Rep. Michael J. Madigan

Filed: 5/15/2015

AMENDMENT TO SENATE BILL 843

AMENDMENT NO. ______. Amend Senate Bill 843 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Cook County Annuitant Healthcare Trust Act.

Section 5. Cook County Annuitant Healthcare Trust.

(a) On the effective date of this Act, there is established an annuitant healthcare trust, and within the trust, a budget stabilization fund, both for the strict and sole purpose of financing and providing healthcare benefits to eligible annuitants of the annuity and benefit funds created under Articles 9 (Cook County) and 10 (Cook County Forest Preserve District) of the Illinois Pension Code, in accordance with the terms and conditions set forth in this Section and the policies and procedures established by the board of trustees of the annuitant healthcare trust. The annuitant healthcare trust shall be solely responsible for providing healthcare benefits to eligible annuitants by no later than January 1, 2016.

The budget stabilization fund of the annuitant healthcare trust shall be maintained to ensure the ability of the annuitant healthcare trust to absorb annual variances from budgeted expenditures. The corpus of this fund shall be funded with a deposit of $40 million from Cook County and $10 million from the Cook County Forest Preserve District no later than January 1, 2016. The corpus of the fund shall not be incorporated nor utilized in the adoption of an annual budget, and only interest earnings of the budget stabilization fund shall be authorized to be included in an annual budget of the annuitant healthcare trust fund.

(b) A board of 6 members shall constitute the board of trustees authorized to carry out the provisions of this Section. The board of trustees shall be known as the "Board of Trustees of the Annuitant Healthcare Trust". All of the members shall be appointed as follows:

(1) Two members shall be the persons appointed to the Retirement Board of the County Employees' and Officers' Annuity and Benefit Fund of Cook County by the President of the Cook County Board of Commissioners pursuant to Section 9-185 of the Illinois Pension Code.

(2) One member shall be the chief financial officer of the Cook County Forest Preserve District.

(3) Three members shall be appointed by the Retirement

Board of the County Employees' and Officers' Annuity and Benefit Fund of Cook County from among its members holding elected positions, at least one of whom shall be an annuitant member and at least one of whom shall be an employee member.

The term of a trustee appointed under item (1) or (3) shall terminate upon the expiration or termination of the trustee's term on the Retirement Board. Trustees shall serve until a successor has been appointed and qualified, or until resignation, death, incapacity, or disqualification.

Any person designated or selected as a trustee of the annuitant healthcare trust shall qualify by taking an oath of office that he or she will diligently and honestly administer the affairs of the healthcare trust, will fulfill his or her duties and obligations as a fiduciary for the healthcare trust and its beneficiaries, and will not knowingly violate or willfully permit the violation of any of the provisions of law.

(c) Each trustee shall cast an individual vote. For the year 2016 and every year thereafter, the trustees shall develop, adopt, authorize, and implement a balanced annual healthcare budget and program through which the trust shall, through the means and to the degree established by the trustees, offer and deliver healthcare benefits to annuitants through any legally available means, provided that: (i) the adoption of the trust's healthcare budget and program shall not take place except through a majority vote of the trustees; and

(ii) said annual budgets are balanced and limit annual trust expenditures to $50 million, adjusted annually as provided in subsection (h-5), plus interest earnings derived from the budget stabilization fund, donations, and grants.

(d) Each trustee shall have the rights, privileges, authority and obligations that are usual and customary for such fiduciaries.

(e) No later than January 1, 2016, the County shall contribute $40 million and the District shall contribute $10 million to the budget stabilization fund within the annuitant healthcare trust.

(f) In fiscal year 2016 and in every year thereafter, the County shall contribute to the annuitant healthcare trust $50 million, adjusted annually as provided in subsection (g). The County must make payments toward this annual contribution on at least a quarterly basis; no less than one-half of the annual contribution must be paid by May 30, and the remaining amount must be fully paid by the end of the County's fiscal year; except that if the County and the Healthcare Trust Fund so agree in writing, the County may, through issuance of bonds or other debt instruments, make advance payment of the annual contribution required by this subsection, under such terms and conditions as are agreed to by the parties, provided that the cost to the County for incurring and servicing that debt does not exceed, in each year, the exact contribution amount required in this subsection for that year.

The County may request, and upon a request of the County, the District shall, in that same year, reimburse the County for the proportion of the contribution made by the County that corresponds to the pro-rata share of the trust's prior-year expenditures that are associated with former District employees, as confirmed by the annuitant healthcare trust. The annual amount so contributed by the County under this subsection shall be used by the trust strictly and solely to finance and fund the annuitant healthcare budget for healthcare benefits and programs for the year in which it is contributed.

(g) The $50 million referred to in subsections (c) and (f) of this Section shall, on January 1, 2017 and annually thereafter, be increased by the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding that January 1, including all previous adjustments.

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

The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the board of trustees of the annuitant healthcare trust, the Cook County Board, and the board of trustees of the Cook County Forest Preserve District by November 1 of each year.

(h) The funding requirements established in subsections (e) and (f) shall be enforceable by the board of trustees of the healthcare trust in the same manner as is provided for the enforcement of County pension contributions by the retirement board under Section 9-169.1 of the Illinois Pension Code.

(i) The board of trustees of the healthcare trust may cause amounts on deposit in the trust to be invested in such investments as are permitted investments for the investment of moneys held under any one or more of the pension or retirement systems of the State, any unit of local government or school district, or any agency or instrumentality thereof and may, through a unanimous vote, transfer the management of investments to the Illinois State Board of Investment, which is hereby authorized to manage such investments when so requested by the board of trustees.

(j) In the administration of the trust, the board of trustees shall establish and maintain an appropriate funding reserve level, which may be maintained with the budget stabilization fund, and which shall not be less than the amount of incurred and unreported claims plus 6 months' of expected claims and administrative expenses.

(k) The board of trustees shall make an annual assessment of the funding levels of the annuitant healthcare trust and shall submit an estimated balanced budget for the trust's ensuing fiscal year at least 90 days prior to the end of the trust's fiscal year and a report to the County Board at least 45 days prior to the end of the trust's fiscal year, which shall include an adopted balanced budget for the ensuing year.

Section 50. Findings. After reviewing the condition of the Cook County Employees' Annuity and Benefit Fund (the "County Fund") for employees and officers of Cook County (the "County") under Article 9 of the Illinois Pension Code and the Forest Preserve District Employees' Annuity and Benefit Fund ("District Fund") under Article 10 of the Illinois Pension Code for employees and officers of the Cook County Forest Preserve District (the "District") as well as assessing the need for reform thereof, the General Assembly finds and declares that:

(1) Current actuarial projections, based on the County Fund's December 31, 2013 Actuarial Valuation Report and the current finance-and-benefit regime established by the Illinois Pension Code project that: (a) the County Fund's total assets in fiscal year 2013 amount to approximately 56.6% of its total accrued liabilities, yielding an estimated current unfunded accrued liability of approximately $6.4 billion; and (b) the funding ratio for the County Fund will drop from 56.6% in fiscal year 2013 to approximately 0% by 2038.

(2) Current actuarial projections, based on the District Fund's December 31, 2013 Actuarial Valuation Report, project that (a) the District Fund's total assets in fiscal year 2014

amount to approximately 59.5% of its total accrued liabilities, yielding an estimated current unfunded accrued liability of approximately $124.3 million; and (b) the funding ratio for the District Fund will drop from 59.5% in fiscal year 2014 to approximately 0% by 2038.

(3) When the accrued assets of the County Fund and the District Fund (collectively, the "Funds") are completely spent, the Fund trustees will, in approximately 2038, be dependent solely on annual contributions received from the employers and their active employees in making pension payments to annuitants, resulting in a projected annual funding deficit in the County Fund of approximately $1.49 billion in 2038 and a projected annual funding deficit in the District Fund of approximately $25.9 million in 2038.

(4) Under the current finance-and-benefit regime established by the Illinois Pension Code, annuitants of the County Fund and the District Fund are projected to receive, in 2038, only a small fraction of their customary pensions, projected at approximately 29 cents for every dollar theretofore received from the County Fund, and 35 cents for every dollar theretofore received from the District Fund.

(5) The current actuarial projections show that the cumulative effect of the current statutory finance-and-benefit regime will cause the unfunded accrued liability of the County Fund to rise from its current level of approximately $6.4 billion to approximately $31.7 billion by 2038 and $90 billion

by 2053, while the unfunded accrued liability of the District Fund is projected to rise from its current level of approximately $124.3 million to approximately $614.9 million by 2038.

(6) As recently as 2001, the County Fund was approximately 90% funded, while the District Fund was 98% funded. However, the downward stock market fluctuations in 2001 and 2002, and the recession that began in 2008, took a significant toll on the Funds' assets. In addition, recent recessionary periods have led to employment reductions at the County, further reducing employee and employer contributions to the County Fund.

(7) Despite these factors, the County and its employees, and the District and its employees, have annually performed all of their statutory funding obligations.

(8) Some of the fundamental causes of the Funds' current and projected future imbalance include the fact that (a) the Illinois Pension Code has from time to time been amended to increase the value of benefits, without a corresponding revision in mechanisms to finance those benefits; (b) under the regime, contributions are not based on actuarial assumptions; (c) the contribution structure does not take into account underfunding or downward fluctuations in investment performance; and (d) there is a complete lack of correlation between the finance and benefit aspects of the regime itself.

(9) Because of the flaws in the current finance-and-benefit

regime, it is mathematically impossible that the Funds will, under this regime, be in a position to disburse to all eligible annuitants by a date certain the benefits provided for in that same regime.

(10) The foregoing financial projections are based on actuarial assumptions related to mortality, consistent increases in payroll, and consistent 7.5% annual rates of investment return. If such assumptions are subject to historical negative variances, such variances would hasten the eventual insolvency of the Funds.

(11) The County's bond ratings have experienced a downgrade from Moody's Investors Service, and have further been placed on negative outlook by Moody's and Fitch Ratings, predominately due to the declining solvency of the County Fund. In addition, the District's bond ratings have experienced a downgrade from Moody's Investors Service. As a result, the Funds' ever-worsening funding problems are making it more expensive for the County and the District to obtain financing.

(12) Absent legislative action, the Funds will have to impose substantial reductions in the pension benefits for 85-90% of the County's and the District's current employees and 10-15% of the Funds' current annuitants, based on their current ages and life expectancies.

(13) Action by the State is the sole means of remedying these problems facing the Funds, their annuitants and beneficiaries, the County, and the District.

(14) To correct the flaws associated with the current finance-and-benefit regime, the provisions of this amendatory Act would: (a) require a County contribution that is the greater of 190% of the contributions made by its active employees, or, starting with contributions for the year 2020, such amount as corresponds to an actuarially projected trajectory of 90% solvency for the County Fund, in a layered closed-loop calculation; and (b) require a District contribution that is the greater of 175% of the contribution made by its active employees, or, starting with contributions for the year 2020, such amount as corresponds to an actuarially projected trajectory of 90% solvency for the District Fund, in a layered closed-loop calculation.

(15) The provisions of this amendatory Act are necessary to serve the vital public interest of ensuring that the Funds do not become insolvent and can continue making full pension payments well into the future.

(16) Through a shared sacrifice approach that entails a mix of increased employer and employee contributions, revisions to cost of living adjustments ("COLAs"), revisions to retirement ages, and the like, those employees and annuitants associated with the Fund will be the demonstrable recipients of markedly increased value, in contrast to the illusory value now available under the current finance-and-benefit regime.

(17) The modifications of this amendatory Act are reasonable alterations of the pension rights of annuitants and

beneficiaries because, among other things: (a) such modifications will enable annuitants to continue to receive benefits into the future, which is essential to the theory of a pension system and its successful operation; and (b) insofar as any changes to the Funds as a result of this amendatory Act result in disadvantages to annuitants, they are accompanied by new advantages, which in addition to financial solvency include higher cost-of-living adjustments in times of high inflation, the creation of a separate and distinct health care trust to provide health care benefits to annuitants funded at a rate of $50 million annually, adjusted annually for inflation, and, perhaps most important, the County's and District's assumption of actuarial responsibility for the funding of the Funds, which will have a right to enforce the funding obligations. Furthermore, participants in the Funds will be provided with upside potential and increases in annual cost of living adjustments, as well as decreased contributions in the event that the Funds return to a 100% funded ratio of actuarial assets to liabilities in the future.

(18) This amendatory Act distributes the burden of costs to return the Funds to solvency commensurate with the current funding burden between the County and the District on one hand and their employees on the other, equal to approximately 60% for the employers and 40% for the employees. As a result, financial stability for the Funds is preserved without requiring the County or District employees to shoulder a

greater share of the financial burden for doing so than they are currently responsible for.

(19) Under this amendatory Act, the County Fund is projected to attain a 100% funding status in 2043, based on independent actuarial projections, and the District Fund is projected to attain a 100% funding status in 2042. Absent reforms to Articles 9 and 10 of the Illinois Pension Code, current projections show that the County Fund funding status would be at -33% in 2043 and the District Fund funding status would be at -21% in 2042.

(20) Furthermore, this amendatory Act creates a secure, self-adjusting pension system with automatic adjustments from the County and the District, and their employees, and a guarantee of minimum actuarially-based funding from the County and the District.

Section 55. The Illinois Public Labor Relations Act is amended by changing Sections 7.5 and 15 as follows:

(5 ILCS 315/7.5)

Sec. 7.5. Duty to bargain regarding pension amendments.

(a) Notwithstanding any provision of this Act, employers shall not be required to bargain over matters affected by the changes, the impact of changes, and the implementation of changes made to Article 14, 15, or 16 of the Illinois Pension Code, or Article 1 of that Code as it applies to those

Articles, made by this amendatory Act of the 98th General Assembly, or over any other provision of Article 14, 15, or 16 of the Illinois Pension Code, or of Article 1 of that Code as it applies to those Articles, which are prohibited subjects of bargaining; nor shall the changes, the impact of changes, or the implementation of changes made to Article 14, 15, or 16 of the Illinois Pension Code, or to Article 1 of that Code as it applies to those Articles, by this amendatory Act of the 98th General Assembly or any other provision of Article 14, 15, or 16 of the Illinois Pension Code, or of Article 1 of that Code as it applies to those Articles, be subject to interest arbitration or any award issued pursuant to interest arbitration. The provisions of this Section shall not apply to an employment contract or collective bargaining agreement that is in effect on the effective date of this amendatory Act of the 98th General Assembly. However, any such contract or agreement that is subsequently modified, amended, or renewed shall be subject to the provisions of this Section. The provisions of this Section shall also not apply to the ability of an employer and employee representative to bargain collectively with regard to the pick up of employee contributions pursuant to Section 14-133.1, 15-157.1, or 16-152.1 of the Illinois Pension Code.

(a-5) Notwithstanding any other provision of this Act, except with respect to matters associated with pensions provided for in Articles 9 and 10 of the Illinois Pension Code over which the employer has sole and direct authority and control and which are limited to the annual employer contribution required in Section 9-169 in excess of said contribution so required following the effective date of this amendatory Act of the 99th General Assembly, employers shall not be required to bargain over matters affected by the changes, the impact of changes, or the implementation of changes made to Article 9 or 10 of the Illinois Pension Code, or Article 1 of that Code as it applies to those Articles, made by this amendatory Act of the 99th General Assembly, or over any other provision of Article 9 or 10 of the Illinois Pension Code, or of Article 1 of that Code as it applies to those Articles, which are not mandatory subjects of bargaining; nor shall the changes, the impact of changes, or the implementation of changes made to Article 9 or 10 of the Illinois Pension Code, or to Article 1 of that Code as it applies to those Articles, by this amendatory Act of the 99th General Assembly or any other provision of Article 9 or 10 of the Illinois Pension Code, or of Article 1 of that Code as it applies to those Articles, be subject to interest arbitration or any award issued pursuant to interest arbitration. Nothing in this subsection shall be construed as limiting or abridging any other legally permissible subjects of collective bargaining.

(b) Nothing in this Section, however, shall be construed as otherwise limiting any of the obligations and requirements applicable to each employer under any of the provisions of this

Act, including, but not limited to, the requirement to bargain collectively with regard to policy matters directly affecting wages, hours and terms and conditions of employment as well as the impact thereon upon request by employee representatives, except for the matters deemed prohibited subjects of bargaining under subsection (a) or (a-5) of this Section. Nothing in this Section shall further be construed as otherwise limiting any of the rights of employees or employee representatives under the provisions of this Act, except for matters deemed prohibited subjects of bargaining under subsection (a) or (a-5) of this Section.

(c) In case of any conflict between this Section and any other provisions of this Act or any other law, the provisions of this Section shall control.

(Source: P.A. 98-599, eff. 6-1-14.)

(5 ILCS 315/15) (from Ch. 48, par. 1615)

Sec. 15. Act takes precedence.

(a) In case of any conflict between the provisions of this Act and any other law (other than Section 5 of the State Employees Group Insurance Act of 1971 and other than the changes made to the Illinois Pension Code by Public Act 96-889 and this amendatory Act of the 99th General Assembly and other than as provided in Section 7.5), executive order or administrative regulation relating to wages, hours and conditions of employment and employment relations, the provisions of this Act or any collective bargaining agreement negotiated thereunder shall prevail and control. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Sections 28 and 28a of the Metropolitan Transit Authority Act, Sections 2.15 through 2.19 of the Regional Transportation Authority Act. The provisions of this Act are subject to Section 7.5 of this Act and Section 5 of the State Employees Group Insurance Act of 1971. Nothing in this Act shall be construed to replace the necessity of complaints against a sworn peace officer, as defined in Section 2(a) of the Uniform Peace Officer Disciplinary Act, from having a complaint supported by a sworn affidavit.

(b) Except as provided in subsection (a) above, any collective bargaining contract between a public employer and a labor organization executed pursuant to this Act shall supersede any contrary statutes, charters, ordinances, rules or regulations relating to wages, hours and conditions of employment and employment relations adopted by the public employer or its agents. Any collective bargaining agreement entered into prior to the effective date of this Act shall remain in full force during its duration.

(c) It is the public policy of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution, that the provisions of this Act are the exclusive exercise by the State of powers and functions which might otherwise be exercised by home rule units. Such powers

and functions may not be exercised concurrently, either directly or indirectly, by any unit of local government, including any home rule unit, except as otherwise authorized by this Act.
(Source: P.A. 98-599, eff. 6-1-14.)

Section 60. The Illinois Pension Code is amended by changing Sections 1-160, 9-112, 9-119.1, 9-121.6, 9-128.1, 9-133, 9-133.1, 9-134, 9-146.2, 9-169, 9-170, 9-179.2, 9-179.3, 9-184, 9-185, 9-189, 9-195, 9-199, 9-220, 9-239, 10-103, and 10-107 and by adding Sections 9-108.3, 9-110.1, 9-110.2, 9-112.1, 9-117.1, 9-117.2, 9-117.3, 9-118.5, 9-124.1, 9-132.1, 9-133.2, 9-169.1, 9-201.1, and 9-245 as follows:

(40 ILCS 5/1-160)

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

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

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

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

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last

10 years of service immediately preceding the date of withdrawal".

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

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

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

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

Beginning January 1, 2016, for Tier 2 employees in service under Article 9 or 10 of this Code, "final average salary" as defined in this subsection (b) shall be determined on an annual basis using the applicable salary cap provided in Section 9-112.

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

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

However, the provisions of this subsection (b-5) are subject to the contrary provisions of subsection (a-5) of Section 9-112 with respect to service as a Tier 2 employee under Article 9 or 10 of this Code.

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

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

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (beginning January 1, 2015, age 60 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (beginning January 1, 2015, age 65 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section).

(d-5) The provisions of subsections (c) and (d) are subject to the contrary provisions of Sections 9-124.1(e) and 9-133.2 with respect to Tier 2 employees and Tier 2 annuitants with service under Article 9 or 10 of this Code.

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

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

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

However, the provisions of this subsection (e) are subject to the contrary provisions of Section 9-132.1 with respect to Tier 2 annuitants receiving an annuity under Article 9 or 10 of this Code.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be

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

However, the provisions of this subsection (f) are subject to the contrary provisions of Section 9-132.1 with respect to Tier 2 annuitants receiving an annuity under Article 9 or 10 of this Code.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of

Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

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

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of $1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control<u>, except as otherwise explicitly provided in this Section</u>.

(Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596, eff. 11-19-13; 98-622, eff. 6-1-14; 98-641, eff. 6-9-14.)

(40 ILCS 5/9-108.3 new)

<u>Sec. 9-108.3. Security officer.</u>

<u>(a) "Security officer" means an employee who, as identified</u>

by the employer for the relevant time period:

(1) has been deputized by the county sheriff, or has been certified as a law enforcement officer by a training academy accredited by the Illinois Law Enforcement Training Standards Board, or a similar entity; has satisfactorily completed at least 400 hours of law enforcement training by such a training academy; and serves in a capacity that utilizes such training; or

(2) provides safety and security services associated with correctional or court facilities and has been certified by a training academy accredited by the Illinois Law Enforcement Training Standards Board, or a similar entity, as having satisfactorily completed at least 400 hours of training regarding law enforcement or jail or court safety and security; or

(3) provides security and safety services at a juvenile temporary detention facility operated by the County and who has received no less than 6 weeks of training, under standards promulgated by the National Juvenile Detention Association or a similar entity, regarding juvenile justice or youth detention safety and security.

(b) Except as provided in subsection (d), an employee determined by the employer to have been a security officer as defined in subsection (a) of this Section prior to the effective date of this Section shall be deemed a security officer dating from the employee's first day of such employment with the employer.

(c) An employee who, on or after January 1, 2016, begins employment as a deputy sheriff as defined in subsection (f) of Section 9-128.1 shall be deemed a security officer for the purposes of this Article, provided the employee meets the requirements of subsection (a) of this Section.

(d) An employee who is determined by the employer to have been a deputy sheriff as defined in subsection (f) or (j) of Section 9-128.1 prior to the effective date of this Section, may elect to become a security officer for the purposes of this Article, dating from the employee's first day of such employment with the employer, and thereby relinquish any right to receive an annuity computed under Section 9-128.1. An employee so electing shall thereafter contribute to the Fund at the rate provided for security officers and shall not be eligible to receive an annuity computed under Section 9-128.1.

(e) Notwithstanding any other provision of this Section, an employee who, on or before June 30, 2015, began employment as a deputy sheriff as defined in subsection (f) or (j) of Section 9-128.1 and who does not make an election to become a security officer under subsection (d) of this Section shall not be deemed to be a security officer for the purposes of this Article with respect to any service rendered as a deputy sheriff as defined in subsection (f) or (j) of Section 9-128.1. Such an employee shall continue to contribute to the Fund at the rate prescribed for such deputy sheriffs for as long as he

<u>or she is so employed, and may elect to receive an annuity computed as provided in Section 9-128.1 upon meeting the eligibility requirements under that Section.</u>

(40 ILCS 5/9-110.1 new)

<u>Sec. 9-110.1. Tier 1 employee; Tier 1 annuitant.</u>

<u>"Tier 1 employee" means an employee, contributor, or participant under this Article who first became a participant or member before January 1, 2011 under any reciprocal retirement system or pension fund established under this Code, other than one established under Article 2, 3, 4, 5, 6, or 18 of this Code.</u>

<u>"Tier 1 annuitant" means an annuitant who is a former Tier 1 employee under this Article or whose annuity derives from the service of a former Tier 1 employee under this Article.</u>

(40 ILCS 5/9-110.2 new)

<u>Sec. 9-110.2. Tier 2 employee; Tier 2 annuitant.</u>

<u>"Tier 2 employee" means an employee, contributor, or participant under this Article who is not a Tier 1 employee.</u>

<u>"Tier 2 annuitant" means an annuitant who is a former Tier 2 employee under this Article or whose annuity derives from the service of a former Tier 2 employee under this Article.</u>

(40 ILCS 5/9-112) (from Ch. 108 1/2, par. 9-112)

Sec. 9-112. Salary. "Salary": Annual salary of an employee under this Article as follows:

(a) Beginning on the effective date and prior to July 1, 1947 $3000 shall be the maximum amount of annual salary of any employee to be considered for the purposes of this Article; and beginning on July 1, 1947 and prior to July 1, 1953, said maximum amount shall be $4800; and beginning on July 1, 1953 and prior to July 1, 1957 said maximum amount shall be $6,000; and from ~~beginning on~~ July 1, 1957 through June 30, 2015, salary shall be based upon the actual sum paid and reported to the Fund, exclusive of overtime and extra service.

(a-5) Beginning January 1, 2016, the maximum amount of annual salary of any employee of the County to be considered for the purposes of this Article shall be the greater of:

(1) for Tier 1 and Tier 2 employees, the annual contribution and benefit base established for the applicable year by the Commissioner of Social Security under the United States Social Security Act; or

(2) for Tier 1 employees only, the participant's annual salary or annualized wage calculated under this Article as of December 31, 2015, based upon the rate reported to the Fund and adjusted to reflect the actual hours paid during the year ending on that date; provided, however, that such amount shall annually thereafter be increased as provided in subsection (a-10).

However, in no event shall the annual salary for the purposes of this Article exceed any limitation imposed on earnings under Section 1-117 of this Code.

Under no circumstances shall the maximum amount of annual salary be greater than the amount set forth in this subsection as a result of reciprocal service or any provision regarding reciprocal service, nor shall the Fund be required to pay any refund as a result of the application of this maximum annual salary cap.

(a-10) Subject to the other restrictions of subsection (a-5), the amount of maximum salary specified in item (2) of subsection (a-5) shall be increased on January 1, 2016 and annually thereafter by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding that January 1, including all previous adjustments.

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

The percentage increase resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the retirement board of this Fund and the Article 10 Fund by

November 1 of each year.

(b) (Blank).

(c) Where the county provides lodging, board and laundry service for an employee without charge and so reports to the Fund while the employee is receiving such lodging, board and laundry service, his salary shall be considered to be $480 a year more for the period from the effective date to August 1, 1959 and thereafter $960 more than the amount payable as salary for the year, and the salary of an employee for whom one or more daily meals are provided by the county without charge therefor and are reported by the county to the Fund while the employee is receiving such meals shall be considered to be $120 a year more for each such daily meal for the period from the effective date to August 1, 1959 and thereafter $240 more for each such daily meal than the amount payable as his salary for the year.

(d) For the purposes of ordinary disability, salary shall be based upon the rate reported to the Fund at the date of disability and adjusted to reflect the actual hours paid during the prior year.

(Source: P.A. 98-551, eff. 8-27-13.)

(40 ILCS 5/9-112.1 new)

Sec. 9-112.1. Average annual salary.

(a) For Tier 1 employees who withdraw from employment by the County before January 1, 2016, "average annual salary" means the total salary, as calculated in accordance with this Article, for the 48 consecutive months out of the last 120 months of service for which that total is highest, divided by 48 and then multiplied by 12.

(b) For Tier 1 employees who withdraw from employment by the County in the year 2016 or thereafter, "average annual salary" means the total salary, as calculated in accordance with this Article, for the x consecutive months out of the last 120 months of service for which that total is highest, divided by x and then multiplied by 12. For purposes of this calculation, "x" is a number determined by the month of withdrawal from employment by the County, equal to 48 for withdrawal before January 2016, equal to 49 for withdrawal in January 2016, increasing by one for each month thereafter through December 2019, and equal to 96 for withdrawal in December 2019 or any month thereafter.

(c) For Tier 2 employees who withdraw from employment by the County in the year 2015 or in any year thereafter, "average annual salary" shall mean "final average salary" as defined in subsection (b) of Section 1-160, determined on an annual basis, but under the applicable salary cap provided in Section 9-112.

(40 ILCS 5/9-117.1 new)

Sec. 9-117.1. Funded ratio. "Funded ratio" means the ratio of the actuarial value of the Fund's assets to the actuarial value of the Fund's liabilities, based on a formula that utilizes the technique of asset smoothing to amortize any gains or losses of investment returns relative to actuarially assumed rates of return over a multi-year period of 5 years, and a discount rate for liabilities that reflects the actuarial assumption for return on assets.

(40 ILCS 5/9-117.2 new)

Sec. 9-117.2. Annual Actuarial Report. "Annual Actuarial Report" means an annual actuarial report of the Fund, produced by an actuary who is a member in good standing of the American Academy of Actuaries and is retained and approved by the retirement board. The Annual Actuarial Report shall include, but not be limited to: (1) a statement of the actuarial value of the Fund's assets as projected over 30 years' time and the actuarial value of the Fund's liabilities as projected over the same period of time; and (2) the Minimum Required Employer Contribution for the second year immediately following the year ending on the valuation date upon which the Annual Actuarial Report is based.

The Annual Actuarial Report may be prepared as part of the annual audit required under Section 9-195. The Annual Actuarial Report shall be reviewed and formally adopted by the retirement board and shall be included in the annual report that is required to be submitted to the County in July of each year under Section 9-199.

(40 ILCS 5/9-117.3 new)

Sec. 9-117.3. Minimum Required Employer Contribution. "Minimum Required Employer Contribution" for a specified year means the amount, as set forth in an Annual Actuarial Report, that shall be determined based on a formula that is the sum of (i) the total normal cost for the valuation year, and (ii) a "90% Amortization Payment" as described in the following paragraph, less (iii) the projected member contributions for the second year immediately following the year ending on the valuation date upon which the Annual Actuarial Report is based. Items (i) and (ii) of this paragraph shall be computed as of the actuarial valuation date of said annual actuarial report.

The initial 90% Amortization Payment for the year 2020 will make use of a 30-year amortization schedule in a calculation as contained in the annual actuarial report as of December 31, 2018; the 90% Amortization Payment will be based on a 30-year level percent of pay amortization of the difference between (i) 90% of the actuarial accrued liability and (ii) the actuarial value of assets, both computed as of the actuarial valuation date. The above referenced difference between 90% of the actuarial accrued liability and the actuarial value of assets shall be referred to as the initial 90% Amortization Amount. An amortization schedule of this initial 90% Amortization Amount shall be established and maintained by the Fund as developed by an independent actuary. With each subsequent valuation, the actuary will establish a new 90% amortization amount for the second year immediately following the year ending on the valuation date upon which the Annual Actuarial Report is based, which shall be based on a 30-year level percent of pay amortization of (i) the difference between 90% of the actuarial accrued liability as of the valuation date and the actuarial value of assets as of the valuation date; (ii) the outstanding balance of the amortization schedule developed in the previous annual actuarial report updated as of the new valuation date. The 90% Amortization Payment as of the valuation date will be the sum of all amortization payments contained in a 30-year layered amortization schedule as of said valuation date.

For purposes of determining the Minimum Required Employer Contribution, the calculation will make use of (i) a discount rate for liabilities that reflects the actuarial assumption for return on assets; (ii) an actuarial smoothing methodology to amortize any investment gains or losses relative to actuarial assumed rates of return over a period of 5 years; and (iii) an entry age normal calculation method for employee benefits. The aforementioned assumptions and methods may be amended as recommended by an independent actuary engaged by the Fund, and in compliance with actuarial standards of practice and as adopted by no less than 8 votes in the affirmative by the trustees of the Fund.

(40 ILCS 5/9-118.5 new)

Sec. 9-118.5. Annuitant. "Annuitant": A person receiving an age and service annuity, a prior service annuity, a widow's annuity, a widow's prior service annuity, a minimum annuity, or a child's annuity under this Article.

(40 ILCS 5/9-119.1)

Sec. 9-119.1. Earned annuity. "Earned annuity": (1) The annuity a participant has accrued as provided in Section 9-133.2 or 9-134, disregarding minimum age and service eligibility requirements and without any reduction due to age, or (2) the age and service annuity as provided in Sections 9-125 through 9-128, inclusive.

(Source: P.A. 98-551, eff. 8-27-13.)

(40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)

Sec. 9-121.6. Alternative annuity for county officers.

(a) Prior to January 1, 2016, any ~~Any~~ county officer elected by vote of the people may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and procedures established by the board. Such elected county officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Sections 9-170 and 9-176.

(2) For service before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(b) In lieu of the retirement annuity otherwise payable under this Article, any county officer elected by vote of the people who (1) has elected to participate in the Fund and has, prior to January 1, 2016, made ~~make~~ additional optional contributions in accordance with this Section, and (2) has attained the minimum age specified below ~~age 60~~ with at least 10 years of service credit as an elected county officer, or has attained age 65 with at least 8 years of service credit as an elected county officer, may elect to have his retirement annuity computed as follows:

For service as an elected official prior to January 1, 2016, 3% of the participant's average annual salary at the time of termination of service for each of the first 8 years of service credit, plus 4% of such average annual salary for each of the next 4 years of service credit, plus 5% of such average annual salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such average annual salary.

For service as an elected county officer on or after January 1, 2016, 2.9% of the participant's average annual salary at the time of termination of service for each of the first 8 years of service credit, plus 3.9% of such average annual salary for each of the next 4 years of service credit, plus 4.9% of such average annual salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such average annual salary; except that beginning with service in 2020, in the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are less than 59% of the Fund's actuarial liabilities, the percentage of average annual salary to be used for service credit from that second immediately following year shall be reduced by 0.10% of average annual salary from the percentage otherwise specified in this Section.

Beginning January 1, 2016, an elected county officer with at least 10 years of service credit as an elected county officer is not eligible to begin receiving an annuity under this subsection (b) until he or she has attained the following specified minimum age: age 60 if the annuity begins in 2015; age 61 if the annuity begins in 2016 or 2017; age 62 if the annuity begins in 2018 or 2019; age 63 if the annuity begins in 2020 or 2021; age 64 if the annuity begins in 2022 or 2023; or age 65 if the annuity begins in 2024 or thereafter.

An elected county officer who does not elect to receive an annuity under this Section may elect to receive a refund of the difference between the contributions made under this Section and the contributions that would have been made for such service if it were not as an elected county officer, including interest at the rate established in Section 9-151.

To the extent an ~~such~~ elected county officer has made additional optional contributions with respect to only a portion of his years of service credit, his retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made.

(c) In lieu of the disability benefits otherwise payable under this Article, any county officer elected by vote of the people who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, such elected county officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected county officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that such officer is disabled and that the disability is likely to be permanent.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 9-164, 9-166 and 9-167. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 9-169.

(e) The effective date of this plan of optional alternative benefits and contributions shall be January 1, 1988, or the date upon which approval is received from the U.S. Internal Revenue Service, whichever is later. The plan of optional alternative benefits and contributions shall not be available to any former county officer or employee receiving an annuity from the Fund on the effective date of the plan, unless he re-enters service as an elected county officer and renders at least 3 years of additional service after the date of re-entry.

(f) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(g) The plan of optional alternative benefits and contributions authorized under this Section applies only to county officers elected by vote of the people on or before January 1, 2008 (the effective date of Public Act 95-654).

(h) For the purposes of Section 1-103.1, the changes made to this Section by this amendatory Act of the 99th General Assembly are not limited to persons in service on or after the effective date of this amendatory Act.

(Source: P.A. 95-369, eff. 8-23-07; 95-654, eff. 1-1-08; 95-876, eff. 8-21-08; 96-961, eff. 7-2-10.)

(40 ILCS 5/9-124.1 new)

Sec. 9-124.1. Minimum age requirements for certain annuities granted on or after January 1, 2016.

(a) Beginning January 1, 2016, eligibility to begin receiving an age and service annuity calculated under Section 9-125, 9-126, 9-127, or 9-128 of this Article and the method of calculating that annuity shall be subject to the requirements of this Section.

(b) Beginning January 1, 2016, a Tier 1 employee who has less than 30 years of service shall not be entitled to begin receiving an age and service annuity under Section 9-125, 9-126, 9-127, or 9-128 unless he or she has attained the following specified minimum age: age 60 if the annuity begins in 2015; age 61 if the annuity begins in 2016 or 2017; age 62 if the annuity begins in 2018 or 2019; age 63 if the annuity begins in 2020 or 2021; age 64 if the annuity begins in 2022 or 2023; or age 65 if the annuity begins in 2024 or thereafter. This minimum age requirement is in addition to any age requirement provided under the specified Sections of this Article.

(c) Beginning January 1, 2016, a Tier 1 employee who has at least 30 years of service shall not be entitled to begin receiving an age and service annuity under Section 9-125, 9-126, 9-127, or 9-128 unless he or she has attained the following specified minimum age: age 50 if the annuity begins in 2015; age 51 if the annuity begins in 2016 or 2017; age 52 if the annuity begins in 2018 or 2019; age 53 if the annuity begins in 2020 or 2021; age 54 if the annuity begins in 2022 or 2023; or age 55 if the annuity begins in 2024 or thereafter. This minimum age requirement is in addition to any age requirement provided under the specified Sections of this Article.

(d) Beginning July 1, 2015, a Tier 1 employee who has at least 30 years of service, with at least the final 10 years of service as a county security officer, shall not be entitled to begin receiving an age and service annuity under Section 9-125, 9-126, 9-127, or 9-128 unless he or she has attained age 50. This minimum age requirement is in addition to any age requirement provided under the specified Sections of this Article.

(e) Beginning July 1, 2015, a Tier 1 or Tier 2 county security officer who has at least 10 years of service as a county security officer but does not qualify under subsection (d) shall not be entitled to begin receiving an age and service annuity under Section 9-125, 9-126, 9-127, or 9-128 unless he or she has attained the following specified minimum age: age 60 if the annuity begins in 2015; age 61 if the annuity begins in 2016 or 2017; or age 62 if the annuity begins in 2018 or thereafter. This minimum age requirement is in addition to any age requirement provided under the specified Sections of this Article.

(f) For the purposes of Section 1-103.1, the application of this Section is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.

(40 ILCS 5/9-128.1) (from Ch. 108 1/2, par. 9-128.1)

Sec. 9-128.1. Annuities for members of the County Police Department.

(a) In lieu of the regular or minimum annuity or annuities, ~~for~~ any deputy sheriff who is a member of a County Police Department and was recognized as such a member as of December 31, 2015, and who has been paying into the Fund at the rate prescribed for members of the County Police Department, ~~he~~ may, upon withdrawal from service after not less than 20 years of service in the position of deputy sheriff as defined below, upon or after attainment of age 55, receive a total annuity equal to 2% for each year of service based upon his ~~highest~~ average annual salary ~~for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal from service~~, subject to a maximum annuity equal to 75% of such average annual salary.

(b) Any deputy sheriff who withdraws from the service after July 1, 1979 and was recognized as a deputy sheriff as of December 31, 2015, and who has been paying into the Fund at the rate prescribed for members of the County Police Department, after having attained age 53 in the service with 23 or more years of service credit in the position of deputy sheriff as determined by the County, shall be entitled to an annuity computed as follows if such annuity is greater than that provided in the foregoing paragraphs of this Section 9-128.1: An annuity equal to 50% of his ~~the~~ average annual salary ~~for the 4 highest consecutive years of the last 10 years of service~~ plus additional annuity equal to 2% of such average annual salary for each completed year of service or fraction thereof rendered after his attainment of age 53 and the completion of 23 years of service, plus an additional annuity equal to 1% of such average annual salary for each completed year of service or fraction thereof in excess of 23 years up to age 53.

(c) Any deputy sheriff who withdraws from the service after December 31, 1987 and was recognized as a deputy sheriff as of December 31, 2015, and who has been paying into the Fund at the rate prescribed for members of the County Police Department, with 20 or more years of service credit as determined by the County, shall be entitled, upon attainment of age 50, to an annuity computed as follows if such annuity is greater than that provided in the foregoing paragraphs of this Section 9-128.1: An annuity equal to 50% of his ~~the~~ average annual salary ~~for the 4 highest consecutive years of the last 10 years of service~~, plus additional annuity ~~equal to 2% of such average salary~~ for each completed year of service or fraction thereof in excess of 20 years computed at the following rates:~~.~~

(i) for years of service beginning before January 1, 2016, 2.0% of average annual salary;

(ii) for years of service beginning on or after January 1, 2016, 1.8% of average annual salary unless item (iii) applies;

(iii) for years of service to which this item (iii) applies, 1.7% of average annual salary. This item (iii) applies only to years of service in 2020 or thereafter, and only if the Annual Actuarial Report of the Fund for the second immediately preceding year determined that the Fund's actuarial assets were less than 59% of the Fund's actuarial liabilities.

(d) (Blank). ~~A deputy sheriff who reaches compulsory retirement age and who has less than 23 years of service shall be entitled to a minimum annuity equal to an amount determined by the product of (1) his years of service and (2) 2% of his average salary for the 4 consecutive highest years of salary within the last 10 years of service immediately prior to his reaching compulsory retirement age.~~

(e) Any deputy sheriff who retires after January 1, 1984 and elects to receive an annuity under this Section, and who has credits under this Article for service not as a deputy sheriff, shall be entitled to receive, in addition to the amount of annuity otherwise provided under this Section, an additional amount of annuity provided from the totals accumulated to his credit for prior service and age and service annuities for such service not as a deputy sheriff.

(f) The term "deputy sheriff" means an employee charged with the duty of law enforcement as a deputy sheriff as specified in Section 1 of "An Act in relation to County Police Departments in certain Counties, creating a County Police Department Merit Board and defining its powers and duties", approved August 5, 1963, who rendered service in such position before and after such date.

The terms "deputy sheriff" and "member of a County Police Department" shall also include an elected sheriff of the county who has elected to become a contributor and who has submitted to the board his written election to be included within the provisions of this Section. With respect to any such sheriff, service as the elected sheriff of the county shall be deemed to be service in the position of deputy sheriff for the purposes of this Section provided that the employee contributions therefor are made at the rate prescribed for members of the County Police Department. A sheriff electing to be included under this Section may also elect to have his service as sheriff of the county before the date of such election included as service as a deputy sheriff for the purposes of this Section, by making an additional contribution for each year of such service, equal to the difference between the amount he would have contributed to the Fund during such year had he been contributing at the rate then in effect for members of the County Police Department and the amount actually contributed, plus interest thereon at the rate of 6% per annum from the end of such year to the date of payment.

(g) In no case shall an annual annuity provided in this Section 9-128.1 exceed 80% of the average annual salary ~~for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal from service~~.

A deputy sheriff may in addition, be entitled to the benefits provided by Section 9-133 or 9-133.1 if he so qualifies under such Sections.

(h) A deputy sheriff may elect, between January 1 and January 15, 1983, to transfer his creditable service as a member of the State Employees' Retirement System of Illinois to any Fund established under this Article of which he is a member, and such transferred creditable service shall be included as service for the purpose of calculating his benefits under this Article to the extent that the payment specified in Section 14-105.3 has been received by such Fund.

(i) An active deputy sheriff who has at least 15 years of service credit in that capacity may elect to have any or all of his credits under this Article for service not as a deputy sheriff deemed to be credits for service as a deputy sheriff, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee contributions actually contributed by the applicant for such service not as a deputy sheriff, and the amounts that would have been contributed had such contributions been made at the rates applicable to service as a deputy sheriff, plus (2) interest thereon at the rate of 3% per annum, compounded annually, from the date of service to the date of payment.

(j) Beginning on the effective date of this amendatory Act of 1996, the terms "deputy sheriff" and "member of a County Police Department" shall also include any chief of the County Police Department or undersheriff of the County Sheriff's Department who has submitted to the board his or her written election to be included within the provisions of this Section. With respect to any such police chief or undersheriff, service as a chief of the County Police Department or an undersheriff of the County Sheriff's Department shall be deemed to be service in the position of deputy sheriff for the purposes of this Section, provided that the employee contributions therefor are made at the rate prescribed for members of the County Police Department.

A chief of the County Police Department or undersheriff of the County Sheriff's Department electing to be included under this Section may also elect to have his or her service as chief of the County Police Department or undersheriff of the County Sheriff's Department before the date of the election included as service as a deputy sheriff for the purposes of this Section, by making an additional contribution for each year of such service, equal to the difference between the amount that he or she would have contributed to the Fund during that year at the rate then in effect for members of the County Police Department and the amount actually contributed, plus interest thereon at the rate of 6% per year, compounded annually, from the end of that year to the date of payment.

A chief of the County Police Department or undersheriff of the County Sheriff's Department who has elected to be included within the provisions of this Section may transfer to this Fund credits and creditable service accumulated under any pension fund or retirement system established under Article 3, 7, 8, 14, or 15, upon payment to the Fund of (1) the amount by which the employee contributions that would have been required if he or she had participated in this Fund during the period for which credit is being transferred, plus interest, plus an equal amount for employer contributions, exceeds the amounts actually transferred from that other fund or system to this Fund, plus (2) interest thereon at 6% per year, compounded annually, from the date of transfer to the date of payment.

A chief of the County Police Department or undersheriff of the County Sheriff's Department may purchase credits and creditable service for up to 2 years of public employment rendered to an out-of-state public agency. Payment for that service shall be at the applicable rates in effect for employee and employer contributions during the period for which credit is being purchased, plus interest at the rate of 6% per year, compounded annually, from the date of service until the date of payment.

(k) For the purposes of Section 1-103.1, the changes made to this Section by this amendatory Act of the 99th General

Assembly are not limited to persons in service on or after the effective date of this amendatory Act.

(Source: P.A. 89-643, eff. 8-9-96.)

(40 ILCS 5/9-132.1 new)

Sec. 9-132.1. Hedge against inflation; adjusted annual increase in annuity.

(a) In the event of a conflict, the provisions of this Section are intended to control over any contrary provision of this Article or of Section 1-160 of this Code; in addition, subsection (f) of this Section is intended to control over subsections (c), (d), and (e).

(b) As used in this Section:

"Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the retirement board by November 1 of each year.

"Compound calculation" means that the increase is calculated as a percentage of the annuity payable at the time of the increase, including all previous increases in that annuity.

"Simple calculation" means that the increase is calculated as a percentage of the amount of annuity originally granted, excluding any previous increases in that annuity.

(c) For a Tier 1 annuitant who began receiving an annuity under this Article on or before December 31, 2015 (or after that date if the annuity derives from the death of a Tier 1 annuitant who began receiving an annuity on or before that date), the rate of annual increase in that annuity shall remain at 3% in a compound calculation, except as follows:

(1) In 2016, no such annuitant shall receive an annual increase.

(2) Beginning with the annual increase in 2020, in the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are less than 59% of the Fund's actuarial liabilities, the rate of annual increase in that annuity shall be 0%.

(d) For a Tier 1 annuitant who first receives an annuity after December 31, 2015 and is not subject to subsection (c), the rate of annual increase in that annuity through the year 2019 shall be the greater of 2% or the rate of one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding the date of the increase, but not to exceed 4%, in a compound calculation. However, no such annuitant shall receive an annual increase in annuity in 2016.

Beginning with the annual increase in 2020, the rate of annual increase in that annuity shall depend on the funded ratio of the Fund as follows:

(1) In the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are equal to or greater than 59% but less than 100% of the Fund's actuarial liabilities, the rate of annual increase in that annuity shall be the greater of 2% or the rate of one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding the date of the increase, but not to exceed 4%, in a compound calculation.

(2) In the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are equal to or greater than 100% of the Fund's actuarial liabilities, the rate of annual increase in that annuity shall be the greater of 3% or the rate of one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding the date of the increase, but not to exceed 4%, in a compound calculation.

(3) In the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are less than 59% of the Fund's actuarial liabilities, the rate of annual

increase in that annuity shall be 0%.

(e) For a Tier 2 annuitant, the rate of annual increase in that annuity through the year 2019 shall be the lesser of 3% or the rate of one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding the date of the increase (but not less than zero), in a simple calculation. However, no such annuitant shall receive an annual increase in annuity in 2016.

Beginning with the annual increase in 2020, the rate of annual increase in that annuity shall depend on the funded ratio of the Fund as follows:

(1) In the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are equal to or greater than 59% but less than 100% of the Fund's actuarial liabilities, the rate of annual increase in that annuity shall be the lesser of 3% or the rate of one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding the date of the increase (but not less than zero), in a simple calculation.

(2) In the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are equal to or greater than 100% of the Fund's actuarial liabilities, the rate of annual increase in that annuity shall be the

greater of 2% or the rate of one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding the date of the increase, but not to exceed 4%, in a simple calculation.

(3) In the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are less than 59% of the Fund's actuarial liabilities, the rate of annual increase in that annuity shall be 0%.

(f) Notwithstanding the foregoing provisions of this Section, the following provisions apply as specified to certain initial annual increases in annuity granted after January 1, 2016:

(1) A Tier 1 employee who retires on annuity and first receives an annual increase in that annuity after January 1, 2016 shall not receive the initial annual increase in that annuity until the first day of January immediately following the 24-month period that follows the employee's receipt of the annuity.

(2) A Tier 1 employee who retires on annuity before age 60 with less than 30 years of creditable service, and who first receives an annuity after January 1, 2016, shall not receive the initial annual increase in that annuity until the later of (i) January of the year immediately following the year in which he or she attains age 60 or (ii) the

<u>first day of January immediately following the 24-month period that follows the participant's receipt of the annuity.</u>

<u>(3) A Tier 2 employee who retires on annuity and first receives an annual increase in that annuity after January 1, 2016 shall receive the initial annual increase in that annuity on the January 1 occurring either on or after the attainment of age 65 or the age of general eligibility for Medicare under the laws of the United States with respect to a person of the relevant birth year, or the second anniversary of the annuity start date, whichever is later.</u>

<u>(4) The initial annual increase in an annuity payable to a Tier 1 or Tier 2 employee who first receives an annual increase in annuity after January 1, 2016 shall be discounted on a monthly pro rata basis according to the month in which the employee first received the annuity, based on 1/12th increments falling between 0/12ths for an annuity beginning in January and 11/12ths for an annuity beginning in December.</u>

<u>(g) For the purposes of Section 1-103.1, the application of this Section is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.</u>

(40 ILCS 5/9-133) (from Ch. 108 1/2, par. 9-133)

Sec. 9-133. Automatic increase in annuity.

<u>Beginning January 1, 2016, this Section is subject to Section 9-132.1, and to the extent that there is a conflict, Section 9-132.1 controls. For the purposes of Section 1-103.1, the application of this provision is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.</u>

(a) An employee who retired or retires from service after December 31, 1959, having attained age 60 or more or, beginning January 1, 1991, having attained 30 or more years of creditable service, shall, in the month of January of the year following the year in which the first anniversary of retirement occurs, have his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning with January of the year 1982, such increases shall be at the rate of 3% in lieu of the aforesaid specified 2%. Beginning January 1, 1998, these increases shall be at the rate of 3% of the current amount of the annuity, including any previous increases received under this Article, without regard to whether the annuitant is in service on or after the effective date of this amendatory Act of 1997.

An employee who retires on annuity before age 60 and, beginning January 1, 1991, with less than 30 years of creditable service shall receive such increases beginning with

January of the year immediately following the year in which he attains the age of 60 years. An employee who retires on annuity before age 60 and before January 1, 1991, with at least 30 years of creditable service, shall be entitled to receive the first increase under this subsection no later than January 1, 1993.

For an employee who, in accordance with the provisions of Section 9-108.1 of this Act, shall have become a member of the State System established under Article 14 on February 1, 1974, the first such automatic increase shall begin in January of 1975.

(b) Subsection (a) is not applicable to an employee retiring and receiving a term annuity, as defined in this Act, nor to any otherwise qualified employee who retires before he makes employee contributions (at the 1/2 of 1% rate as provided in this Section) for this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of one year's contributions.

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

Each such additional contribution shall be used, together with county contributions, to defray the cost of the specified annuity increments.

Such additional employee contributions are not refundable, except to an employee who withdraws and applies for refund under this Article, or applies for annuity, and also in cases where a term annuity becomes payable. In such cases his contributions shall be refunded, without interest.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-133.1) (from Ch. 108 1/2, par. 9-133.1)

Sec. 9-133.1. Automatic increases in annuity for certain heretofore retired participants.

Beginning January 1, 2016, this Section is subject to Section 9-132.1, and to the extent that there is a conflict, Section 9-132.1 controls. For the purposes of Section 1-103.1, the application of this provision is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.

A retired employee retired at age 55 or over and who (a) is receiving annuity based on a service credit of 20 or more years, and (b) does not qualify for the automatic increases in annuity provided for in Sec. 9-133 of this Article, and (c) elects to make a contribution to the Fund at a time and manner prescribed by the Retirement Board, of a sum equal to 1% of the final average monthly salary forming the basis of the calculation of their annuity multiplied by years of credited service, or 1% of their final monthly salary multiplied by years of credited service in any case where the final average salary is not used in the calculation, shall have his original fixed and payable monthly amount of annuity increased in January of the year following the year in which he attains the age of 65 years, if such age of 65 years is attained in the year 1969 or later, by an amount equal to 1 1/2%, and by an equal additional 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning with January of the year 1982, such increases shall be at the rate of 3% in lieu of the aforesaid specified 2%. Beginning January 1, 1998, these increases shall be at the rate of 3% of the current amount of the annuity, including any previous increases received under this Article, without regard to whether the annuitant is in service on or after the effective date of this amendatory Act of 1997.

In those cases in which the retired employee receiving annuity has attained the age of 66 or more years in the year 1969, he shall have such annuity increased in January of the year 1970 by an amount equal to 1 1/2% multiplied by the number equal to the number of months of January elapsing from and including January of the year immediately following the year he attained the age of 65 years if retired at or prior to age 65, or from and including January of the year immediately following the year of retirement if retired at an age greater than 65 years, to and including January of the year 1970, and by an equal additional 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning with January of the year 1982, such increases shall be at the rate of 3% in lieu of the aforesaid specified 2%. Beginning January 1, 1998, these increases shall be at the rate of 3% of the current amount of the annuity, including any previous increases received under this Article, without regard to whether the annuitant is in service on or after the effective date of this amendatory Act of 1997.

To defray the annual cost of such increases, the annual interest income of the Fund, accruing from investments held by the Fund, exclusive of gains or losses on sales or exchanges of assets during the year, over and above 4% a year, shall be used to the extent necessary and available to finance the cost of such increases for the following year.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-133.2 new)

Sec. 9-133.2. Minimum annuity - annuity beginning on or after December 31, 2015.

(a) Notwithstanding any other provision of this Article, beginning December 31, 2015, a Tier 1 employee with 10 or more years of service who meets the minimum age requirement of this subsection may elect to receive, in lieu of any other retirement annuity provided under this Article, an annuity calculated under this subsection.

The annuity shall begin no earlier than upon attainment of the following specified minimum age: age 50 if the annuity begins in 2015; age 51 if the annuity begins in 2016 or 2017; age 52 if the annuity begins in 2018 or 2019; age 53 if the annuity begins in 2020 or 2021; age 54 if the annuity begins in 2022 or 2023; or age 55 if the annuity begins in 2024 or thereafter.

The annuity shall be equal to 2.40% of the employee's average annual salary for each year of service before January 1, 2016, and 2.30% of that average annual salary for each year of service on or after January 1, 2016, except that: (i) these percentages are subject to reduction under subsection (e) of this Section; (ii) the annuity shall in no event exceed 80% of final average salary; and (iii) if the employee has less than 30 years of service, the annuity shall be reduced by 0.5% for each full month or remaining fraction thereof that the employee's attained age when the annuity is to begin is less than age 60 for an annuity beginning in 2015, less than age 61 for an annuity beginning in 2016 or 2017, less than age 62 for an annuity beginning in 2018 or 2019, less than age 63 for an annuity beginning in 2020 or 2021, less than age 64 for an annuity beginning in 2022 or 2023, or less than age 65 for an annuity beginning in 2024 or thereafter.

(b) Notwithstanding any other provision of this Article or Section 1-160, beginning January 1, 2016, a Tier 2 employee with 10 or more years of service may elect to receive, in lieu of any other retirement annuity provided under this Article, an annuity calculated under this subsection, to begin no earlier than upon attainment of age 62.

The annuity shall be equal to 2.40% of the employee's average annual salary for each year of service before July 1, 2015, and 2.30% of that average annual salary for each year of service on or after January 1, 2016, except that: (i) these percentages are subject to reduction under subsection (e) of this Section; (ii) the annuity shall in no event exceed 80% of final average salary; and (iii) the annuity shall be reduced by 0.5% for each full month or remaining fraction thereof that the employee's attained age when the annuity is to begin is less than age 65 or the age of general eligibility for Medicare under the laws of the United States with respect to a person of the relevant birth year, whichever is greater.

(c) Notwithstanding any other provision of this Article, beginning January 1, 2016, a Tier 1 employee who is a county security officer with at least the final 10 years of service as a county security officer may elect to receive, in lieu of any other retirement annuity provided under this Article, an annuity calculated under this subsection, to begin no earlier than upon attainment of age 50.

The annuity shall be equal to 2.40% of the employee's average annual salary for each year of service before January 1, 2016, and 2.30% of that average annual salary for each year of service on or after January 1, 2016, except that: (i) these percentages are subject to reduction under subsection (e) of this Section; (ii) the annuity shall in no event exceed 80% of final average salary; and (iii) if the employee has less than 30 years of service, the annuity shall be reduced by 0.5% for each full month or remaining fraction thereof that the employee's attained age when the annuity is to begin is less than age 60 for an annuity beginning in 2015, less than age 61 for an annuity beginning in 2016 or 2017, or less than age 62 for an annuity beginning in 2018 or thereafter.

(d) Notwithstanding any other provision of law, beginning January 1, 2016, a Tier 2 employee who is a county security officer with at least the final 10 years of service as a county security officer may elect to receive, in lieu of any other retirement annuity provided under this Article or Section 1-160, an annuity calculated under this subsection, to begin no earlier than upon attainment of age 62.

The annuity shall be equal to 2.40% of the employee's average annual salary for each year of service prior to January 1, 2016, and 2.30% of that average annual salary for each year of service on or after January 1, 2016, except that: (i) these percentages are subject to reduction under subsection (e) of this Section; and (ii) the annuity shall in no event exceed 80% of final average salary.

(e) Beginning with service in 2020, in the second year immediately following any year for which the Annual Actuarial Report of the Fund determines that the Fund's actuarial assets are less than 59% of the Fund's actuarial liabilities, the percentage of average annual salary to be used for service credit from that second immediately following year shall be 2.20% of average annual salary instead of the percentage otherwise specified in this Section.

(f) For the purposes of Section 1-103.1, the application of this Section is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.

(40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

Sec. 9-134. Minimum annuity - Additional provisions - Annuity beginning before January 1, 2016.

Notwithstanding any other provision of this Article, this Section does not apply to an annuity that begins on or after January 1, 2016. For the purposes of Section 1-103.1, application of this provision is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.

(a) An employee who withdraws after July 1, 1957 at age 60 or more with 20 or more years of service, for whom the amount of age and service and prior service annuity combined is less than the amount stated in this Section from the date of withdrawal, instead of all annuities otherwise provided in this Article, is entitled to receive an annuity for life of an amount equal to 1 2/3% for each year of service, of his highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, or who withdraws on or after January 1, 1982 and on or after attainment of age 65 with 10 or more years of service, shall instead receive an annuity for life equal to 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957, but prior to January 1, 1988, with 20 or more years of service, before age 60 is entitled to annuity, to begin not earlier than age 55, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 1/2 of 1% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60 to the end that the total reduction at age 55 shall be 30%, except that an employee retiring at age 55 or over but less than age 60, having at least 35 years of service, shall not be subject to the reduction in his retirement annuity because of retirement below age 60.

An employee who withdraws on or after January 1, 1988, with 20 or more years of service and before age 60, is entitled to annuity as computed above, to begin not earlier than age 50 if under such age at withdrawal, reduced 1/2 of 1% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60, to the end that the total reduction at age 50 shall be 60%, except that an employee retiring at age 50 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

An employee who withdraws on or after January 1, 1992 but before January 1, 1993, at age 60 or over with 5 or more years of service, may elect, in lieu of any other employee annuity provided in this Section, to receive an annuity for life equal to 2.20% for each of the first 20 years of service, and 2.40% for each year of service in excess of 20, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal. An employee who withdraws on or after January 1, 1992, but before January 1, 1993, on or after attainment of age 55 but before attainment of age 60 with 5 or more years of service, is entitled to elect such annuity, but the annuity shall be reduced 0.25% for each full month or fractional part thereof that his attained age when the annuity is to begin is less than age 60, to the end that the total reduction at age 55 shall be 15%, except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60. This annuity benefit formula shall only apply to those employees who are age 55 or over prior to January 1, 1993, and who elect to withdraw at age 55 or over on or after January 1, 1992 but before January 1, 1993.

An employee who withdraws on or after July 1, 1996 but before August 1, 1996, at age 55 or over with 8 or more years of service, may elect, in lieu of any other employee annuity provided in this Section, to receive an annuity for life equal to 2.20% for each of the first 20 years of service, and 2.40% for each year of service in excess of 20, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, but the annuity shall be reduced by 0.25% for each full month or fractional part thereof that the annuitant's attained age when the annuity is to begin is less than age 60, unless the annuitant has at least 30 years of service.

The maximum annuity under this paragraph (a) shall not exceed 70% of highest average annual salary for any 5 consecutive years within the last 10 years of service in the case of an employee who withdraws prior to July 1, 1971, and

75% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal takes place on or after July 1, 1971 and prior to January 1, 1988, and 80% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal takes place on or after January 1, 1988. Fifteen hundred dollars shall be considered the minimum amount of annual salary for any year, and the maximum shall be his salary as defined in this Article, except that for the years before 1957 and subsequent to 1952 the maximum annual salary to be considered shall be $6,000, and for any year before the year 1953, $4,800.

(b) Any employee who withdraws on or after July 1, 1985 but prior to January 1, 1988, at age 60 or over with 10 or more years of service, may elect in lieu of the benefit in paragraph (a) to receive an annuity for life equal to 2.00% for each year of service, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal. An employee who withdraws on or after July 1, 1985, but prior to January 1, 1988, with 10 or more years of service, but before age 60, is entitled to elect such annuity, to begin not earlier than age 55, but the annuity shall be reduced 0.5% for each full month or fractional part thereof that his attained age when the annuity is to begin is less than 60, to the end that the total reduction at age 55 shall be 30%; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

An employee who withdraws on or after January 1, 1988, at age 60 or over with 10 or more years of service, may elect, in lieu of the benefit in paragraph (a), to receive an annuity for life equal to 2.20% for each of the first 20 years of service, and 2.4% for each year of service in excess of 20, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal. An employee who withdraws on or after January 1, 1988, with 10 or more years of service, but before age 60, is entitled to elect such annuity, to begin not earlier than age 50, but the annuity shall be reduced 0.5% for each full month or fractional part thereof that his attained age when the annuity is to begin is less than 60, to the end that the total reduction at age 50 shall be 60%, except that an employee retiring at age 50 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

An employee who withdraws on or after June 30, 2002 with 10 or more years of service may elect, in lieu of any other retirement annuity provided under this Article, to receive an annuity for life, beginning no earlier than upon attainment of age 50, equal to 2.40% of his or her highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding withdrawal, for each year of service. If the employee has less than 30 years of service, the annuity shall be reduced by 0.5% for each full month or remaining fraction thereof that the employee's attained age when the annuity is to begin is less than 60.

The maximum annuity under this paragraph (b) shall not exceed 75% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal occurs prior to January 1, 1988, or 80% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal takes place on or after January 1, 1988.

The provisions of this paragraph (b) do not apply to any former County employee receiving an annuity from the fund, who re-enters service as a County employee, unless he renders at least 3 years of additional service after the date of re-entry.

(c) For an employee receiving disability benefit, the salary for annuity purposes under paragraph (a) or (b) of this Section shall, for all periods of disability benefit subsequent to the year 1956, be the amount on which his disability benefit was based.

(d) A county employee with 20 or more years of service, whose entire disability benefit credit period expires before attainment of age 50 (age 55 if expiration occurs before January 1, 1988), while still disabled for service is entitled upon withdrawal to the larger of:

(1) The minimum annuity provided above, assuming that he is then age 50 (age 55 if expiration occurs before January 1, 1988), and reducing such annuity to its actuarial equivalent at his attained age on such date, or

(2) the annuity provided from his age and service and prior service annuity credits.

(e) The minimum annuity provisions above do not apply to any former county employee receiving an annuity from the fund, who re-enters service as a county employee, unless he renders at least 3 years of additional service after the date of re-entry.

(f) Any employee in service on July 1, 1947, or who enters service thereafter before attaining age 65 and withdraws after age 65 with less than 10 years of service for whom the annuity has been fixed under the foregoing Sections of this Article, shall, instead of the annuity so fixed, receive an annuity as follows:

Such amount as he could have received had the accumulated amounts for annuity been improved with interest at the effective rate to the date of withdrawal, or to attainment of age 70, whichever is earlier, and had the county contributed to such earlier date for age and service annuity the amount that it would have contributed had he been under age 65, after the date his annuity was fixed in accordance with this Article, and assuming his annuity were computed from such accumulations as of his age on such earlier date. However those employees who before July 1, 1953, made additional contributions in accordance with this Article, the annuity so computed under this paragraph shall not exceed the annuity which would be payable under the other provisions of this Section if the employee concerned was credited with 20 years of service and would qualify for annuity thereunder.

(g) Instead of the annuity provided in this or any other Section of this Article, an employee having attained age 65 with at least 15 years of service may elect to receive a minimum annual annuity for life equal to 1% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding retirement for each year of service, plus the sum of $25 for each year of service provided that no such minimum annual annuity may be greater than 60% of such highest average annual salary.

(h) The annuity is payable in equal monthly installments.

(i) If, by operation of law, a function of a governmental unit, as defined by Section 20-107 of this Code, is transferred in whole or in part to the county in which this Article 9 is created as set forth in Section 9-101, and employees of the governmental unit are transferred as a class to such county, the earnings credits in the retirement system covering the governmental unit which have been validated under Section 20-109 of this Code shall be considered in determining the highest average annual salary for purposes of this Section 9-134.

(j) The annuity being paid to an employee annuitant on July 1, 1988, shall be increased on that date by 1% for each full year that has elapsed from the date the annuity began.

(k) Notwithstanding anything to the contrary in this Article 9, Section 20-131 shall not apply to an employee who withdraws on or after January 1, 1988, but prior to attaining age 55. Therefore, no employee shall be entitled to elect to have the alternative formula previously set forth in Section 20-122 prior to the amendatory Act of 1975 apply to any annuity, the payment of which commenced after January 1, 1988, but prior to such employee's attainment of age 55.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/9-146.2)

Sec. 9-146.2. Automatic annual increase in widow's annuity.

Beginning January 1, 2016, this Section is subject to Section 9-132.1, and to the extent that there is a conflict, Section 9-132.1 controls. For the purposes of Section 1-103.1, the application of this provision is not limited to persons in service on or after the effective date of this amendatory Act of the 99th General Assembly.

(a) Every widow's annuity, other than a term annuity, shall be increased on January 1, 1998 or the January 1 occurring on or immediately after the first anniversary of the deceased employee's death, whichever occurs later, by an amount equal to 3% of the amount of the annuity.

On each January 1 after the date of the initial increase under this Section, the widow's annuity shall be increased by an amount equal to 3% of the amount of the widow's annuity payable at the time of the increase, including any increases previously granted under this Article.

(b) Limitations on the maximum amount of widow's annuity imposed under Section 9-150 do not apply to the annual increases provided under this Section.

(c) The increases provided under this Section also apply to compensation annuities and supplemental annuities payable under Section 9-147. The increases provided under this Section do not apply to term annuities.

(Source: P.A. 90-32, eff. 6-27-97.)

(40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

Sec. 9-169. Financing - Tax levy.

(a) For each fiscal year prior to 2016, the ~~The~~ county board shall levy a tax annually upon all taxable property in the county at the rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them is sufficient for the requirements of this Article.

For the years before 1962 the tax rate shall be as provided in "The 1925 Act". For the years 1962 and 1963 the tax rate shall be not more than .0200 per cent; for the years 1964 and 1965 the tax rate shall be not more than .0202 per cent; for the years 1966 and 1967 the tax rate shall be not more than .0207 per cent; for the year 1968 the tax rate shall be not more than .0220 per cent; for the year 1969 the tax rate shall be not more than .0233 per cent; for the year 1970 the tax rate shall be not more than .0255 per cent; for the year 1971 the tax rate shall be not more than .0268 per cent of the value, as equalized or assessed by the Department of Revenue upon all taxable property in the county.

Beginning with the year 1972 and for each year thereafter through 2015, the county shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within the county that will produce, when extended, not to exceed an amount equal to the total amount of contributions made by the employees to the fund in the calendar year 2 years prior to the year for which the annual applicable tax is levied multiplied by .8 for the years 1972 through 1976; by .8 for the year 1977; by .87 for the year 1978; by .94 for the year 1979; by 1.02 for the year 1980 and by 1.10 for the year 1981 and by 1.18 for the year 1982 and by 1.36 for the year 1983 and by 1.54 for the year 1984 and for each year thereafter through 2015.

Beginning with the year 2016 and for each year thereafter, the county may levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue, of all taxable property within the County that will produce, when extended, not to exceed an amount equal to the total amount of County contributions required for that year under subsection (a-5), (a-10), (a-15), or (a-20), whichever is applicable.

(a-5) For each of years 2016 and 2017, the County shall contribute to the Fund, from any permissible source, an amount that is no less than 1.90 multiplied by the amount that would have been contributed by employees in the calendar year 2 years prior if they had contributed at the rate of 10.5% of the salary upon which they actually contributed pension contributions.

(a-10) For each of years 2018 and 2019, the County shall contribute to the Fund, from any permissible source, an amount that is no less than the amount contributed by employees in the calendar year 2 years prior multiplied by 1.90, as certified by the Retirement Board.

(a-15) For year 2020 and for each year thereafter, the County shall contribute to the Fund, from any permissible source, the greater of: (i) an amount that is no less than the amount contributed by employees in the calendar year 2 years prior multiplied by 1.90; or (ii) an amount which constitutes the Minimum Required Employer Contribution for that year, as

<u>certified by the Retirement Board.</u>

<u>(a-20) The provisions of subsection (a-15) notwithstanding, whenever 2 consecutive Annual Actuarial Reports determine that the funded ratio of the Fund exceeds 101%, then the County's contribution to the Fund for the second year immediately following the year upon which the second such Annual Actuarial Report is based shall be equal to the amount required to maintain a projected funded ratio of 101% in 30 years' time, multiplied by 0.6.</u>

<u>(a-25) The tax referred to in subsection (a)</u> ~~This tax~~ shall be levied and collected in like manner with the general taxes of the county, and shall be in addition to all other taxes which the county is authorized to levy upon the aggregate valuation of all taxable property within the county and shall be exclusive of and in addition to the amount of tax the county is authorized to levy for general purposes under any laws which may limit the amount of tax which the county may levy for general purposes. The county clerk, in reducing tax levies under any Act concerning the levy and extension of taxes, shall not consider this tax as a part of the general tax levy for county purposes, and shall not include it within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the county. It is lawful to extend this tax in addition to the general county rate fixed by statute, without being authorized as additional by a vote of the people of the county.

Revenues derived from this tax shall be paid to the treasurer of the county and held by him for the benefit of the fund.

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

(a-30) Beginning January 1, 2016, the Fund shall not use any contributions received by the Fund under this Article to provide a subsidy for the cost of participation in an annuitant healthcare program.

(b) By January 10, annually, the board shall notify the county board of whether the tax referred to in subsection (a) ~~the requirement of this Article that this tax~~ shall be levied. The board shall make an annual determination of the required county contributions, and shall certify the results thereof to the county board.

(c) In lieu of levying all or a portion of real estate taxes to fully meet the requirement of subsections (a-5), (a-10), (a-15), and (a-20) in any year, the County may, through its appropriation bill, disburse to and deposit with the County treasurer no later than the final day of the fiscal year that corresponds to said appropriation bill, for the benefit of the Fund, to be held in accordance with this Article, an amount that, together with such real estate taxes as are specifically levied under this Section for that year, is not less than the amount of the required County contributions for that year as certified by the retirement board to the county board. The deposit may be derived from any source legally available for that purpose. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the Fund for any of the purposes for which the proceeds of real estate taxes levied by the County under this Section may otherwise be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax. ~~The various sums to be contributed by the county board and allocated for the purposes of this Article and any interest to be contributed by the county shall be taken from the revenue derived from this tax and no money of the county derived from any source other than the levy and collection of this tax or the sale of tax anticipation warrants, except state or federal funds contributed for annuity and benefit purposes for employees of a county department of public aid under "The Illinois Public Aid Code", approved April 11, 1967, as now or hereafter amended, may be used to provide revenue for the fund.~~

If it is not possible or practicable for the county to make contributions for age and service annuity and widow's annuity concurrently with the employee contributions made for such purposes, such county shall make such contributions as soon as possible and practicable thereafter with interest thereon at the effective rate until the time it shall be made.

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

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

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-169.1 new)

Sec. 9-169.1. Actions to enforce payments by County.

(a) If the County fails to transmit to the Fund contributions required of it under this Article or contributions collected by it from its participating employees for the purposes of this Article for more than 30 days after the payment of such contributions is due, the Fund, after giving notice to the County, may certify to the State Comptroller the amounts of such delinquent payments and the State Comptroller shall deduct and deposit into the Fund the certified amounts or a portion of those amounts from grants of State funds to the County. If State funds from which such deductions may be made are not sufficiently available, the retirement board may proceed against the County to recover the amounts of such delinquent payments in the appropriate circuit court.

(b) If the County fails to transmit to the Fund contributions required of it under this Article or contributions collected by it from its participating employees for the purposes of this Article for more than 30 days after the payment of such contributions is due, the Fund, after giving notice to the County, may certify the fact of such delinquent payment to the County treasurer, who shall thereafter remit the amounts collected from any real estate taxes levied by the County, provided, however, that any payments made by the County under this subsection are expressly subordinated to the payment of the principal, interest, premium, if any, and other payments on or related to any bonded or note debt obligation of the County, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from any funds collected or received by the County or collected or received on behalf of the County. Payments on such bonded or note obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law, County ordinance, or bond indentures, into debt service funds or accounts of the County related to such bonded or note obligations, consistent with the payment schedules associated with such obligations.

(c) Notwithstanding any other provision of law, if the County fails to transmit to the Fund the contributions required under this Article or contributions collected by it from its participating employees for the purposes of this Article for more than 30 days after the payment of such contributions is due, the retirement board may bring a mandamus action in the Circuit Court of Cook County to compel the County to make the required payment, irrespective of other remedies that are available to the Fund. The obligations and causes of action created under this Section shall be in addition to any other right or remedy otherwise accorded by common law or State or federal law, and nothing in this Section shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy. Any payments required to be made by the County pursuant to this Section are expressly subordinated to the payment of the principal, interest, premium, if any, and other payments on or related to any bonded or note debt obligation of the County, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from any funds collected or received by the County or collected or received on behalf of the County. Payments on such bonded or note obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law, County ordinance, or bond indentures, into debt service funds or accounts of the County related to such bonded or note obligations, consistent with the payment schedules associated with such obligations.

If reports furnished to the Fund by the County are inadequate for the computation of the amounts of such delinquent payments, the Fund may provide for such audit of the records of the County as may be required to establish the amounts of such delinquent payments. The County shall make its records available to the Fund for the purpose of such audit.

The cost of such audit shall be added to the amount of the delinquent payments and shall be recovered by the Fund from the County at the same time and in the same manner as the delinquent payments are recovered.

(d) For the purposes of this Section, the due date for contributions made by an appropriation bill is the final day of the fiscal year that corresponds to the appropriation bill, and the due date for contributions made from property taxes is 60 days after the date specified on the real estate tax bill as the second installment due date for the specified tax year associated with said appropriation bill.

(40 ILCS 5/9-170) (from Ch. 108 1/2, par. 9-170)

Sec. 9-170. Financing; employee and County contributions ~~Contributions~~ for age and service annuities for present and future employees~~, future entrants and re-entrants~~.

(a) Beginning on the effective date as to a present employee in paragraph (a) or (c) of Section 9-109, or as to a future entrant in paragraph (a) of Section 9-110, and beginning on September 1, 1935 as to a present employee in paragraph (b)(1) of Section 9-109 or as to a future entrant in paragraph (b) or (d) of Section 9-110, and beginning from the date of becoming a contributor as to any present employee in paragraph (b)(2) or (d) of Section 9-109, or any future entrant in paragraph (c) or (e) of Section 9-110, there shall be deducted and contributed to this fund 3 1/4% of each payment of salary for age and service annuity until July 1, 1947. Beginning July 1, 1947 and prior to July 1, 1953, 5% and beginning July 1, 1953, and prior to September 1, 1971, 6%; and beginning September 1, 1971, 6 1/2% of each payment of salary of such employees shall be deducted and contributed for such purpose.

From and after January 1, 1966, each deputy sheriff as defined in Section 9-128.1 who is a member of the County Police Department and a participant of this fund<u>, other than a deputy sheriff who is deemed to be a security officer under Section 9-108.3,</u> shall contribute 7% of salary for age and service annuity. At the time of retirement on annuity, a deputy sheriff who is a member of the County Police Department <u>and retires</u>~~, who chooses to retire~~ under provisions of this Article other than Section 9-128.1~~,~~ may receive a refund of the difference between the contributions made as a deputy sheriff who is a member of the County Police Department and the contributions that would have been made for such service not as a deputy sheriff who is a member of the County Police Department, including interest <u>at the rate established under Section 9-151</u> ~~earned~~.

<u>An additional contribution to the Fund for retirement fund solvency shall be contributed by every employee and deducted from salary at the following rates: (i) beginning December 1, 2015 through November 30, 2016, 1% of each payment of salary; and (ii) beginning December 1, 2016 and thereafter, 2% of each payment of salary. In the event of withdrawal, these additional</u>

contributions are refundable as is provided in this Article for other employee contributions.

Such deductions beginning on the effective date and prior to July 1, 1947 shall be made and continued for a future entrant while he is in the service until he attains age 65, and beginning on the effective date and prior to July 1, 1953 for a present employee while he is in the service until the amount so deducted from his salary or paid by him according to law to any county pension fund in force on the effective date, with interest on both such amounts at 4% per annum, equals the sum that would have been to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65, with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 for future entrants and beginning July 1, 1953 for present employees shall be made and continued while such future entrant or present employee is in the service.

Notwithstanding any other provision of this Section, if in any 2 consecutive years the actuarial value of the Fund's assets exceeds 101% of the Fund's liabilities, the employees' aggregate contribution, in the year following that second consecutive year, shall be equal to the amount required to maintain a projected funded ratio of 101% in 30 years' time, multiplied by 0.4.

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

(c) Each present employee contribution made prior to the date the age and service annuity for such employee is fixed, each future entrant contribution, and each corresponding county contribution shall be allocated to the account of and credited to the employee for whose benefit it is made.

(Source: P.A. 86-1488.)

(40 ILCS 5/9-179.2) (from Ch. 108 1/2, par. 9-179.2)

Sec. 9-179.2. Other governmental service - Former County Service. Any employee who (i) first became a contributor before the effective date of this amendatory Act of the 99th General Assembly, (ii) has rendered service to any "governmental unit" as such term is defined in the ~~"~~Retirement Systems Reciprocal Act~~" under Article 20 of the Illinois Pension Code~~, (iii) ~~who~~ did not contribute to the retirement system of such ~~"~~governmental unit~~"~~, including the retirement system created by this Article ~~9 of the Illinois Pension code~~, for such service because of ineligibility for participation, and (iv) has no equity or rights in such retirement system because of such service shall be given credit for such service in this fund, provided that:

(a) the ~~The~~ employee shall pay to this fund, while in the service of such county, or while in the service of a governmental unit whose retirement system has adopted the "Retirement Systems Reciprocal Act", such amounts, including interest at the effective rate, as he would have paid to this fund, on the basis of his salary in effect during the service rendered to such other "governmental unit" at the rates prescribed in this Article 9 for the periods of such service, to the end that such service shall be considered as service rendered to such county, with all the rights and conditions attaching to such service and payments; and

(b) this Section shall not be applicable to any period of such service for which the employee retains credit in any other public annuity and benefit fund established by Act of the Legislature of this State and in operation for employees of such other "governmental unit" from which such employee was transferred.

(Source: P.A. 90-655, eff. 7-30-98.)

(40 ILCS 5/9-179.3) (from Ch. 108 1/2, par. 9-179.3)

Sec. 9-179.3. Optional plan of additional benefits and contributions.

(a) While this plan is in effect, an employee may establish additional optional credit for additional optional benefits by electing in writing at any time to make additional optional contributions. The employee may discontinue making the additional optional contributions at any time by notifying the fund in writing.

(b) Additional optional contributions for the additional optional benefits shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the fund on the same basis and under the same conditions as contributions required under Sections 9-170 and 9-176.

(2) For service before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(c) Additional optional benefits shall accrue for all periods of eligible service for which additional contributions are paid in full. The additional benefit shall consist of an additional 1% for each year of service for which optional contributions have been paid, based on the ~~highest~~ average annual salary ~~for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal~~, to be added to the employee retirement annuity benefits as otherwise computed under this Article. The calculation of these additional benefits shall be subject to the same terms and conditions as are used in the calculation of retirement annuity under Section 9-133.2 or 9-134, whichever is applicable depending on the date of retirement. The additional benefit shall be included in the calculation of the automatic annual increase in annuity, and in the calculation of widow's annuity, where applicable. However no additional benefits will be granted which produce a total annuity greater than the applicable maximum established for that type of annuity in this Article, and additional benefits shall not apply to any benefit computed under Section 9-128.1.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Sections 9-164, 9-166 and 9-167. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions.

(e) (Blank).

(f) The tax levy, computed under Section 9-169, shall be based on employee contributions including the amount of optional additional employee contributions.

(g) Service eligible under this Section may include only service as an employee of the County as defined in Section

9-108, and subject to Sections 9-219 and 9-220. No service granted under Section 9-121.1, 9-121.4 or 9-179.2 shall be eligible for optional service credit. No optional service credit may be established for any military service, or for any service under any other Article of this Code. Optional service credit may be established for any period of disability paid from this fund, if the employee makes additional optional contributions for such periods of disability.

(h) This plan of optional benefits and contributions shall not apply to any former county employee receiving an annuity from the fund, who re-enters service as a County employee, unless he renders at least 3 years of additional service after the date of re-entry.

(i) The effective date of the optional plan of additional benefits and contributions shall be July 1, 1985, or the date upon which approval is received from the Internal Revenue Service, whichever is later.

(j) This plan of additional benefits and contributions shall expire July 1, 2005. No additional contributions may be made after that date, and no additional benefits will accrue after that date.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-184) (from Ch. 108 1/2, par. 9-184)

Sec. 9-184. Estimates of sums required for certain annuities and benefits. The board shall estimate the amounts required each year to pay for all annuities and benefits and administrative expenses associated with this Article. The amounts shall be paid by the contributions paid by the County under Section 9-169 ~~into the fund annually by the county from the prescribed tax levy~~.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)

Sec. 9-185. Board created.

(a) A board of 9 members shall constitute the board of trustees authorized to carry out the provisions of this Article. The board of trustees shall be known as "The Retirement Board of the County Employees' Annuity and Benefit Fund of .... County". The board shall consist of 2 members appointed and 7 members elected as hereinafter prescribed.

(b) The appointed members shall be appointed as follows: One member shall be appointed by the president of the board ~~comptroller~~ of such county, who may be the comptroller or some person chosen by him from among employees of the county, who are versed in the affairs of the comptroller's office; and one member shall be appointed by the president of the board ~~treasurer~~ of such county, who shall be ~~may be the treasurer or some person~~ chosen by him from among employees of the County who are versed in finance and investment management ~~the affairs of the treasurer's office~~.

The members ~~member~~ appointed by the president of the board of the County ~~comptroller~~ shall hold office for a term ending on December 1st of the ~~first year following the year of appointment. The member appointed by the county treasurer shall hold office for a term ending on December 1st of the~~ second year following the year of appointment. The person appointed by the comptroller of the County who is serving on the board on the effective date of this amendatory Act of the 99th General Assembly shall continue to serve until the expiration of his appointed term, and until his successor has been appointed by the president of the board of the County. However, the term of the person appointed by the treasurer of the County who is serving on the board on the effective date of this amendatory Act of the 99th General Assembly shall terminate on that date, and he shall continue to serve only until his successor has been appointed by the president of the board of the County.

Thereafter, each appointed member shall be appointed by the president of the board of the County ~~officer that appointed his predecessor~~ for a term of 2 years.

(c) Three county employee members of the board shall be elected as follows: within 30 days from and after the date upon which this Article comes into effect in the county, the clerk of the county shall arrange for and hold an election. One employee shall be elected for a term ending on the first day in the month of December of the first year next following the effective date; one for a term ending on December 1st of the following year; and one for a term ending December 1st of the second following year.

(d) Beginning December 1, 1988, and every 3 years thereafter, an annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under this Article shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year.

(d-1) Beginning December 1, 2001, and every 3 years thereafter, an annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under this Article shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year. Until December 1, 2001, the position created under this subsection (d-1) may be filled by the board as in the case of a vacancy.

(e) Beginning December 1, 1988, if a Forest Preserve District Employees' Annuity and Benefit Fund shall be in force in such county and the board of this fund is charged with administering the affairs of such annuity and benefit fund for employees of such forest preserve district, a forest preserve district member of the board shall be elected as of December 1, 1988, and every 3 years thereafter as follows: the board shall arrange for and hold an election in which only those employees of such forest preserve district who are contributors to the annuity and benefit fund for employees of such forest preserve district shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year.

(f) Beginning December 1, 2001, and every 3 years thereafter, if a Forest Preserve District Employees' Annuity and Benefit Fund is in force in the county and the board of this Fund is charged with administering the affairs of that annuity and benefit fund for employees of the forest preserve district, a forest preserve district annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under Article 10 shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year. Until December 1, 2001, the position created under this subsection (f) may be filled by the board as in the case of a vacancy.

(Source: P.A. 92-66, eff. 7-12-01.)

(40 ILCS 5/9-189) (from Ch. 108 1/2, par. 9-189)

Sec. 9-189. Board meetings. The board shall hold regular meetings in each month and special meetings as it deems necessary. A majority of the members shall constitute a quorum for the transaction of business at any meeting, provided that the retirement fund may not adopt or adjust actuarial assumptions or discount rates except through the affirmative vote of no less than 8 members of the retirement board, and such actions may only occur as the result of an actuarial experience study conducted by a qualified actuary retained by the board. No ~~but no~~ annuity or benefit shall be granted or payments made by the fund unless ordered by a vote of the majority of the board members as shown by roll call entered upon the official record of the meeting. Meetings of the board shall be open to the public.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/9-195) (from Ch. 108 1/2, par. 9-195)

Sec. 9-195. To have an audit.

To have an audit of the accounts of the fund made at least once each year by certified public accountants. The audit may include the preparation of the Annual Actuarial Report required under Section 9-117.2.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/9-199) (from Ch. 108 1/2, par. 9-199)

Sec. 9-199. To submit an annual report. To submit a report in July of each year to the county board of the county as of the close of business on December 31st of the preceding year. The report shall contain a detailed statement of the affairs of the fund, its income and expenditures, and assets and liabilities; and it shall include the Annual Actuarial Report required under Section 9-117.2. The county board shall have power to require and compel the retirement board to prepare and submit such reports.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-201.1 new)

Sec. 9-201.1. To provide administrative services. To authorize the provision of administrative services, including the appointment of such actuarial, medical, legal, investment, clerical, or other professional or administrative services or resources, as are necessary for the healthcare trust created by the Cook County Annuitant Healthcare Trust Act, provided that the healthcare trust shall reimburse the Fund for the costs associated with such administrative services and resources. The provision of administrative services under this Section is not and shall not be construed to be a pension or retirement benefit for purposes of Section 5 of Article XIII of the Illinois Constitution.

(40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

Sec. 9-220. Basis of service credit.

(a) In computing the period of service of any employee for annuity purposes under Section 9-133.2 or 9-134, the following provisions shall govern:

(1) All periods prior to the effective date shall be computed in accordance with the provisions governing the computation of such service.

(2) Service on or after the effective date shall include:

(i) The actual period of time the employee contributes or has contributed to the fund for service rendered to age 65 plus the actual period of time after age 65 for which the employee performs the duties of his position or performs such duties and is given a county contribution for age and service annuity or minimum annuity purposes.

(ii) Leaves of absence from duty, or vacation, for which an employee receives all or part of his salary.

(iii) For a person who first becomes an employee before the effective date of this amendatory Act of the 98th General Assembly, accumulated vacation or other time for which an employee who retires on or after November 1, 1990 receives a lump sum payment at the time of retirement, provided that contributions were made to the fund at the time such lump sum payment was received. The service granted for the lump sum payment shall not change the employee's date of withdrawal for computing the effective date of the annuity.

(iv) For a person who first becomes an employee before the effective date of Public Act 98-599 ~~this~~

~~amendatory Act of the 98th General Assembly~~, accumulated sick leave as of the date of the employee's withdrawal from service, not to exceed a total of 180 days, provided that the amount of such accumulated sick leave is certified by the County Comptroller to the Board and the employee pays an amount equal to 8.5% (9% for members of the County Police Department who are eligible to receive an annuity under Section 9-128.1) of the amount that would have been paid had such accumulated sick leave been paid at the employee's final rate of salary; except that beginning December 1, 2015, these payments shall instead be calculated at the rate of 10.5% (11.0% for deputy sheriffs who are eligible to receive an annuity under Section 9-128.1). Such payment shall be made within 30 days after the date of withdrawal and prior to receipt of the first annuity check. The service credit granted for such accumulated sick leave shall not change the employee's date of withdrawal for the purpose of computing the effective date of the annuity.

(v) Periods during which the employee has had contributions for annuity purposes made for him in accordance with law while on military leave of absence during World War II.

(vi) Periods during which the employee receives a disability benefit under this Article.

(vii) For any person who first becomes a member on or after January 1, 2011, the actual period of time the employee contributes or has contributed to the fund for service rendered up to the limitation on salary in subsection (b-5) of Section 1-160 plus the actual period of time thereafter for which the employee performs the duties of his position and ceased contributing due to the salary limitation in subsection (b-5) of Section 1-160.

(3) The right to have certain periods of time considered as service as stated in paragraph (2) of Section 9-164 shall not apply for annuity purposes unless the refunds shall have been repaid in accordance with this Article.

(4) All service shall be computed in whole calendar months, and at least 15 days of service in any one calendar month shall constitute one calendar month of service, and 1 year of service shall be equal to the number of months, days or hours for which an appropriation was made in the annual appropriation ordinance for the position held by the employee.

(5) Unused sick or vacation time shall not be used to compute the service of an employee who first becomes an employee on or after the effective date of this amendatory Act of the 98th General Assembly.

(b) For all other annuity purposes of this Article the following schedule shall govern the computation of a year of service of an employee whose salary or wages is on the basis stated, and any fractional part of a year of service shall be determined according to said schedule:

Annual or Monthly Basis: Service during 4 months in any 1 calendar year;

Weekly Basis: Service during any 17 weeks of any 1 calendar year, and service during any week shall constitute a week of service;

Daily Basis: Service during 100 days in any 1 calendar year, and service during any day shall constitute a day of service;

Hourly Basis: Service during 800 hours in any 1 calendar year, and service during any hour shall constitute an hour of service.

(Source: P.A. 98-599, eff. 6-1-14.)

(40 ILCS 5/9-239) (from Ch. 108 1/2, par. 9-239)

Sec. 9-239. Optional Group Health Benefit.

(a) For the purposes of this Section, "annuitant" means a person receiving an age and service annuity, a prior service annuity, a widow's annuity, a widow's prior service annuity, a minimum annuity, or a child's annuity on or after January 1, 1990, under Article 9 or 10 by reason of previous employment by Cook County or the Forest Preserve District of Cook County (hereinafter, in this Section, "the County").

(b) From ~~Beginning~~ December 1, 1991 through December 31, 2015, the Fund may pay, on behalf of each of the Fund's annuitants who chooses to participate in any of the county's health care plans or a group coverage plan administered by the Fund, all or any portion of the total health care premium (including coverage for other family members) due from each such annuitant.

(c) The difference between the required monthly premiums for such coverage and the amount paid by the Fund may be deducted from the annuitant's annuity if the annuitant so elects; otherwise such coverage shall terminate and the obligation of the Fund shall also terminate.

(d) Beginning January 1, 2016, the Fund shall not use any contributions received by the Fund under this Article to provide a subsidy for the cost of participation in an annuitant healthcare program provided for under this Section.

~~Amounts contributed by the county as authorized under Section 9-182 for the benefits set forth in this Section shall be credited to the reserve for group hospital care and all such premiums shall be charged to it.~~

(e) The group coverage plan and benefits described in this Section are not and shall not be construed to be pension or retirement benefits for purposes of Section 5 of Article XIII of the Illinois Constitution of 1970.

(Source: P.A. 86-1025; 87-794.)

(40 ILCS 5/9-245 new)

Sec. 9-245. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after the effective date of this amendatory Act of the 99th General Assembly.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the Fund of additional funding at least sufficient to fund the resulting annual increase in cost to the Fund as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection (c). The State Actuary shall analyze whether adequate additional funding has been provided for the new benefit increase. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection (c) is null and void. If the State Actuary determines that the additional funding provided for a new benefit increase under this subsection (c) is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(40 ILCS 5/10-103) (from Ch. 108 1/2, par. 10-103)

Sec. 10-103. Members, contributions and benefits; definitions.

(a) The definitions of Article 9 of this Code are incorporated into this Article to the extent that they are appropriate and applicable to this Fund and the District, but they shall be interpreted with respect to the particular circumstances, financing, and membership of this Fund rather than those of the Article 9 Fund.

(b) The board shall cause the same deductions to be made from salaries and, subject to Section 10-109, allow the same annuities, refunds and benefits for employees of the district as are made and allowed for employees of the county.

(c) The provisions and protections of Section 9-169.1 are specifically declared to apply to this Fund.

(Source: P.A. 95-1036, eff. 2-17-09.)

(40 ILCS 5/10-107) (from Ch. 108 1/2, par. 10-107)

Sec. 10-107. Financing - Tax levy.

(a) The forest preserve district may levy an annual tax on the value, as equalized or assessed by the Department of Revenue, of all taxable property in the district for the purpose of providing revenue for the fund. The rate of such tax in any year may not exceed the rate herein specified for that year or the rate which will produce, when extended, the sum herein stated for that year, whichever is higher: for any year prior to 1970, .00103% or $195,000; for the year 1970, .00111% or $210,000; for the year 1971, .00116% or $220,000. For the year 1972 and each year thereafter, the Forest Preserve District shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue upon all taxable property in the county, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.25 for the year 1972; and by 1.30 for the year 1973 through 2015 ~~and for each year thereafter~~.

The tax shall be levied and collected in like manner with the general taxes of the district and shall be in addition to the maximum of all other tax rates which the district may levy upon the aggregate valuation of all taxable property and shall be exclusive of and in addition to the maximum amount and rate of taxes the district may levy for general purposes or under and by virtue of any laws which limit the amount of tax which the district may levy for general purposes. The county clerk of the county in which the forest preserve district is located in reducing tax levies under the provisions of "An Act concerning the levy and extension of taxes", approved May 9, 1901, as amended, shall not consider any such tax as a part of the general tax levy for forest preserve purposes, and shall not include the same in the limitation of 1% of the assessed valuation upon which taxes are required to be extended, and shall not reduce the same under the provisions of that Act. The proceeds of the tax herein authorized shall be kept as a separate fund.

The Board may establish a manpower program reserve, or a special forest preserve district contribution rate, with respect to employees whose wages are funded as program participants under the Comprehensive Employment and Training Act of 1973 in the manner provided in subsection (d) or (e), respectively, of Section 9-169.

<u>(a-5) For each of the years 2016, 2017, 2018, and 2019, the district shall contribute to the Fund, from any permissible source, an amount that is no less than the amount contributed by employees in the calendar year 2 years prior multiplied by 1.75, as certified by the Retirement Board.</u>

<u>(a-10) For the year 2020 and each year thereafter, the district shall contribute to the Fund, from any permissible source, the greater of (i) an amount that is no less than the amount contributed by employees in the calendar year 2 years prior multiplied by 1.75 or (ii) an amount which constitutes</u>

the Minimum Required Employer Contribution for that year, as certified by the retirement board. For the purposes of this subsection, "Minimum Required Employer Contribution" shall have the meaning set forth in Section 9-117.3 of this Code.

(a-15) In lieu of levying all or a portion of real estate taxes to fully meet the requirement of subsections (a-5) and (a-10) in any year, the district may, through its appropriation bill, disburse to and deposit with the County treasurer no later than the final day of the fiscal year that corresponds to said appropriation bill, for the benefit of the Fund, to be held in accordance with this Article, an amount that, together with such real estate taxes as are specifically levied under this Section for that year, is not less than the amount of the required County contributions for that year as certified by the retirement board to the district board. The deposit may be derived from any source legally available for that purpose. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited.

(a-20) The provisions of subsection (a-15) notwithstanding, if in any 2 consecutive years the actuarial value of the Fund's assets exceeds 101% of the Fund's liabilities, the district's contribution, in the year following that second consecutive year, shall be equal to the amount required to maintain a projected funded ratio of 101% in 30 years' time, multiplied by 0.6.

(b) Beginning January 1, 2016, the Fund shall not use any contributions received by the Fund under this Article to provide a subsidy for the cost of participation in an annuitant healthcare program.

(Source: P.A. 81-1509.)

(40 ILCS 5/9-132 rep.)

Section 65. The Illinois Pension Code is amended by repealing Section 9-132.

Section 70. The Counties Code is amended by changing Section 6-24001 as follows:

(55 ILCS 5/6-24001) (from Ch. 34, par. 6-24001)

Sec. 6-24001. Annual appropriation bill. The board of commissioners of Cook County shall, within the first quarter of each fiscal year adopt a resolution, to be termed the annual appropriation bill, in and by which resolution said board shall appropriate such sums of money as may be necessary to defray all necessary expenses and liabilities of said Cook County, to be by said county paid or incurred during and until the time of the adoption of the next annual appropriation bill under this section: Provided, that said board shall not expend any money or incur any indebtedness or liability on behalf of said county in excess of the percentage and several amounts now limited by law, and based on the limit prescribed in the Constitution, when applied to the last previous assessment. For the year 1931 and each year thereafter, such appropriation bill shall set forth estimates, by classes, of all current assets and liabilities of each fund of such county, as of the beginning of said fiscal year, and the amounts of such assets available for appropriation in such year, either for expenditures or charges to be made or incurred during such year or for liabilities unpaid at the beginning thereof. Such board by resolution may create, set apart and maintain an imprest cash fund for monies which have been advanced by such county for state programs pursuant to law prior to reimbursement by the state for expenses incurred by such county. The monies shown as the balance in such fund in such appropriation bill shall not be considered to be available for appropriation. Estimates of taxes to be received from the levies of prior years shall be net, after deducting amounts estimated to be sufficient to cover the loss and cost of collecting such taxes and also the amounts of such taxes for the nonpayment of which real estate has been or shall be forfeited to the State and abatements in the amount of such taxes extended or to be extended upon the collectors' books. Estimates of the liabilities of the respective funds shall include (a) all final judgments, including accrued interest thereon, entered against such county and unpaid at the beginning of such fiscal year, (b) the principal of all anticipation tax warrants and all temporary loans and all accrued interest thereon unpaid at the beginning of such fiscal year, (c) the principal of all notes issued in anticipation of taxes under the provisions of Division 6-2, and all accrued interest thereon unpaid at the beginning of such fiscal year, and (d) any amount for which the board of commissioners is required to reimburse the working cash fund from the general corporate fund pursuant to the provisions of Division 6-27. Such annual appropriation bill shall also set forth detailed estimates of all taxes to be levied for such year and of all other current revenues to be derived from sources other than such taxes, including any funds authorized by Division 6-6 and any funds made available under Section 5-701.10 of the "Illinois Highway Code", approved July 8, 1959, as amended, which will be applicable to expenditure or charges to be made or incurred during such year. No estimate of taxes to be levied for general corporate purposes, or for any other purpose, except for the payment of bonded indebtedness or interest thereon, and except for pension fund purposes or working cash fund purposes, shall exceed a sum equivalent to the product of the value of the taxable property in such county, as ascertained by the last assessment for state and county taxes previous to the passage of such annual appropriation bill, multiplied by the maximum per cent or rate of tax which such county is authorized by law to levy for said current fiscal year for any such purpose or purposes with reference to which such estimate is made. All such estimates shall be so segregated and classified as to funds and in such other manner as to give effect to the requirements of law relating to the respective purposes to which said assets and taxes and other current revenues are applicable, to the end that no expenditure shall be authorized or made for any purpose in excess of funds lawfully available therefor, including any funds authorized by Division 6-6 and any funds made available under Section 5-701.10 of the "Illinois Highway Code," approved July 8, 1959, as amended.

<u>The appropriation bill shall include, for fiscal year 2016 and every year thereafter, such sums as are required under the Cook County Annuitant Healthcare Trust Act.</u>

(Source: P.A. 86-962.)

Section 90. The State Mandates Act is amended by adding Section 8.39 as follows:

(30 ILCS 805/8.39 new)

<u>Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 99th General Assembly.</u>

Section 97. Inseverability. If any portion of this Act is found to be invalid, all portions shall be invalid.

Section 99. Effective date. This Act takes effect July 1, 2015.".