



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB4669

by Rep. Kelly Burke

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-108.1	from Ch. 108 1/2, par. 2-108.1
40 ILCS 5/2-119.1	from Ch. 108 1/2, par. 2-119.1
40 ILCS 5/2-121.1	from Ch. 108 1/2, par. 2-121.1
40 ILCS 5/2-126	from Ch. 108 1/2, par. 2-126
40 ILCS 5/18-125	from Ch. 108 1/2, par. 18-125
40 ILCS 5/18-125.1	from Ch. 108 1/2, par. 18-125.1
40 ILCS 5/18-128.01	from Ch. 108 1/2, par. 18-128.01
40 ILCS 5/18-133	from Ch. 108 1/2, par. 18-133

Amends the General Assembly and Judges Articles of the Illinois Pension Code. Changes the manner in which highest salary for annuity purposes, final average salary, automatic annual increases, and survivor benefits are calculated for persons who first become participants of either system on or after the effective date of the amendatory Act. Also makes technical changes.

LRB099 16679 RPS 41017 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

1 AN ACT concerning pensions.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 2-108.1, 2-119.1, 2-121.1, 2-126, 18-125, 18-125.1,  
6 18-128.01, and 18-133 as follows:

7 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

8 (Text of Section WITHOUT the changes made by P.A. 98-599,  
9 which has been held unconstitutional)

10 Sec. 2-108.1. Highest salary for annuity purposes.

11 (a) "Highest salary for annuity purposes" means whichever  
12 of the following is applicable to the participant:

13 For a participant who first becomes a participant of this  
14 System before August 10, 2009 (the effective date of Public Act  
15 96-207):

16 (1) For a participant who is a member of the General  
17 Assembly on his or her last day of service: the highest  
18 salary that is prescribed by law, on the participant's last  
19 day of service, for a member of the General Assembly who is  
20 not an officer; plus, if the participant was elected or  
21 appointed to serve as an officer of the General Assembly  
22 for 2 or more years and has made contributions as required  
23 under subsection (d) of Section 2-126, the highest

1 additional amount of compensation prescribed by law, at the  
2 time of the participant's service as an officer, for  
3 members of the General Assembly who serve in that office.

4 (2) For a participant who holds one of the State  
5 executive offices specified in Section 2-105 on his or her  
6 last day of service: the highest salary prescribed by law  
7 for service in that office on the participant's last day of  
8 service.

9 (3) For a participant who is Clerk or Assistant Clerk  
10 of the House of Representatives or Secretary or Assistant  
11 Secretary of the Senate on his or her last day of service:  
12 the salary received for service in that capacity on the  
13 last day of service, but not to exceed the highest salary  
14 (including additional compensation for service as an  
15 officer) that is prescribed by law on the participant's  
16 last day of service for the highest paid officer of the  
17 General Assembly.

18 (4) For a participant who is a continuing participant  
19 under Section 2-117.1 on his or her last day of service:  
20 the salary received for service in that capacity on the  
21 last day of service, but not to exceed the highest salary  
22 (including additional compensation for service as an  
23 officer) that is prescribed by law on the participant's  
24 last day of service for the highest paid officer of the  
25 General Assembly.

26 For a participant who first becomes a participant of this

1 System on or after August 10, 2009 (the effective date of  
2 Public Act 96-207) and before January 1, 2011 (the effective  
3 date of Public Act 96-889), the average monthly salary obtained  
4 by dividing the total salary of the participant during the  
5 period of: (1) the 48 consecutive months of service within the  
6 last 120 months of service in which the total compensation was  
7 the highest, or (2) the total period of service, if less than  
8 48 months, by the number of months of service in that period.

9 For a participant who first becomes a participant of this  
10 System on or after January 1, 2011 (the effective date of  
11 Public Act 96-889) but before the effective date of this  
12 amendatory Act of the 99th General Assembly, the average  
13 monthly salary obtained by dividing the total salary of the  
14 participant during the 96 consecutive months of service within  
15 the last 120 months of service in which the total compensation  
16 was the highest by the number of months of service in that  
17 period; however, beginning January 1, 2011, the highest salary  
18 for annuity purposes may not exceed \$106,800, except that that  
19 amount shall annually thereafter be increased by the lesser of  
20 (i) 3% of that amount, including all previous adjustments, or  
21 (ii) the annual unadjusted percentage increase (but not less  
22 than zero) in the consumer price index-u for the 12 months  
23 ending with the September preceding each November 1.

24 For a participant who first becomes a participant of this  
25 System on or after the effective date of this amendatory Act of  
26 the 99th General Assembly, the average monthly salary obtained

1 by dividing the total salary of the participant during the 96  
2 consecutive months of service within the last 120 months of  
3 service in which the total compensation was the highest by the  
4 number of months of service in that period; however, the  
5 highest salary for annuity purposes may not exceed in any year  
6 the salary limitation determined for that year by the Public  
7 Pension Division of the Department of Insurance under  
8 subsection (b-5) of Section 1-160 of this Code.

9 (a-5) "Consumer price index-u" means the index published by  
10 the Bureau of Labor Statistics of the United States Department  
11 of Labor that measures the average change in prices of goods  
12 and services purchased by all urban consumers, United States  
13 city average, all items, 1982-84 = 100.

14 ~~The new amount resulting from each annual adjustment shall~~  
15 ~~be determined by the~~ Public Pension Division of the Department  
16 of Insurance shall determine in October of each year (i) the  
17 annual unadjusted percentage increase (but not less than zero)  
18 in the consumer price index-u for the 12 months ending with the  
19 preceding September and (ii) the salary limitation under  
20 subsection (a) for the following year for the category of  
21 participants who first become participants of this System on or  
22 after January 1, 2011 but before the effective date of this  
23 amendatory Act of the 99th General Assembly. The Division shall  
24 make these determinations ~~and made~~ available to the Board by  
25 November 1 of each year.

26 (b) The earnings limitations of subsection (a) apply to

1 earnings under any other participating system under the  
2 Retirement Systems Reciprocal Act that are considered in  
3 calculating a proportional annuity under this Article, except  
4 in the case of a person who first became a member of this  
5 System before August 22, 1994 and has not, on or after the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly, irrevocably elected to have those limitations apply.  
8 The limitations of subsection (a) shall apply, however, to  
9 earnings under any other participating system under the  
10 Retirement Systems Reciprocal Act that are considered in  
11 calculating the proportional annuity of a person who first  
12 became a member of this System before August 22, 1994 if, on or  
13 after the effective date of this amendatory Act of the 97th  
14 General Assembly, that member irrevocably elects to have those  
15 limitations apply.

16 (c) In calculating the subsection (a) earnings limitation  
17 to be applied to earnings under any other participating system  
18 under the Retirement Systems Reciprocal Act for the purpose of  
19 calculating a proportional annuity under this Article, the  
20 participant's last day of service shall be deemed to mean the  
21 last day of service in any participating system from which the  
22 person has applied for a proportional annuity under the  
23 Retirement Systems Reciprocal Act.

24 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;  
25 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

1 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

2 (Text of Section WITHOUT the changes made by P.A. 98-599,  
3 which has been held unconstitutional)

4 Sec. 2-119.1. Automatic increase in retirement annuity.

5 (a) Except as otherwise provided in this Section, a ~~A~~  
6 participant who retires after June 30, 1967, and who has not  
7 received an initial increase under this Section before the  
8 effective date of this amendatory Act of 1991, shall, in  
9 January or July next following the first anniversary of  
10 retirement, whichever occurs first, and in the same month of  
11 each year thereafter, but in no event prior to age 60, have the  
12 amount of the originally granted retirement annuity increased  
13 as follows: for each year through 1971, 1 1/2%; for each year  
14 from 1972 through 1979, 2%; and for 1980 and each year  
15 thereafter, 3%. Annuitants who have received an initial  
16 increase under this subsection prior to the effective date of  
17 this amendatory Act of 1991 shall continue to receive their  
18 annual increases in the same month as the initial increase.

19 (b) Beginning January 1, 1990, for eligible participants  
20 who remain in service after attaining 20 years of creditable  
21 service, the 3% increases provided under subsection (a) shall  
22 begin to accrue on the January 1 next following the date upon  
23 which the participant (1) attains age 55, or (2) attains 20  
24 years of creditable service, whichever occurs later, and shall  
25 continue to accrue while the participant remains in service;  
26 such increases shall become payable on January 1 or July 1,

1       whichever occurs first, next following the first anniversary of  
2       retirement. For any person who has service credit in the System  
3       for the entire period from January 15, 1969 through December  
4       31, 1992, regardless of the date of termination of service, the  
5       reference to age 55 in clause (1) of this subsection (b) shall  
6       be deemed to mean age 50.

7               This subsection (b) does not apply to any person who first  
8       becomes a member of the System after the effective date of this  
9       amendatory Act of the 93rd General Assembly.

10              (b-5) Notwithstanding any other provision of this Article,  
11       a participant who first becomes a participant on or after  
12       January 1, 2011 (the effective date of Public Act 96-889) but  
13       before the effective date of this amendatory Act of the 99th  
14       General Assembly shall, in January or July next following the  
15       first anniversary of retirement, whichever occurs first, and in  
16       the same month of each year thereafter, but in no event prior  
17       to age 67, have the amount of the retirement annuity then being  
18       paid increased by 3% or the annual unadjusted percentage  
19       increase in the Consumer Price Index for All Urban Consumers as  
20       determined by the Public Pension Division of the Department of  
21       Insurance under subsection (a-5) ~~(a)~~ of Section 2-108.1,  
22       whichever is less.

23              (b-10) Notwithstanding any other provision of this  
24       Article, a participant who first becomes a participant on or  
25       after the effective date of this amendatory Act of the 99th  
26       General Assembly shall, in January or July next following the



1 first anniversary of retirement, whichever occurs first, and in  
2 the same month of each year thereafter, but in no event prior  
3 to age 67, have the annuity increased by 3% or one-half the  
4 annual unadjusted percentage increase (but not less than zero)  
5 in the Consumer Price Index for All Urban Consumers as  
6 determined by the Public Pension Division of the Department of  
7 Insurance under subsection (a-5) of Section 2-108.1, whichever  
8 is less, of the originally granted retirement annuity.

9 (c) The foregoing provisions relating to automatic  
10 increases are not applicable to a participant who retires  
11 before having made contributions (at the rate prescribed in  
12 Section 2-126) for automatic increases for less than the  
13 equivalent of one full year. However, in order to be eligible  
14 for the automatic increases, such a participant may make  
15 arrangements to pay to the system the amount required to bring  
16 the total contributions for the automatic increase to the  
17 equivalent of one year's contributions based upon his or her  
18 last salary.

19 (d) A participant who terminated service prior to July 1,  
20 1967, with at least 14 years of service is entitled to an  
21 increase in retirement annuity beginning January, 1976, and to  
22 additional increases in January of each year thereafter.

23 The initial increase shall be 1 1/2% of the originally  
24 granted retirement annuity multiplied by the number of full  
25 years that the annuitant was in receipt of such annuity prior  
26 to January 1, 1972, plus 2% of the originally granted

1 retirement annuity for each year after that date. The  
2 subsequent annual increases shall be at the rate of 2% of the  
3 originally granted retirement annuity for each year through  
4 1979 and at the rate of 3% for 1980 and thereafter.

5 (e) Except as otherwise provided in this Section, beginning  
6 ~~Beginning~~ January 1, 1990, all automatic annual increases  
7 payable under this Section shall be calculated as a percentage  
8 of the total annuity payable at the time of the increase,  
9 including previous increases granted under this Article.

10 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

11 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

12 Sec. 2-121.1. Survivor's annuity - amount.

13 (a) A surviving spouse shall be entitled to 66 2/3% of the  
14 amount of retirement annuity to which the participant or  
15 annuitant was entitled on the date of death, without regard to  
16 whether the participant had attained age 55 prior to his or her  
17 death, subject to a minimum payment of 10% of salary. If a  
18 surviving spouse, regardless of age, has in his or her care at  
19 the date of death any eligible child or children of the  
20 participant, the survivor's annuity shall be the greater of the  
21 following: (1) 66 2/3% of the amount of retirement annuity to  
22 which the participant or annuitant was entitled on the date of  
23 death, or (2) 30% of the participant's salary increased by 10%  
24 of salary on account of each such child, subject to a total  
25 payment for the surviving spouse and children of 50% of salary.

1 If eligible children survive but there is no surviving spouse,  
2 or if the surviving spouse dies or becomes disqualified by  
3 remarriage while eligible children survive, each eligible  
4 child shall be entitled to an annuity of 20% of salary, subject  
5 to a maximum total payment for all such children of 50% of  
6 salary.

7 However, the survivor's annuity payable under this Section  
8 shall not be less than 100% of the amount of retirement annuity  
9 to which the participant or annuitant was entitled on the date  
10 of death, if he or she is survived by a dependent disabled  
11 child.

12 The salary to be used for determining these benefits shall  
13 be the salary used for determining the amount of retirement  
14 annuity as provided in Section 2-119.01.

15 (b) Upon the death of a participant after the termination  
16 of service or upon death of an annuitant, the maximum total  
17 payment to a surviving spouse and eligible children, or to  
18 eligible children alone if there is no surviving spouse, shall  
19 be 75% of the retirement annuity to which the participant or  
20 annuitant was entitled, unless there is a dependent disabled  
21 child among the survivors.

22 (c) When a child ceases to be an eligible child, the  
23 annuity to that child, or to the surviving spouse on account of  
24 that child, shall thereupon cease, and the annuity payable to  
25 the surviving spouse or other eligible children shall be  
26 recalculated if necessary.

1           Upon the ineligibility of the last eligible child, the  
2 annuity shall immediately revert to the amount payable upon  
3 death of a participant or annuitant who leaves no eligible  
4 children. If the surviving spouse is then under age 50, the  
5 annuity as revised shall be deferred until the attainment of  
6 age 50.

7           (d) Except as otherwise provided in this Section, beginning  
8 ~~Beginning~~ January 1, 1990, every survivor's annuity shall be  
9 increased (1) on each January 1 occurring on or after the  
10 commencement of the annuity if the deceased member died while  
11 receiving a retirement annuity, or (2) in other cases, on each  
12 January 1 occurring on or after the first anniversary of the  
13 commencement of the annuity, by an amount equal to 3% of the  
14 current amount of the annuity, including any previous increases  
15 under this Article. Such increases shall apply without regard  
16 to whether the deceased member was in service on or after the  
17 effective date of this amendatory Act of 1991, but shall not  
18 accrue for any period prior to January 1, 1990.

19           (d-5) Notwithstanding any other provision of this Article,  
20 the initial survivor's annuity of a survivor of a participant  
21 who first becomes a participant on or after January 1, 2011  
22 (the effective date of Public Act 96-889) but before the  
23 effective date of this amendatory Act of the 99th General  
24 Assembly shall be in the amount of 66 2/3% of the amount of the  
25 retirement annuity to which the participant or annuitant was  
26 entitled on the date of death and shall be increased (1) on

1 each January 1 occurring on or after the commencement of the  
2 annuity if the deceased member died while receiving a  
3 retirement annuity or (2) in other cases, on each January 1  
4 occurring on or after the first anniversary of the commencement  
5 of the annuity, by an amount equal to 3% or the annual  
6 unadjusted percentage increase in the Consumer Price Index for  
7 All Urban Consumers as determined by the Public Pension  
8 Division of the Department of Insurance under subsection (a-5)  
9 ~~(a)~~ of Section 2-108.1, whichever is less, of the survivor's  
10 annuity then being paid.

11 (d-10) Notwithstanding any other provision of this  
12 Article, the initial survivor's annuity of a survivor of a  
13 participant who first becomes a participant on or after the  
14 effective date of this amendatory Act of the 99th General  
15 Assembly shall be in the amount of 66 2/3% of the amount of the  
16 retirement annuity to which the participant or annuitant was  
17 entitled on the date of death and shall be increased (1) on  
18 each January 1 occurring on or after the commencement of the  
19 annuity if the deceased member died while receiving a  
20 retirement annuity or (2) in other cases, on each January 1  
21 occurring on or after the first anniversary of the commencement  
22 of the annuity, by an amount equal to 3% or one-half the annual  
23 unadjusted percentage increase (but not less than zero) in the  
24 Consumer Price Index for All Urban Consumers as determined by  
25 the Public Pension Division of the Department of Insurance  
26 under subsection (a-5) of Section 2-108.1, whichever is less,

1 of the originally granted survivor's annuity.

2 (e) Notwithstanding any other provision of this Article,  
3 beginning January 1, 1990, the minimum survivor's annuity  
4 payable to any person who is entitled to receive a survivor's  
5 annuity under this Article shall be \$300 per month, without  
6 regard to whether or not the deceased participant was in  
7 service on the effective date of this amendatory Act of 1989.

8 (f) In the case of a proportional survivor's annuity  
9 arising under the Retirement Systems Reciprocal Act where the  
10 amount payable by the System on January 1, 1993 is less than  
11 \$300 per month, the amount payable by the System shall be  
12 increased beginning on that date by a monthly amount equal to  
13 \$2 for each full year that has expired since the annuity began.  
14 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

15 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

16 (Text of Section WITHOUT the changes made by P.A. 98-599,  
17 which has been held unconstitutional)

18 Sec. 2-126. Contributions by participants.

19 (a) Each participant shall contribute toward the cost of  
20 his or her retirement annuity a percentage of each payment of  
21 salary received by him or her for service as a member as  
22 follows: for service between October 31, 1947 and January 1,  
23 1959, 5%; for service between January 1, 1959 and June 30,  
24 1969, 6%; for service between July 1, 1969 and January 10,  
25 1973, 6 1/2%; for service after January 10, 1973, 7%; for

1 service after December 31, 1981, 8 1/2%.

2 (b) Beginning August 2, 1949, each male participant, and  
3 from July 1, 1971, each female participant shall contribute  
4 towards the cost of the survivor's annuity 2% of salary.

5 A participant who has no eligible survivor's annuity  
6 beneficiary may elect to cease making contributions for  
7 survivor's annuity under this subsection. A survivor's annuity  
8 shall not be payable upon the death of a person who has made  
9 this election, unless prior to that death the election has been  
10 revoked and the amount of the contributions that would have  
11 been paid under this subsection in the absence of the election  
12 is paid to the System, together with interest at the rate of 4%  
13 per year from the date the contributions would have been made  
14 to the date of payment.

15 (c) Beginning July 1, 1967, each participant shall  
16 contribute 1% of salary towards the cost of automatic increase  
17 in annuity provided in Section 2-119.1. These contributions  
18 shall be made concurrently with contributions for retirement  
19 annuity purposes.

20 (d) In addition, each participant serving as an officer of  
21 the General Assembly shall contribute, for the same purposes  
22 and at the same rates as are required of a regular participant,  
23 on each additional payment received as an officer. If the  
24 participant serves as an officer for at least 2 but less than 4  
25 years, he or she shall contribute an amount equal to the amount  
26 that would have been contributed had the participant served as

1 an officer for 4 years. Persons who serve as officers in the  
2 87th General Assembly but cannot receive the additional payment  
3 to officers because of the ban on increases in salary during  
4 their terms may nonetheless make contributions based on those  
5 additional payments for the purpose of having the additional  
6 payments included in their highest salary for annuity purposes;  
7 however, persons electing to make these additional  
8 contributions must also pay an amount representing the  
9 corresponding employer contributions, as calculated by the  
10 System.

11 (e) Notwithstanding any other provision of this Article,  
12 the required contribution of a participant who first becomes a  
13 participant on or after January 1, 2011 shall not be based on  
14 any salary in excess of the applicable annually-adjusted  
15 limitation on ~~exceed the contribution that would be due under~~  
16 ~~this Article if~~ that participant's highest salary for annuity  
17 purposes ~~were \$106,800, plus any increases in that amount~~ under  
18 Section 2-108.1.

19 (Source: P.A. 96-1490, eff. 1-1-11.)

20 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

21 Sec. 18-125. Retirement annuity amount.

22 (a) The annual retirement annuity for a participant who  
23 terminated service as a judge prior to July 1, 1971 shall be  
24 based on the law in effect at the time of termination of  
25 service.



1           (b) Except as provided in subsection (b-5), effective July  
2 1, 1971, the retirement annuity for any participant in service  
3 on or after such date shall be 3 1/2% of final average salary,  
4 as defined in this Section, for each of the first 10 years of  
5 service, and 5% of such final average salary for each year of  
6 service on excess of 10.

7           For purposes of this Section, final average salary for a  
8 participant who first serves as a judge before August 10, 2009  
9 (the effective date of Public Act 96-207) shall be:

10           (1) the average salary for the last 4 years of credited  
11 service as a judge for a participant who terminates service  
12 before July 1, 1975.

13           (2) for a participant who terminates service after June  
14 30, 1975 and before July 1, 1982, the salary on the last  
15 day of employment as a judge.

16           (3) for any participant who terminates service after  
17 June 30, 1982 and before January 1, 1990, the average  
18 salary for the final year of service as a judge.

19           (4) for a participant who terminates service on or  
20 after January 1, 1990 but before the effective date of this  
21 amendatory Act of 1995, the salary on the last day of  
22 employment as a judge.

23           (5) for a participant who terminates service on or  
24 after the effective date of this amendatory Act of 1995,  
25 the salary on the last day of employment as a judge, or the  
26 highest salary received by the participant for employment

1 as a judge in a position held by the participant for at  
2 least 4 consecutive years, whichever is greater.

3 However, in the case of a participant who elects to  
4 discontinue contributions as provided in subdivision (a) (2) of  
5 Section 18-133, the time of such election shall be considered  
6 the last day of employment in the determination of final  
7 average salary under this subsection.

8 For a participant who first serves as a judge on or after  
9 August 10, 2009 (the effective date of Public Act 96-207) and  
10 before January 1, 2011 (the effective date of Public Act  
11 96-889), final average salary shall be the average monthly  
12 salary obtained by dividing the total salary of the participant  
13 during the period of: (1) the 48 consecutive months of service  
14 within the last 120 months of service in which the total  
15 compensation was the highest, or (2) the total period of  
16 service, if less than 48 months, by the number of months of  
17 service in that period.

18 The maximum retirement annuity for any participant shall be  
19 85% of final average salary.

20 (b-5) Notwithstanding any other provision of this Article,  
21 for a participant who first serves as a judge on or after  
22 January 1, 2011 (the effective date of Public Act 96-889), the  
23 annual retirement annuity is 3% of the participant's final  
24 average salary for each year of service. The maximum retirement  
25 annuity payable shall be 60% of the participant's final average  
26 salary.

1           For a participant who first serves as a judge on or after  
2           January 1, 2011 (the effective date of Public Act 96-889) but  
3           before the effective date of this amendatory Act of the 99th  
4           General Assembly, final average salary shall be the average  
5           monthly salary obtained by dividing the total salary of the  
6           judge during the 96 consecutive months of service within the  
7           last 120 months of service in which the total salary was the  
8           highest by the number of months of service in that period;  
9           however, beginning January 1, 2011, the annual salary may not  
10          exceed \$106,800, except that that amount shall annually  
11          thereafter be increased by the lesser of (i) 3% of that amount,  
12          including all previous adjustments, or (ii) 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.

16          For a participant who first serves as a judge on or after  
17          the effective date of this amendatory Act of the 99th General  
18          Assembly, final average salary shall be the average monthly  
19          salary obtained by dividing the total salary of the judge  
20          during the 96 consecutive months of service within the last 120  
21          months of service in which the total salary was the highest by  
22          the number of months of service in that period; however, the  
23          annual salary may not exceed in any year the salary limitation  
24          determined for that year by the Public Pension Division of the  
25          Department of Insurance under subsection (b-5) of Section 1-160  
26          of this Code.

1        (b-10) "Consumer price index-u" means the index published  
2 by the Bureau of Labor Statistics of the United States  
3 Department of Labor that measures the average change in prices  
4 of goods and services purchased by all urban consumers, United  
5 States city average, all items, 1982-84 = 100.

6        ~~The new amount resulting from each annual adjustment shall~~  
7 ~~be determined by the~~ Public Pension Division of the Department  
8 of Insurance shall determine in October of each year (i) the  
9 annual unadjusted percentage increase (but not less than zero)  
10 in the consumer price index-u for the 12 months ending with the  
11 preceding September and (ii) the salary limitation under  
12 subsection (b-5) of this Section for the following year for the  
13 category of participants who first serve as a judge on or after  
14 January 1, 2011 but before the effective date of this  
15 amendatory Act of the 99th General Assembly. The Division shall  
16 make these determinations ~~and made~~ available to the Board by  
17 November 1st of each year.

18        (c) The retirement annuity for a participant who retires  
19 prior to age 60 with less than 28 years of service in the  
20 System shall be reduced 1/2 of 1% for each month that the  
21 participant's age is under 60 years at the time the annuity  
22 commences. However, for a participant who retires on or after  
23 the effective date of this amendatory Act of the 91st General  
24 Assembly, the percentage reduction in retirement annuity  
25 imposed under this subsection shall be reduced by 5/12 of 1%  
26 for every month of service in this System in excess of 20

1 years, and therefore a participant with at least 26 years of  
2 service in this System may retire at age 55 without any  
3 reduction in annuity.

4 The reduction in retirement annuity imposed by this  
5 subsection shall not apply in the case of retirement on account  
6 of disability.

7 (d) Notwithstanding any other provision of this Article,  
8 for a participant who first serves as a judge on or after  
9 January 1, 2011 (the effective date of Public Act 96-889) and  
10 who is retiring after attaining age 62, the retirement annuity  
11 shall be reduced by 1/2 of 1% for each month that the  
12 participant's age is under age 67 at the time the annuity  
13 commences.

14 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;  
15 96-1000, eff. 7-2-10; 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

17 Sec. 18-125.1. Automatic increase in retirement annuity.  
18 Except as otherwise provided in this Section, a ~~A~~ participant  
19 who retires from service after June 30, 1969, shall, in January  
20 of the year next following the year in which the first  
21 anniversary of retirement occurs, and in January of each year  
22 thereafter, have the amount of his or her originally granted  
23 retirement annuity increased as follows: for each year up to  
24 and including 1971, 1 1/2%; for each year from 1972 through  
25 1979 inclusive, 2%; and for 1980 and each year thereafter, 3%.

1           Notwithstanding any other provision of this Article, a  
2 retirement annuity for a participant who first serves as a  
3 judge on or after January 1, 2011 (the effective date of Public  
4 Act 96-889) but before the effective date of this amendatory  
5 Act of the 99th General Assembly shall be increased in January  
6 of the year next following the year in which the first  
7 anniversary of retirement occurs, but in no event prior to age  
8 67, and in January of each year thereafter, by an amount equal  
9 to 3% or the annual percentage increase in the consumer price  
10 index-u as determined by the Public Pension Division of the  
11 Department of Insurance under subsection (b-10) ~~(b-5)~~ of  
12 Section 18-125, whichever is less, of the retirement annuity  
13 then being paid.

14           Notwithstanding any other provision of this Article, a  
15 retirement annuity for a participant who first serves as a  
16 judge on or after the effective date of this amendatory Act of  
17 the 99th General Assembly shall be increased in January of the  
18 year next following the year in which the first anniversary of  
19 retirement occurs, but in no event prior to age 67, and in  
20 January of each year thereafter, by an amount equal to 3% or  
21 one-half the annual unadjusted percentage increase (but not  
22 less than zero) in the consumer price index-u as determined by  
23 the Public Pension Division of the Department of Insurance  
24 under subsection (b-10) of Section 18-125, whichever is less,  
25 of the originally granted retirement annuity.

26           This Section is not applicable to a participant who retires

1 before he or she has made contributions at the rate prescribed  
2 in Section 18-133 for automatic increases for not less than the  
3 equivalent of one full year, unless such a participant arranges  
4 to pay the system the amount required to bring the total  
5 contributions for the automatic increase to the equivalent of  
6 one year's contribution based upon his or her last year's  
7 salary.

8 This Section is applicable to all participants in service  
9 after June 30, 1969 unless a participant has elected, prior to  
10 September 1, 1969, in a written direction filed with the board  
11 not to be subject to the provisions of this Section. Any  
12 participant in service on or after July 1, 1992 shall have the  
13 option of electing prior to April 1, 1993, in a written  
14 direction filed with the board, to be covered by the provisions  
15 of the 1969 amendatory Act. Such participant shall be required  
16 to make the aforesaid additional contributions with compound  
17 interest at 4% per annum.

18 Any participant who has become eligible to receive the  
19 maximum rate of annuity and who resumes service as a judge  
20 after receiving a retirement annuity under this Article shall  
21 have the amount of his or her retirement annuity increased by  
22 3% of the originally granted annuity amount for each year of  
23 such resumed service, beginning in January of the year next  
24 following the date of such resumed service, upon subsequent  
25 termination of such resumed service.

26 Beginning January 1, 1990, all automatic annual increases

1 payable under this Section shall be calculated as a percentage  
2 of the total annuity payable at the time of the increase,  
3 including previous increases granted under this Article.

4 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

5 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

6 Sec. 18-128.01. Amount of survivor's annuity.

7 (a) Upon the death of an annuitant, his or her surviving  
8 spouse shall be entitled to a survivor's annuity of 66 2/3% of  
9 the annuity the annuitant was receiving immediately prior to  
10 his or her death, inclusive of annual increases in the  
11 retirement annuity to the date of death.

12 (b) Upon the death of an active participant, his or her  
13 surviving spouse shall receive a survivor's annuity of 66 2/3%  
14 of the annuity earned by the participant as of the date of his  
15 or her death, determined without regard to whether the  
16 participant had attained age 60 as of that time, or 7 1/2% of  
17 the last salary of the decedent, whichever is greater.

18 (c) Upon the death of a participant who had terminated  
19 service with at least 10 years of service, his or her surviving  
20 spouse shall be entitled to a survivor's annuity of 66 2/3% of  
21 the annuity earned by the deceased participant at the date of  
22 death.

23 (d) Upon the death of an annuitant, active participant, or  
24 participant who had terminated service with at least 10 years  
25 of service, each surviving child under the age of 18 or



1 disabled as defined in Section 18-128 shall be entitled to a  
2 child's annuity in an amount equal to 5% of the decedent's  
3 final salary, not to exceed in total for all such children the  
4 greater of 20% of the decedent's last salary or 66 2/3% of the  
5 annuity received or earned by the decedent as provided under  
6 subsections (a) and (b) of this Section. This child's annuity  
7 shall be paid whether or not a survivor's annuity was elected  
8 under Section 18-123.

9 (e) The changes made in the survivor's annuity provisions  
10 by Public Act 82-306 shall apply to the survivors of a deceased  
11 participant or annuitant whose death occurs on or after August  
12 21, 1981.

13 (f) Except as otherwise provided in this Section, beginning  
14 ~~Beginning~~ January 1, 1990, every survivor's annuity shall be  
15 increased (1) on each January 1 occurring on or after the  
16 commencement of the annuity if the deceased member died while  
17 receiving a retirement annuity, or (2) in other cases, on each  
18 January 1 occurring on or after the first anniversary of the  
19 commencement of the annuity, by an amount equal to 3% of the  
20 current amount of the annuity, including any previous increases  
21 under this Article. Such increases shall apply without regard  
22 to whether the deceased member was in service on or after the  
23 effective date of this amendatory Act of 1991, but shall not  
24 accrue for any period prior to January 1, 1990.

25 (g) Notwithstanding any other provision of this Article,  
26 the initial survivor's annuity for a survivor of a participant

1 who first serves as a judge after January 1, 2011 (the  
2 effective date of Public Act 96-889) but before the effective  
3 date of this amendatory Act of the 99th General Assembly shall  
4 be in the amount of 66 2/3% of the annuity received or earned  
5 by the decedent, and shall be increased (1) on each January 1  
6 occurring on or after the commencement of the annuity if the  
7 deceased participant died while receiving a retirement  
8 annuity, or (2) in other cases, on each January 1 occurring on  
9 or after the first anniversary of the commencement of the  
10 annuity, but in no event prior to age 67, by an amount equal to  
11 3% or the annual unadjusted percentage increase in the consumer  
12 price index-u as determined by the Public Pension Division of  
13 the Department of Insurance under subsection (b-10) ~~(b-5)~~ of  
14 Section 18-125, whichever is less, of the survivor's annuity  
15 then being paid.

16 (h) Notwithstanding any other provision of this Article,  
17 the initial survivor's annuity for a survivor of a participant  
18 who first serves as a judge on or after the effective date of  
19 this amendatory Act of the 99th General Assembly shall be in  
20 the amount of 66 2/3% of the annuity received or earned by the  
21 decedent, and shall be increased (1) on each January 1  
22 occurring on or after the commencement of the annuity if the  
23 deceased participant died while receiving a retirement  
24 annuity, or (2) in other cases, on each January 1 occurring on  
25 or after the first anniversary of the commencement of the  
26 annuity, but in no event prior to age 67, by an amount equal to

1 3% or one-half the annual unadjusted percentage increase (but  
2 not less than zero) in the consumer price index-u as determined  
3 by the Public Pension Division of the Department of Insurance  
4 under subsection (b-10) of Section 18-125, whichever is less,  
5 of the originally granted survivor's annuity.

6 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

7 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

8 Sec. 18-133. Financing; employee contributions.

9 (a) Effective July 1, 1967, each participant is required to  
10 contribute 7 1/2% of each payment of salary toward the  
11 retirement annuity. Such contributions shall continue during  
12 the entire time the participant is in service, with the  
13 following exceptions:

14 (1) Contributions for the retirement annuity are not  
15 required on salary received after 18 years of service by  
16 persons who were participants before January 2, 1954.

17 (2) A participant who continues to serve as a judge  
18 after becoming eligible to receive the maximum rate of  
19 annuity may elect, through a written direction filed with  
20 the Board, to discontinue contributing to the System. Any  
21 such option elected by a judge shall be irrevocable unless  
22 prior to January 1, 2000, and while continuing to serve as  
23 judge, the judge (A) files with the Board a letter  
24 cancelling the direction to discontinue contributing to  
25 the System and requesting that such contributing resume,

1 and (B) pays into the System an amount equal to the total  
2 of the discontinued contributions plus interest thereon at  
3 5% per annum. Service credits earned in any other  
4 "participating system" as defined in Article 20 of this  
5 Code shall be considered for purposes of determining a  
6 judge's eligibility to discontinue contributions under  
7 this subdivision (a) (2).

8 (3) A participant who (i) has attained age 60, (ii)  
9 continues to serve as a judge after becoming eligible to  
10 receive the maximum rate of annuity, and (iii) has not  
11 elected to discontinue contributing to the System under  
12 subdivision (a) (2) of this Section (or has revoked any such  
13 election) may elect, through a written direction filed with  
14 the Board, to make contributions to the System based only  
15 on the amount of the increases in salary received by the  
16 judge on or after the date of the election, rather than the  
17 total salary received. If a judge who is making  
18 contributions to the System on the effective date of this  
19 amendatory Act of the 91st General Assembly makes an  
20 election to limit contributions under this subdivision  
21 (a) (3) within 90 days after that effective date, the  
22 election shall be deemed to become effective on that  
23 effective date and the judge shall be entitled to receive a  
24 refund of any excess contributions paid to the System  
25 during that 90-day period; any other election under this  
26 subdivision (a) (3) becomes effective on the first of the

1 month following the date of the election. An election to  
2 limit contributions under this subdivision (a)(3) is  
3 irrevocable. Service credits earned in any other  
4 participating system as defined in Article 20 of this Code  
5 shall be considered for purposes of determining a judge's  
6 eligibility to make an election under this subdivision  
7 (a)(3).

8 (b) Beginning July 1, 1969, each participant is required to  
9 contribute 1% of each payment of salary towards the automatic  
10 increase in annuity provided in Section 18-125.1. However, such  
11 contributions need not be made by any participant who has  
12 elected prior to September 15, 1969, not to be subject to the  
13 automatic increase in annuity provisions.

14 (c) Effective July 13, 1953, each married participant  
15 subject to the survivor's annuity provisions is required to  
16 contribute 2 1/2% of each payment of salary, whether or not he  
17 or she is required to make any other contributions under this  
18 Section. Such contributions shall be made concurrently with the  
19 contributions made for annuity purposes.

20 (d) Notwithstanding any other provision of this Article,  
21 the required contributions for a participant who first becomes  
22 a participant on or after January 1, 2011 shall not be based on  
23 any salary in excess of the applicable annually-adjusted  
24 limitation on salary used for determining ~~exceed the~~  
25 ~~contributions that would be due under this Article if that~~  
26 participant's final average salary ~~highest salary for annuity~~

1 ~~purposes were \$106,800, plus any increase in that amount~~ under

2 Section 18-125.

3 (Source: P.A. 96-1490, eff. 1-1-11.)