



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB6564

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-132	from Ch. 108 1/2, par. 5-132
40 ILCS 5/5-167.1	from Ch. 108 1/2, par. 5-167.1
40 ILCS 5/5-167.4	from Ch. 108 1/2, par. 5-167.4
40 ILCS 5/6-128.2	from Ch. 108 1/2, par. 6-128.2
40 ILCS 5/6-128.4	from Ch. 108 1/2, par. 6-128.4
40 ILCS 5/6-164	from Ch. 108 1/2, par. 6-164
30 ILCS 805/8.40 new	

Amends the Chicago Police and Chicago Firefighter Articles of the Illinois Pension Code. Provides that any fireman or policeman born after December 31, 1954 but before January 1, 1966 shall be entitled to receive 3% automatic annual increases to his or her annuity. Provides that the automatic annual increase is not subject to the 30% maximum. Provides that the initial increase shall be in an amount equal to 3% for each complete year following the date of retirement or attainment of age 55, whichever occurs later. Provides that beginning January 1, 2017, the minimum widow's annuity and minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be no less than 125% of the Federal Poverty Level. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB099 21567 EFG 47933 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 5-132, 5-167.1, 5-167.4, 6-128.2, 6-128.4, and 6-164
6 as follows:

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

22 (b) If he is age 50 or more but less than age 55 on
23 withdrawal, his annuity shall be equal to 2% of the average

1 salary for the 4 highest consecutive years of the last 10 years
2 of service for each year of service, together with 1/16 of 1%
3 of such average salary for each month of each fractional year
4 of service, reduced by 1/2 of 1% for each month that he is less
5 than age 55.

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

12 (d) In lieu of the annuity provided in the foregoing
13 provisions of this Section 5-132 any policeman who withdraws
14 from the service after December 31, 1973, after having attained
15 age 53 in the service with 23 or more years of service credit
16 shall be entitled to an annuity computed as follows if such
17 annuity is greater than that provided in the foregoing
18 paragraphs of this Section 5-132: An annuity equal to 50% of
19 the average salary for the 4 highest consecutive years of the
20 last 10 years of service plus additional annuity equal to 2% of
21 such average salary for each completed year of service or
22 fraction thereof rendered after his attainment of age 53 and
23 the completion of 23 years of service.

24 Any policeman who has completed 23 years of service prior
25 to his attainment of age 53 in the service and continues in the
26 service until his attainment of age 53 shall have added to his

1 annuity, computed as provided in the immediately preceding
2 paragraph, an additional annuity equal to 1% of such average
3 salary for each completed year of service or fraction thereof
4 in excess of 23 years up to age 53.

5 (e) In lieu of the annuity provided in the foregoing
6 provisions of this Section any policeman who withdraws from the
7 service either (i) after December 31, 1983 with at least 22
8 years of service credit and having attained age 52 in the
9 service, or (ii) after December 31, 1984 with at least 21 years
10 of service credit and having attained age 51 in the service, or
11 (iii) after December 31, 1985 with at least 20 years of service
12 credit and having attained age 50 in the service, or (iv) after
13 December 31, 1990, with at least 20 years of service credit
14 regardless of age, shall be entitled to an annuity to begin not
15 earlier than upon attainment of age 50 if under such age at
16 withdrawal, computed as follows: an annuity equal to 50% of the
17 average salary for the 4 highest consecutive years of the last
18 10 years of service, plus additional annuity equal to 2% of
19 such average salary for each completed year of service or
20 fraction thereof rendered after his completion of the minimum
21 number of years of service required for him to be eligible
22 under this subsection (e). In lieu of any annuity provided in
23 the foregoing provisions of this Section, any policeman who
24 withdraws from the service after December 31, 2003, with at
25 least 20 years of service credit regardless of age, shall be
26 entitled to an annuity to begin not earlier than upon

1 attainment of age 50, if under that age at withdrawal, equal to
2 2.5% of the average salary for the 4 highest consecutive years
3 of the last 10 years of service for each completed year of
4 service or fraction thereof. However, the annuity provided
5 under this subsection (e) may not exceed 75% of such average
6 salary.

7 (e-5) Beginning January 1, 2017, the minimum retirement
8 annuity payable to any person who has retired from service at
9 age 50 or over with 20 or more years of service and is entitled
10 to receive a retirement annuity under this Article on that
11 date, or who retires from service at age 50 or over with 20 or
12 more years of service after that date, shall be no less than
13 125% of the Federal Poverty Level. For purposes of this
14 Section, the "Federal Poverty Level" shall be determined
15 pursuant to the poverty guidelines updated periodically in the
16 Federal Register by the United States Department of Health and
17 Human Services under the authority of 42 U.S.C. 9902(2).

18 For the purposes of Section 1-103.1, the changes made to
19 this Section by this amendatory Act of the 99th General
20 Assembly apply without regard to whether the retirement of the
21 policeman occurred prior to the effective date of this
22 amendatory Act.

23 (f) A policeman withdrawing after September 1, 1969, may,
24 in addition, be entitled to the benefits provided by Section
25 5-167.1 of this Article if he so qualifies under that Section.

26 If, on withdrawal, total service is less than 20 years, the

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

10 Moneys voluntarily contributed under the Policemen's
11 Annuity and Benefit Fund Act of the Illinois Municipal Code, or
12 the Park Policemen's Annuity Act, shall be refunded to the
13 contributing policemen who were in service on January 1, 1954,
14 or in the case of policemen transferred to the police service
15 of the city under the Exchange of Functions Act of 1957, who
16 were in service on July 17, 1959.

17 The age and service annuity formula in this Section shall
18 not apply to any policeman who, having retired before July 8,
19 1957, or before July 17, 1959, in the case of a policeman
20 transferred under the provisions of the Exchange of Functions
21 Act of 1957, re-enters the police service after such dates,
22 whichever are applicable.

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

24 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

25 Sec. 5-167.1. Automatic increase in annuity; retirement

1 from service after September 1, 1967.

2 (a) A policeman who retires from service after September 1,
3 1967 with at least 20 years of service credit shall, upon
4 either the first of the month following the first anniversary
5 of his date of retirement if he is age 60 (age 55 if born before
6 January 1, 1966 ~~1955~~) or over on that anniversary date, or upon
7 the first of the month following his attainment of age 60 (age
8 55 if born before January 1, 1966 ~~1955~~) if it occurs after the
9 first anniversary of his retirement date, have his then fixed
10 and payable monthly annuity increased by 1 1/2% and such first
11 fixed annuity as granted at retirement increased by an
12 additional 1 1/2% in January of each year thereafter up to a
13 maximum increase of 30%. Beginning January 1, 1983 for
14 policemen born before January 1, 1930, and beginning January 1,
15 1988 for policemen born on or after January 1, 1930 but before
16 January 1, 1940, and beginning January 1, 1996 for policemen
17 born on or after January 1, 1940 but before January 1, 1945,
18 and beginning January 1, 2000 for policemen born on or after
19 January 1, 1945 but before January 1, 1950, and beginning
20 January 1, 2005 for policemen born on or after January 1, 1950
21 but before January 1, 1955, and beginning January 1, 2017 for
22 policemen born on or after January 1, 1955 but before January
23 1, 1966, such increases shall be 3% and such policemen shall
24 not be subject to the 30% maximum increase.

25 Any policeman born before January 1, 1945 who qualifies for
26 a minimum annuity and retires after September 1, 1967 but has

1 not received the initial increase under this subsection before
2 January 1, 1996 is entitled to receive the initial increase
3 under this subsection on (1) January 1, 1996, (2) the first
4 anniversary of the date of retirement, or (3) attainment of age
5 55, whichever occurs last. The changes to this Section made by
6 Public Act 89-12 apply beginning January 1, 1996 and without
7 regard to whether the policeman or annuitant terminated service
8 before the effective date of that Act.

9 Any policeman born before January 1, 1950 who qualifies for
10 a minimum annuity and retires after September 1, 1967 but has
11 not received the initial increase under this subsection before
12 January 1, 2000 is entitled to receive the initial increase
13 under this subsection on (1) January 1, 2000, (2) the first
14 anniversary of the date of retirement, or (3) attainment of age
15 55, whichever occurs last. The changes to this Section made by
16 this amendatory Act of the 92nd General Assembly apply without
17 regard to whether the policeman or annuitant terminated service
18 before the effective date of this amendatory Act.

19 Any policeman born before January 1, 1955 who qualifies for
20 a minimum annuity and retires after September 1, 1967 but has
21 not received the initial increase under this subsection before
22 January 1, 2005 is entitled to receive the initial increase
23 under this subsection on (1) January 1, 2005, (2) the first
24 anniversary of the date of retirement, or (3) attainment of age
25 55, whichever occurs last. The changes to this Section made by
26 this amendatory Act of the 94th General Assembly apply without

1 regard to whether the policeman or annuitant terminated service
2 before the effective date of this amendatory Act.

3 Any policeman born before January 1, 1966 who qualifies for
4 a minimum annuity and retires after September 1, 1967 but has
5 not received the initial increase under this subsection before
6 January 1, 2017 is entitled to receive an initial increase
7 under this subsection on (1) January 1, 2017, (2) the first
8 anniversary of the date of retirement, or (3) attainment of age
9 55, whichever occurs last, in an amount equal to 3% for each
10 complete year following the date of retirement or attainment of
11 age 55, whichever occurs later. The changes to this Section
12 made by this amendatory Act of the 99th General Assembly apply
13 without regard to whether the policeman or annuitant terminated
14 service before the effective date of this amendatory Act.

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

17 (c) To help defray the cost of such increases in annuity,
18 there shall be deducted, beginning September 1, 1967, from each
19 payment of salary to a policeman, 1/2 of 1% of each salary
20 payment concurrently with and in addition to the salary
21 deductions otherwise made for annuity purposes.

22 The city, in addition to the contributions otherwise made
23 by it for annuity purposes under other provisions of this
24 Article, shall make matching contributions concurrently with
25 such salary deductions.

26 Each such 1/2 of 1% deduction from salary and each such

1 contribution by the city of 1/2 of 1% of salary shall be
2 credited to the Automatic Increase Reserve, to be used to
3 defray the cost of the 1 1/2% annuity increase provided by this
4 Section. Any balance in such reserve as of the beginning of
5 each calendar year shall be credited with interest at the rate
6 of 3% per annum.

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

9 The salary deductions provided in this Section are not
10 subject to refund, except to the policeman himself, in any case
11 in which a policeman withdraws prior to qualification for
12 minimum annuity and applies for refund or applies for annuity,
13 and also where a term annuity becomes payable. In such cases,
14 the total of such salary deductions shall be refunded to the
15 policeman, without interest, and charged to the Automatic
16 Increase Reserve.

17 (d) Notwithstanding any other provision of this Article,
18 the monthly annuity of a person who first becomes a policeman
19 under this Article on or after the effective date of this
20 amendatory Act of the 97th General Assembly shall be increased
21 on the January 1 occurring either on or after the attainment of
22 age 60 or the first anniversary of the annuity start date,
23 whichever is later. Each annual increase shall be calculated at
24 3% or one-half the annual unadjusted percentage increase (but
25 not less than zero) in the consumer price index-u for the 12
26 months ending with the September preceding each November 1,

1 whichever is less, of the originally granted retirement
2 annuity. If the annual unadjusted percentage change in the
3 consumer price index-u for a 12-month period ending in
4 September is zero or, when compared with the preceding period,
5 decreases, then the annuity shall not be increased.

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

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

16 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

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

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

24 Notwithstanding any other provision of this Article,
25 beginning January 1, 1999, the minimum amount of widow's

1 annuity payable to any person who is entitled to receive a
2 widow's annuity under this Article is \$800 per month, without
3 regard to whether the deceased policeman is in service on or
4 after the effective date of this amendatory Act of 1998.

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

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

19 (b) Effective January 1, 1994, the minimum amount of
20 widow's annuity shall be \$700 per month for the following
21 classes of widows, without regard to whether the deceased
22 policeman is in service on or after the effective date of this
23 amendatory Act of 1993: (1) the widow of a policeman who dies
24 in service with at least 10 years of service credit, or who
25 dies in service after June 30, 1981; and (2) the widow of a
26 policeman who withdraws from service with 20 or more years of

1 service credit and does not withdraw a refund, provided that
2 the widow is married to the policeman before he withdraws from
3 service.

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

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

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

21 (40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

22 Sec. 6-128.2. Minimum retirement annuities.

23 (a) Beginning with the monthly payment due in January,
24 1988, the monthly annuity payment for any person who is
25 entitled to receive a retirement annuity under this Article in

1 January, 1990 and has retired from service at age 50 or over
2 with 20 or more years of service, and for any person who
3 retires from service on or after January 24, 1990 at age 50 or
4 over with 20 or more years of service, shall not be less than
5 \$475 per month. The \$475 minimum annuity is exclusive of any
6 automatic annual increases provided by Sections 6-164 and
7 6-164.1, but not exclusive of previous raises in the minimum
8 annuity as provided by any Section of this Article.

9 Beginning January 1, 1992, the minimum retirement annuity
10 payable to any person who has retired from service at age 50 or
11 over with 20 or more years of service and is entitled to
12 receive a retirement annuity under this Article on that date,
13 or who retires from service at age 50 or over with 20 or more
14 years of service after that date, shall be \$650 per month.

15 Beginning January 1, 1993, the minimum retirement annuity
16 payable to any person who has retired from service at age 50 or
17 over with 20 or more years of service and is entitled to
18 receive a retirement annuity under this Article on that date,
19 or who retires from service at age 50 or over with 20 or more
20 years of service after that date, shall be \$750 per month.

21 Beginning January 1, 1994, the minimum retirement annuity
22 payable to any person who has retired from service at age 50 or
23 over with 20 or more years of service and is entitled to
24 receive a retirement annuity under this Article on that date,
25 or who retires from service at age 50 or over with 20 or more
26 years of service after that date, shall be \$850 per month.

1 Beginning January 1, 2004, the minimum retirement annuity
2 payable to any person who has retired from service at age 50 or
3 over with 20 or more years of service and is entitled to
4 receive a retirement annuity under this Article on that date,
5 or who retires from service at age 50 or over with 20 or more
6 years of service after that date, shall be \$950 per month.

7 Beginning January 1, 2005, the minimum retirement annuity
8 payable to any person who has retired from service at age 50 or
9 over with 20 or more years of service and is entitled to
10 receive a retirement annuity under this Article on that date,
11 or who retires from service at age 50 or over with 20 or more
12 years of service after that date, shall be \$1,050 per month.

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

24 The minimum annuities established by this subsection (a) do
25 include previous raises in the minimum annuity as provided by
26 any Section of this Article, but do not include any sums which

1 have been added or will be added to annuity payments by the
2 automatic annual increases provided by Sections 6-164 and
3 6-164.1. Such annual increases shall be paid in addition to the
4 minimum amounts specified in this subsection.

5 (b) Notwithstanding any other provision of this Article,
6 beginning January 1, 1990, the minimum retirement annuity
7 payable to any person who is entitled to receive a retirement
8 annuity under this Article on that date shall be \$475 per
9 month.

10 (c) The changes made to this Section by this amendatory Act
11 of the 93rd General Assembly apply to all persons receiving a
12 retirement annuity under this Article, without regard to
13 whether the retirement of the fireman occurred prior to the
14 effective date of this amendatory Act.

15 For the purposes of Section 1-103.1, the changes made to
16 this Section by this amendatory Act of the 99th General
17 Assembly apply without regard to whether the retirement of the
18 fireman occurred prior to the effective date of this amendatory
19 Act.

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

21 (40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)

22 Sec. 6-128.4. Minimum widow's annuities.

23 (a) Notwithstanding any other provision of this Article,
24 beginning January 1, 1996, the minimum amount of widow's
25 annuity payable to any person who is entitled to receive a

1 widow's annuity under this Article is \$700 per month, without
2 regard to whether the deceased fireman is in service on or
3 after the effective date of this amendatory Act of 1995.

4 (b) Notwithstanding Section 6-128.3, beginning January 1,
5 1994, the minimum widow's annuity under this Article shall be
6 \$700 per month for (1) all persons receiving widow's annuities
7 on that date who are survivors of employees who retired at age
8 50 or over with at least 20 years of service, and (2) persons
9 who become eligible for widow's annuities and are survivors of
10 employees who retired at age 50 or over with at least 20 years
11 of service.

12 (c) Notwithstanding Section 6-128.3, beginning January 1,
13 1999, the minimum widow's annuity under this Article shall be
14 \$800 per month for (1) all persons receiving widow's annuities
15 on that date who are survivors of employees who retired at age
16 50 or over with at least 20 years of service, and (2) persons
17 who become eligible for widow's annuities and are survivors of
18 employees who retired at age 50 or over with at least 20 years
19 of service.

20 (d) Notwithstanding Section 6-128.3, beginning January 1,
21 2004, the minimum widow's annuity under this Article shall be
22 \$900 per month for all persons receiving widow's annuities on
23 or after that date, without regard to whether the deceased
24 fireman is in service on or after the effective date of this
25 amendatory Act of the 93rd General Assembly.

26 (e) Notwithstanding Section 6-128.3, beginning January 1,

1 2005, the minimum widow's annuity under this Article shall be
2 \$1,000 per month for all persons receiving widow's annuities on
3 or after that date, without regard to whether the deceased
4 fireman is in service on or after the effective date of this
5 amendatory Act of the 93rd General Assembly.

6 (f) Notwithstanding Section 6-128.3, beginning January 1,
7 2017, the minimum widow's annuity under this Article shall be
8 no less than 125% of the Federal Poverty Level for all persons
9 receiving widow's annuities on or after that date, without
10 regard to whether the deceased fireman is in service on or
11 after the effective date of this amendatory Act of the 99th
12 General Assembly. For purposes of this Section, the "Federal
13 Poverty Level" shall be determined pursuant to the poverty
14 guideline updated periodically in the Federal Register by the
15 United States Department of Health and Human Services under the
16 authority of 42 U.S.C. 9902(2).

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

18 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

19 Sec. 6-164. Automatic annual increase; retirement after
20 September 1, 1959.

21 (a) A fireman qualifying for a minimum annuity who retires
22 from service after September 1, 1959 shall, upon either the
23 first of the month following the first anniversary of his date
24 of retirement if he is age 60 (age 55 if born before January 1,
25 1966 ~~1955~~) or over on that anniversary date, or upon the first

1 of the month following his attainment of age 60 (age 55 if born
2 before January 1, 1966 ~~1955~~) if that occurs after the first
3 anniversary of his retirement date, have his then fixed and
4 payable monthly annuity increased by 1 1/2%, and such first
5 fixed annuity as granted at retirement increased by an
6 additional 1 1/2% in January of each year thereafter up to a
7 maximum increase of 30%. Beginning July 1, 1982 for firemen
8 born before January 1, 1930, and beginning January 1, 1990 for
9 firemen born after December 31, 1929 and before January 1,
10 1940, and beginning January 1, 1996 for firemen born after
11 December 31, 1939 but before January 1, 1945, and beginning
12 January 1, 2004, for firemen born after December 31, 1944 but
13 before January 1, 1955, and beginning January 1, 2017, for
14 firemen born after December 31, 1954 but before January 1,
15 1966, such increases shall be 3% and such firemen shall not be
16 subject to the 30% maximum increase.

17 Any fireman born before January 1, 1945 who qualifies for a
18 minimum annuity and retires after September 1, 1967 but has not
19 received the initial increase under this subsection before
20 January 1, 1996 is entitled to receive the initial increase
21 under this subsection on (1) January 1, 1996, (2) the first
22 anniversary of the date of retirement, or (3) attainment of age
23 55, whichever occurs last. The changes to this Section made by
24 this amendatory Act of 1995 apply beginning January 1, 1996 and
25 apply without regard to whether the fireman or annuitant
26 terminated service before the effective date of this amendatory

1 Act of 1995.

2 Any fireman born before January 1, 1955 who qualifies for a
3 minimum annuity and retires after September 1, 1967 but has not
4 received the initial increase under this subsection before
5 January 1, 2004 is entitled to receive the initial increase
6 under this subsection on (1) January 1, 2004, (2) the first
7 anniversary of the date of retirement, or (3) attainment of age
8 55, whichever occurs last. The changes to this Section made by
9 this amendatory Act of the 93rd General Assembly apply without
10 regard to whether the fireman or annuitant terminated service
11 before the effective date of this amendatory Act.

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

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

26 (c) To help defray the cost of such increases in annuity,

1 there shall be deducted, beginning September 1, 1959, from each
2 payment of salary to a fireman, 1/8 of 1% of each such salary
3 payment and an additional 1/8 of 1% beginning on September 1,
4 1961, and September 1, 1963, respectively, concurrently with
5 and in addition to the salary deductions otherwise made for
6 annuity purposes.

7 Each such additional 1/8 of 1% deduction from salary which
8 shall, on September 1, 1963, result in a total increase of 3/8
9 of 1% of salary, shall be credited to the Automatic Increase
10 Reserve, to be used, together with city contributions as
11 provided in this Article, to defray the cost of the 1 1/2%
12 annuity increments herein specified. Any balance in such
13 reserve as of the beginning of each calendar year shall be
14 credited with interest at the rate of 3% per annum.

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

23 (d) Notwithstanding any other provision of this Article,
24 the monthly annuity of a person who first becomes a fireman
25 under this Article on or after January 1, 2011 shall be
26 increased on the January 1 occurring either on or after the

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

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

20 (Source: P.A. 96-1495, eff. 1-1-11.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.40 as follows:

23 (30 ILCS 805/8.40 new)

24 Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8

1 of this Act, no reimbursement by the State is required for the
2 implementation of any mandate created by this amendatory Act of
3 the 99th General Assembly.

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