



Rep. Daniel J. Burke

Filed: 4/21/2016

09900HB4553ham001

LRB099 16205 EFG 47388 a

1 AMENDMENT TO HOUSE BILL 4553

2 AMENDMENT NO. _____. Amend House Bill 4553 on page 1, in
3 line 5, after "Sections", by inserting "5-132, 5-167.1,
4 5-167.4,"; and

5 on page 1, immediately below line 5, by inserting the
6 following:

7 "(40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)

8 Sec. 5-132. Minimum annuity. Any policeman who withdraws on
9 or after July 8, 1957, or any policeman transferred to the
10 police service of the city under the Exchange of Functions Act
11 of 1957 who withdraws on or after July 17, 1959, after
12 completing at least 20 years of service, for whom the annuity
13 otherwise provided in this Article is less than that stated in
14 this Section has a right to receive annuity as follows:

15 (a) If he is age 55 or more on withdrawal, his annuity
16 after such withdrawal, shall be equal to 2% of the average

1 salary for 4 consecutive years of highest salaries within the
2 last 10 years of service before withdrawal, for each year of
3 service, together with 1/6 of 1% of such average salary for
4 each complete month of service of each fractional year, but not
5 in excess of 75% of the average annual salary.

6 (b) If he is age 50 or more but less than age 55 on
7 withdrawal, his annuity shall be equal to 2% of the average
8 salary for the 4 highest consecutive years of the last 10 years
9 of service for each year of service, together with 1/16 of 1%
10 of such average salary for each month of each fractional year
11 of service, reduced by 1/2 of 1% for each month that he is less
12 than age 55.

13 (c) If he is less than age 50 on withdrawal, he may, upon
14 attainment of age 50 or over, become entitled to the annuity
15 provided in this Section or, he may, upon application before
16 age 50, receive a refund of the deductions from salary, plus
17 interest at 1 1/2% per annum if he is entitled to refund under
18 Section 5-163.

19 (d) In lieu of the annuity provided in the foregoing
20 provisions of this Section 5-132 any policeman who withdraws
21 from the service after December 31, 1973, after having attained
22 age 53 in the service with 23 or more years of service credit
23 shall be entitled to an annuity computed as follows if such
24 annuity is greater than that provided in the foregoing
25 paragraphs of this Section 5-132: An annuity equal to 50% of
26 the average salary for the 4 highest consecutive years of the

1 last 10 years of service plus additional annuity equal to 2% of
2 such average salary for each completed year of service or
3 fraction thereof rendered after his attainment of age 53 and
4 the completion of 23 years of service.

5 Any policeman who has completed 23 years of service prior
6 to his attainment of age 53 in the service and continues in the
7 service until his attainment of age 53 shall have added to his
8 annuity, computed as provided in the immediately preceding
9 paragraph, an additional annuity equal to 1% of such average
10 salary for each completed year of service or fraction thereof
11 in excess of 23 years up to age 53.

12 (e) In lieu of the annuity provided in the foregoing
13 provisions of this Section any policeman who withdraws from the
14 service either (i) after December 31, 1983 with at least 22
15 years of service credit and having attained age 52 in the
16 service, or (ii) after December 31, 1984 with at least 21 years
17 of service credit and having attained age 51 in the service, or
18 (iii) after December 31, 1985 with at least 20 years of service
19 credit and having attained age 50 in the service, or (iv) after
20 December 31, 1990, with at least 20 years of service credit
21 regardless of age, shall be entitled to an annuity to begin not
22 earlier than upon attainment of age 50 if under such age at
23 withdrawal, computed as follows: an annuity equal to 50% of the
24 average salary for the 4 highest consecutive years of the last
25 10 years of service, plus additional annuity equal to 2% of
26 such average salary for each completed year of service or

1 fraction thereof rendered after his completion of the minimum
2 number of years of service required for him to be eligible
3 under this subsection (e). In lieu of any annuity provided in
4 the foregoing provisions of this Section, any policeman who
5 withdraws from the service after December 31, 2003, with at
6 least 20 years of service credit regardless of age, shall be
7 entitled to an annuity to begin not earlier than upon
8 attainment of age 50, if under that age at withdrawal, equal to
9 2.5% of the average salary for the 4 highest consecutive years
10 of the last 10 years of service for each completed year of
11 service or fraction thereof. However, the annuity provided
12 under this subsection (e) may not exceed 75% of such average
13 salary.

14 (e-5) Beginning January 1, 2017, the minimum retirement
15 annuity payable to any person who has retired from service at
16 age 50 or over with 20 or more years of service and is entitled
17 to receive a retirement annuity under this Article on that
18 date, or who retires from service at age 50 or over with 20 or
19 more years of service after that date, shall be no less than
20 125% of the Federal Poverty Level. For purposes of this
21 Section, the "Federal Poverty Level" shall be determined
22 pursuant to the poverty guidelines updated periodically in the
23 Federal Register by the United States Department of Health and
24 Human Services under the authority of 42 U.S.C. 9902(2).

25 For the purposes of Section 1-103.1, the changes made to
26 this Section by this amendatory Act of the 99th General

1 Assembly apply without regard to whether the retirement of the
2 policeman occurred prior to the effective date of this
3 amendatory Act.

4 (f) A policeman withdrawing after September 1, 1969, may,
5 in addition, be entitled to the benefits provided by Section
6 5-167.1 of this Article if he so qualifies under that Section.

7 If, on withdrawal, total service is less than 20 years, the
8 policeman shall not be entitled to an annuity under this
9 Section but may receive an annuity under the other provisions
10 of this Article or, if entitled thereto under Section 5-163, a
11 refund of the deductions from salary, including, in the case of
12 policemen transferred to the police service of the city under
13 the Exchange of Functions Act of 1957, the additional
14 contribution paid on salary received from August 1, 1957, to
15 July 17, 1959, as provided in the Park Policemen's Annuity Act,
16 together with interest at 1 1/2% per annum.

17 Moneys voluntarily contributed under the Policemen's
18 Annuity and Benefit Fund Act of the Illinois Municipal Code, or
19 the Park Policemen's Annuity Act, shall be refunded to the
20 contributing policemen who were in service on January 1, 1954,
21 or in the case of policemen transferred to the police service
22 of the city under the Exchange of Functions Act of 1957, who
23 were in service on July 17, 1959.

24 The age and service annuity formula in this Section shall
25 not apply to any policeman who, having retired before July 8,
26 1957, or before July 17, 1959, in the case of a policeman

1 transferred under the provisions of the Exchange of Functions
2 Act of 1957, re-enters the police service after such dates,
3 whichever are applicable.

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

5 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

6 Sec. 5-167.1. Automatic increase in annuity; retirement
7 from service after September 1, 1967.

8 (a) A policeman who retires from service after September 1,
9 1967 with at least 20 years of service credit shall, upon
10 either the first of the month following the first anniversary
11 of his date of retirement if he is age 60 (age 55 if born before
12 January 1, 1966 ~~1955~~) or over on that anniversary date, or upon
13 the first of the month following his attainment of age 60 (age
14 55 if born before January 1, 1966 ~~1955~~) if it occurs after the
15 first anniversary of his retirement date, have his then fixed
16 and payable monthly annuity increased by 1 1/2% and such first
17 fixed annuity as granted at retirement increased by an
18 additional 1 1/2% in January of each year thereafter up to a
19 maximum increase of 30%. Beginning January 1, 1983 for
20 policemen born before January 1, 1930, and beginning January 1,
21 1988 for policemen born on or after January 1, 1930 but before
22 January 1, 1940, and beginning January 1, 1996 for policemen
23 born on or after January 1, 1940 but before January 1, 1945,
24 and beginning January 1, 2000 for policemen born on or after
25 January 1, 1945 but before January 1, 1950, and beginning

1 January 1, 2005 for policemen born on or after January 1, 1950
2 but before January 1, 1955, and beginning January 1, 2017 for
3 policemen born on or after January 1, 1955 but before January
4 1, 1966, such increases shall be 3% and such policemen shall
5 not be subject to the 30% maximum increase.

6 Any policeman born before January 1, 1945 who qualifies for
7 a minimum annuity and retires after September 1, 1967 but has
8 not received the initial increase under this subsection before
9 January 1, 1996 is entitled to receive the initial increase
10 under this subsection on (1) January 1, 1996, (2) the first
11 anniversary of the date of retirement, or (3) attainment of age
12 55, whichever occurs last. The changes to this Section made by
13 Public Act 89-12 apply beginning January 1, 1996 and without
14 regard to whether the policeman or annuitant terminated service
15 before the effective date of that Act.

16 Any policeman born before January 1, 1950 who qualifies for
17 a minimum annuity and retires after September 1, 1967 but has
18 not received the initial increase under this subsection before
19 January 1, 2000 is entitled to receive the initial increase
20 under this subsection on (1) January 1, 2000, (2) the first
21 anniversary of the date of retirement, or (3) attainment of age
22 55, whichever occurs last. The changes to this Section made by
23 this amendatory Act of the 92nd General Assembly apply without
24 regard to whether the policeman or annuitant terminated service
25 before the effective date of this amendatory Act.

26 Any policeman born before January 1, 1955 who qualifies for

1 a minimum annuity and retires after September 1, 1967 but has
2 not received the initial increase under this subsection before
3 January 1, 2005 is entitled to receive the initial increase
4 under this subsection on (1) January 1, 2005, (2) the first
5 anniversary of the date of retirement, or (3) attainment of age
6 55, whichever occurs last. The changes to this Section made by
7 this amendatory Act of the 94th General Assembly apply without
8 regard to whether the policeman or annuitant terminated service
9 before the effective date of this amendatory Act.

10 Any policeman born before January 1, 1966 who qualifies for
11 a minimum annuity and retires after September 1, 1967 but has
12 not received the initial increase under this subsection before
13 January 1, 2017 is entitled to receive an initial increase
14 under this subsection on (1) January 1, 2017, (2) the first
15 anniversary of the date of retirement, or (3) attainment of age
16 55, whichever occurs last, in an amount equal to 3% for each
17 complete year following the date of retirement or attainment of
18 age 55, whichever occurs later. The changes to this Section
19 made by this amendatory Act of the 99th General Assembly apply
20 without regard to whether the policeman or annuitant terminated
21 service before the effective date of this amendatory Act.

22 (b) Subsection (a) of this Section is not applicable to an
23 employee receiving a term annuity.

24 (c) To help defray the cost of such increases in annuity,
25 there shall be deducted, beginning September 1, 1967, from each
26 payment of salary to a policeman, 1/2 of 1% of each salary

1 payment concurrently with and in addition to the salary
2 deductions otherwise made for annuity purposes.

3 The city, in addition to the contributions otherwise made
4 by it for annuity purposes under other provisions of this
5 Article, shall make matching contributions concurrently with
6 such salary deductions.

7 Each such 1/2 of 1% deduction from salary and each such
8 contribution by the city of 1/2 of 1% of salary shall be
9 credited to the Automatic Increase Reserve, to be used to
10 defray the cost of the 1 1/2% annuity increase provided by this
11 Section. Any balance in such reserve as of the beginning of
12 each calendar year shall be credited with interest at the rate
13 of 3% per annum.

14 Such deductions from salary and city contributions shall
15 continue while the policeman is in service.

16 The salary deductions provided in this Section are not
17 subject to refund, except to the policeman himself, in any case
18 in which a policeman withdraws prior to qualification for
19 minimum annuity and applies for refund or applies for annuity,
20 and also where a term annuity becomes payable. In such cases,
21 the total of such salary deductions shall be refunded to the
22 policeman, without interest, and charged to the Automatic
23 Increase Reserve.

24 (d) Notwithstanding any other provision of this Article,
25 the monthly annuity of a person who first becomes a policeman
26 under this Article on or after the effective date of this

1 amendatory Act of the 97th General Assembly shall be increased
2 on the January 1 occurring either on or after the attainment of
3 age 60 or the first anniversary of the annuity start date,
4 whichever is later. Each annual increase shall be calculated at
5 3% or one-half the annual unadjusted percentage increase (but
6 not less than zero) in the consumer price index-u for the 12
7 months ending with the September preceding each November 1,
8 whichever is less, of the originally granted retirement
9 annuity. If the annual unadjusted percentage change in the
10 consumer price index-u for a 12-month period ending in
11 September is zero or, when compared with the preceding period,
12 decreases, then the annuity shall not be increased.

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

22 (Source: P.A. 96-1495, eff. 1-1-11; 97-344, eff. 8-12-11.)

23 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

24 Sec. 5-167.4. Widow annuitant minimum annuity.

25 (a) Notwithstanding any other provision of this Article,

beginning January 1, 1996, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$700 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1995.

Notwithstanding any other provision of this Article, beginning January 1, 1999, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$800 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1998.

Notwithstanding any other provision of this Article, beginning January 1, 2004, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$900 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

Notwithstanding any other provision of this Article, beginning January 1, 2005, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$1,000 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(b) Effective January 1, 1994, the minimum amount of

1 widow's annuity shall be \$700 per month for the following
2 classes of widows, without regard to whether the deceased
3 policeman is in service on or after the effective date of this
4 amendatory Act of 1993: (1) the widow of a policeman who dies
5 in service with at least 10 years of service credit, or who
6 dies in service after June 30, 1981; and (2) the widow of a
7 policeman who withdraws from service with 20 or more years of
8 service credit and does not withdraw a refund, provided that
9 the widow is married to the policeman before he withdraws from
10 service.

11 **(b-5) Notwithstanding any other provision of this Article,**
12 **beginning January 1, 2017, the minimum widow's annuity under**
13 **this Article shall be no less than 125% of the Federal Poverty**
14 **Level for all persons receiving widow's annuities on or after**
15 **that date, without regard to whether the deceased policeman is**
16 **in service on or after the effective date of this amendatory**
17 **Act of the 99th General Assembly. For purposes of this Section,**
18 **the "Federal Poverty Level" shall be determined pursuant to the**
19 **poverty guideline updated periodically in the Federal Register**
20 **by the United States Department of Health and Human Services**
21 **under the authority of 42 U.S.C. 9902(2).**

22 (c) The city, in addition to the contributions otherwise
23 made by it under the other provisions of this Article, shall
24 make such contributions as are necessary for the minimum
25 widow's annuities provided under this Section in the manner
26 prescribed in Section 5-175.

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