) the changes  
3 made by this Act or (ii) provisions derived from any other  
4 Public Act.

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.".