



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 2437

2 AMENDMENT NO. _____. Amend Senate Bill 2437 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 1-160, 8-113, 8-173, 8-174, 8-192, 8-243.2,
6 8-244, 8-244.1, 8-251, 11-110, 11-169, 11-170, 11-223.1, and
7 11-230 and by adding Sections 8-173.2, 8-228.5, 11-125.9,
8 11-169.2, and 11-197.7 as follows:

9 (40 ILCS 5/1-160)

10 (Text of Section WITHOUT the changes made by P.A. 98-641,
11 which has been held unconstitutional)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (c-5) A person who first becomes a member or a participant
23 under Article 8 or Article 11 of this Code on or after the
24 effective date of this amendatory Act of the 99th General
25 Assembly, notwithstanding any other provision of this Code to
26 the contrary, is entitled to a retirement annuity upon written

1 application if he or she has attained age 65 and has at least
2 10 years of service credit under Article 8 or Article 11 of
3 this Code and is otherwise eligible under the requirements of
4 Article 8 or Article 11 of this Code, whichever is applicable.

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

13 (d-5) The retirement annuity of a person who first becomes
14 a member or a participant under Article 8 or Article 11 of this
15 Code on or after the effective date of this amendatory Act of
16 the 99th General Assembly who is retiring at age 60 with at
17 least 10 years of service credit under Article 8 or Article 11
18 shall be reduced by one-half of 1% for each full month that the
19 member's age is under age 65.

20 (d-10) Each person who first became a member or participant
21 under Article 8 or Article 11 of this Code on or after January
22 1, 2011 and prior to the effective date of this amendatory Act
23 of the 99th General Assembly shall make an irrevocable election
24 either:

25 (i) to be eligible for the reduced retirement age
26 provided in subsections (c-5) and (d-5) of this Section,

1 the eligibility for which is conditioned upon the member or
2 participant agreeing to the increases in employee
3 contributions for age and service annuities provided in
4 subsection (a-5) of Section 8-174 of this Code (for service
5 under Article 8) or subsection (a-5) of Section 11-170 of
6 this Code (for service under Article 11); or

7 (ii) to not agree to item (i) of this subsection
8 (d-10), in which case the member or participant shall
9 continue to be subject to the retirement age provisions in
10 subsections (c) and (d) of this Section and the employee
11 contributions for age and service annuity as provided in
12 subsection (a) of Section 8-174 of this Code (for service
13 under Article 8) or subsection (a) of Section 11-170 of
14 this Code (for service under Article 11).

15 The election provided for in this subsection shall be made
16 between June 1, 2017 and July 15, 2017. A person subject to
17 this subsection who makes the required election shall remain
18 bound by that election. A person subject to this subsection who
19 fails for any reason to make the required election within the
20 time specified in this subsection shall be deemed to have made
21 the election under item (ii).

22 (e) Any retirement annuity or supplemental annuity shall be
23 subject to annual increases on the January 1 occurring either
24 on or after the attainment of age 67 (beginning January 1,
25 2015, age 65 with respect to service under Article 12 of this
26 Code that is subject to this Section and beginning on the

1 effective date of this amendatory Act of the 99th General
2 Assembly, age 65 with respect to persons who: (i) first became
3 members or participants under Article 8 or Article 11 of this
4 Code on or after the effective date of this amendatory Act of
5 the 99th General Assembly; or (ii) first became members or
6 participants under Article 8 or Article 11 of this Code on or
7 after January 1, 2011 and before the effective date of this
8 amendatory Act of the 99th General Assembly and made the
9 election under item (i) of subsection (d-10) of this Section)
10 or the first anniversary of the annuity start date, whichever
11 is later. Each annual increase shall be calculated at 3% or
12 one-half the annual unadjusted percentage increase (but not
13 less than zero) in the consumer price index-u for the 12 months
14 ending with the September preceding each November 1, whichever
15 is less, of the originally granted retirement annuity. If the
16 annual unadjusted percentage change in the consumer price
17 index-u for the 12 months ending with the September preceding
18 each November 1 is zero or there is a decrease, then the
19 annuity shall not be increased.

20 Notwithstanding Section 1-103.1 of this Code, the changes
21 made to this Section by this amendatory Act of the 99th General
22 Assembly are applicable without regard to whether the employee
23 was in active service on or after the effective date of this
24 amendatory Act of the 99th General Assembly.

25 (f) The initial survivor's or widow's annuity of an
26 otherwise eligible survivor or widow of a retired member or

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

26 (g) The benefits in Section 14-110 apply only if the person

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

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

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

20 (i) (Blank).

21 (j) In the case of a conflict between the provisions of
22 this Section and any other provision of this Code, the
23 provisions of this Section shall control.

24 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,
25 eff. 11-19-13; 98-622, eff. 6-1-14; revised 3-24-16.)

1 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

2 Sec. 8-113. Municipal employee, employee, contributor, or
3 participant. "Municipal employee", "employee", "contributor",
4 or "participant":

5 (a) Any employee of an employer employed in the classified
6 civil service thereof other than by temporary appointment or in
7 a position excluded or exempt from the classified service by
8 the Civil Service Act, or in the case of a city operating under
9 a personnel ordinance, any employee of an employer employed in
10 the classified or career service under the provisions of a
11 personnel ordinance, other than in a provisional or exempt
12 position as specified in such ordinance or in rules and
13 regulations formulated thereunder.

14 (b) Any employee in the service of an employer before the
15 Civil Service Act came in effect for the employer.

16 (c) Any person employed by the board; however, with respect
17 to any person who first becomes employed by the board on or
18 after the effective date of this amendatory Act of the 99th
19 General Assembly, such person must be an actual resident of the
20 City of Chicago for the duration of his or her employment with
21 the board.

22 (d) Any person employed after December 31, 1949, but prior
23 to January 1, 1984, in the service of the employer by temporary
24 appointment or in a position exempt from the classified service
25 as set forth in the Civil Service Act, or in a provisional or
26 exempt position as specified in the personnel ordinance, who

1 meets the following qualifications:

2 (1) has rendered service during not less than 12
3 calendar months to an employer as an employee, officer, or
4 official, 4 months of which must have been consecutive full
5 normal working months of service rendered immediately
6 prior to filing application to be included; and

7 (2) files written application with the board, while in
8 the service, to be included hereunder.

9 (e) After December 31, 1949, any alderman or other officer
10 or official of the employer, who files, while in office,
11 written application with the board to be included hereunder.

12 (f) Beginning January 1, 1984, any person employed by an
13 employer other than the Chicago Housing Authority or the Public
14 Building Commission of the city, whether or not such person is
15 serving by temporary appointment or in a position exempt from
16 the classified service as set forth in the Civil Service Act,
17 or in a provisional or exempt position as specified in the
18 personnel ordinance, provided that such person is neither (1)
19 an alderman or other officer or official of the employer, nor
20 (2) participating, on the basis of such employment, in any
21 other pension fund or retirement system established under this
22 Act.

23 (g) After December 31, 1959, any person employed in the law
24 department of the city, or municipal court or Board of Election
25 Commissioners of the city, who was a contributor and
26 participant, on December 31, 1959, in the annuity and benefit

1 fund in operation in the city on said date, by virtue of the
2 Court and Law Department Employees' Annuity Act or the Board of
3 Election Commissioners Employees' Annuity Act.

4 After December 31, 1959, the foregoing definition includes
5 any other person employed or to be employed in the law
6 department, or municipal court (other than as a judge), or
7 Board of Election Commissioners (if his salary is provided by
8 appropriation of the city council of the city and his salary
9 paid by the city) -- subject, however, in the case of such
10 persons not participants on December 31, 1959, to compliance
11 with the same qualifications and restrictions otherwise set
12 forth in this Section and made generally applicable to
13 employees or officers of the city concerning eligibility for
14 participation or membership.

15 Notwithstanding any other provision in this Section, any
16 person who first becomes employed in the law department of the
17 city on or after the effective date of this amendatory Act of
18 the 99th General Assembly shall be included within the
19 foregoing definition, effective upon the date the person first
20 becomes so employed, regardless of the nature of the
21 appointment the person holds under the provisions of a
22 personnel ordinance.

23 (h) After December 31, 1965, any person employed in the
24 public library of the city -- and any other person -- who was a
25 contributor and participant, on December 31, 1965, in the
26 pension fund in operation in the city on said date, by virtue

1 of the Public Library Employees' Pension Act.

2 (i) After December 31, 1968, any person employed in the
3 house of correction of the city, who was a contributor and
4 participant, on December 31, 1968, in the pension fund in
5 operation in the city on said date, by virtue of the House of
6 Correction Employees' Pension Act.

7 (j) Any person employed full-time on or after the effective
8 date of this amendatory Act of the 92nd General Assembly by the
9 Chicago Housing Authority who has elected to participate in
10 this Fund as provided in subsection (a) of Section 8-230.9.

11 (k) Any person employed full-time by the Public Building
12 Commission of the city who has elected to participate in this
13 Fund as provided in subsection (d) of Section 8-230.7.

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

15 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

16 (Text of Section WITHOUT the changes made by P.A. 98-641,
17 which has been held unconstitutional)

18 Sec. 8-173. Financing; tax levy.

19 (a) Except as provided in subsection (f) of this Section,
20 the city council of the city shall levy a tax annually upon all
21 taxable property in the city at a rate that will produce a sum
22 which, when added to the amounts deducted from the salaries of
23 the employees or otherwise contributed by them and the amounts
24 deposited under subsection (f), will be sufficient for the
25 requirements of this Article, but which when extended will

1 produce an amount not to exceed the greater of the following:

2 (a) the sum obtained by the levy of a tax of .1093% of the
3 value, as equalized or assessed by the Department of Revenue,

4 of all taxable property within such city, or (b) the sum of

5 \$12,000,000. However any city in which a Fund has been
6 established and in operation under this Article for more than 3

7 years prior to 1970 shall levy for the year 1970 a tax at a rate

8 on the dollar of assessed valuation of all taxable property

9 that will produce, when extended, an amount not to exceed 1.2

10 times the total amount of contributions made by employees to

11 the Fund for annuity purposes in the calendar year 1968, and,

12 for the year 1971 and 1972 such levy that will produce, when

13 extended, an amount not to exceed 1.3 times the total amount of

14 contributions made by employees to the Fund for annuity

15 purposes in the calendar years 1969 and 1970, respectively; and

16 for the year 1973 an amount not to exceed 1.365 times such

17 total amount of contributions made by employees for annuity

18 purposes in the calendar year 1971; and for the year 1974 an

19 amount not to exceed 1.430 times such total amount of

20 contributions made by employees for annuity purposes in the

21 calendar year 1972; and for the year 1975 an amount not to

22 exceed 1.495 times such total amount of contributions made by

23 employees for annuity purposes in the calendar year 1973; and

24 for the year 1976 an amount not to exceed 1.560 times such

25 total amount of contributions made by employees for annuity

26 purposes in the calendar year 1974; and for the year 1977 an

1 amount not to exceed 1.625 times such total amount of
2 contributions made by employees for annuity purposes in the
3 calendar year 1975; and for the year 1978 and each year
4 thereafter through levy year 2016, such levy as will produce,
5 when extended, an amount not to exceed the total amount of
6 contributions made by or on behalf of employees to the Fund for
7 annuity purposes in the calendar year 2 years prior to the year
8 for which the annual applicable tax is levied, multiplied by
9 1.690 for the years 1978 through 1998 and by 1.250 for the year
10 1999 and for each year thereafter through levy year 2016.
11 Beginning in levy year 2017, and in each year thereafter, the
12 levy shall not exceed the amount of the city's total required
13 contribution to the Fund for the next payment year, as
14 determined under subsection (a-5). For the purposes of this
15 Section, the payment year is the year immediately following the
16 levy year.

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

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

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

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

9 The city may continue to use other lawfully available funds
10 in lieu of all or part of the levy, as provided under
11 subsection (f) of this Section.

12 (a-5) (1) Beginning in payment year 2018, the city's
13 required annual contribution to the Fund for payment years 2018
14 through 2022 shall be: for 2018, \$266,000,000; for 2019,
15 \$344,000,000; for 2020, \$421,000,000; for 2021, \$499,000,000;
16 and for 2022, \$576,000,000.

17 (2) For payment years 2023 through 2058, the city's
18 required annual contribution to the Fund shall be the amount
19 determined by the Fund to be equal to the sum of (i) the city's
20 portion of the projected normal cost for that fiscal year, plus
21 (ii) an amount determined on a level percentage of applicable
22 employee payroll basis (reflecting any limits on individual
23 participants' pay that apply for benefit and contribution
24 purposes under this plan) that is sufficient to bring the total
25 actuarial assets of the Fund up to 90% of the total actuarial
26 liabilities of the Fund by the end of 2058.

1 (3) For payment years after 2058, the city's required
2 annual contribution to the Fund shall be equal to the amount,
3 if any, needed to bring the total actuarial assets of the Fund
4 up to 90% of the total actuarial liabilities of the Fund as of
5 the end of the year. In making the determinations under
6 paragraphs (2) and (3) of this subsection, the actuarial
7 calculations shall be determined under the entry age normal
8 actuarial cost method, and any actuarial gains or losses from
9 investment return incurred in a fiscal year shall be recognized
10 in equal annual amounts over the 5-year period following the
11 fiscal year.

12 To the extent that the city's contribution for any of the
13 payment years referenced in this subsection is made with
14 property taxes, those property taxes shall be levied,
15 collected, and paid to the Fund in a like manner with the
16 general taxes of the city.

17 (a-10) If the city fails to transmit to the Fund
18 contributions required of it under this Article by December 31
19 of the year in which such contributions are due, the Fund may,
20 after giving notice to the city, certify to the State
21 Comptroller the amounts of the delinquent payments, and the
22 Comptroller must, beginning in payment year 2018, deduct and
23 deposit into the Fund the certified amounts or a portion of
24 those amounts from the following proportions of grants of State
25 funds to the city:

26 (1) in payment year 2018, one-third of the total amount

1 of any grants of State funds to the city;

2 (2) in payment year 2019, two-thirds of the total
3 amount of any grants of State funds to the city; and

4 (3) in payment year 2020 and each payment year
5 thereafter, the total amount of any grants of State funds
6 to the city.

7 The State Comptroller may not deduct from any grants of
8 State funds to the city more than the amount of delinquent
9 payments certified to the State Comptroller by the Fund.

10 (b) On or before July 1, 2017, and each July 1 thereafter
11 ~~January 10, annually,~~ the board shall certify to ~~notify~~ the
12 city council the annual amounts required under ~~of the~~
13 ~~requirements of~~ this Article, for which ~~that~~ the tax herein
14 provided shall be levied for the following ~~that current~~ year.
15 The board shall compute the amounts necessary to be credited to
16 the reserves established and maintained as herein provided, and
17 shall make an annual determination of the amount of the
18 required city contributions, and certify the results thereof to
19 the city council.

20 (c) In respect to employees of the city who are transferred
21 to the employment of a park district by virtue of the "Exchange
22 of Functions Act of 1957", the corporate authorities of the
23 park district shall annually levy a tax upon all the taxable
24 property in the park district at such rate per cent of the
25 value of such property, as equalized or assessed by the
26 Department of Revenue, as shall be sufficient, when added to

1 the amounts deducted from their salaries and otherwise
2 contributed by them to provide the benefits to which they and
3 their dependents and beneficiaries are entitled under this
4 Article. The city shall not levy a tax hereunder in respect to
5 such employees.

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

19 The various sums to be contributed by the city and park
20 district and allocated for the purposes of this Article, and
21 any interest to be contributed by the city, shall be derived
22 from the revenue from the taxes authorized in this Section or
23 otherwise as expressly provided in this Section.

24 If it is not possible or practicable for the city to make
25 contributions for age and service annuity and widow's annuity
26 at the same time that employee contributions are made for such

1 purposes, such city contributions shall be construed to be due
2 and payable as of the end of the fiscal year for which the tax
3 is levied and shall accrue thereafter with interest at the
4 effective rate until paid.

5 (d) With respect to employees whose wages are funded as
6 participants under the Comprehensive Employment and Training
7 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
8 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
9 subsequent to October 1, 1978, and in instances where the board
10 has elected to establish a manpower program reserve, the board
11 shall compute the amounts necessary to be credited to the
12 manpower program reserves established and maintained as herein
13 provided, and shall make a periodic determination of the amount
14 of required contributions from the City to the reserve to be
15 reimbursed by the federal government in accordance with rules
16 and regulations established by the Secretary of the United
17 States Department of Labor or his designee, and certify the
18 results thereof to the City Council. Any such amounts shall
19 become a credit to the City and will be used to reduce the
20 amount which the City would otherwise contribute during
21 succeeding years for all employees.

22 (e) In lieu of establishing a manpower program reserve with
23 respect to employees whose wages are funded as participants
24 under the Comprehensive Employment and Training Act of 1973, as
25 authorized by subsection (d), the board may elect to establish
26 a special municipality contribution rate for all such

1 employees. If this option is elected, the City shall contribute
2 to the Fund from federal funds provided under the Comprehensive
3 Employment and Training Act program at the special rate so
4 established and such contributions shall become a credit to the
5 City and be used to reduce the amount which the City would
6 otherwise contribute during succeeding years for all
7 employees.

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

25 (Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98;
26 90-766, eff. 8-14-98.)

1 (40 ILCS 5/8-173.2 new)

2 Sec. 8-173.2. Funding obligation.

3 (a) Beginning January 1, 2018, the city shall be obligated
4 to contribute to the Fund in each fiscal year an amount not
5 less than the amount determined annually under subsection (a-5)
6 of Section 8-173 of this Code. Notwithstanding any other
7 provision of law, if the city fails to pay the amount
8 guaranteed under this Section on or before December 31 of the
9 year in which such amount is due, the retirement board may
10 bring a mandamus action in the Circuit Court of Cook County to
11 compel the city to make the required payment, irrespective of
12 other remedies that may be available to the Fund. The
13 obligations and causes of action created under this Section
14 shall be in addition to any other right or remedy otherwise
15 accorded by common law or State or federal law, and nothing in
16 this Section shall be construed to deny, abrogate, impair, or
17 waive any such common law or statutory right or remedy.

18 (b) In ordering the city to make the required payment, the
19 court may order a reasonable payment schedule to enable the
20 city to make the required payment without significantly
21 imperiling the public health, safety, or welfare. Any payments
22 required to be made by the city pursuant to this Section are
23 expressly subordinated to the payment of the principal,
24 interest, premium, if any, and other payments on or related to
25 any bonded debt obligation of the city, either currently

1 outstanding or to be issued, for which the source of repayment
2 or security thereon is derived directly or indirectly from any
3 funds collected or received by the city or collected or
4 received on behalf of the city. Payments on such bonded
5 obligations include any statutory fund transfers or other
6 prefunding mechanisms or formulas set forth, now or hereafter,
7 in State law, city ordinance, or bond indentures, into debt
8 service funds or accounts of the city related to such bonded
9 obligations, consistent with the payment schedules associated
10 with such obligations.

11 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

12 (Text of Section WITHOUT the changes made by P.A. 98-641,
13 which has been held unconstitutional)

14 Sec. 8-174. Contributions for age and service annuities for
15 present employees and future entrants. (a) Beginning on the
16 effective date and prior to July 1, 1947, 3 1/4%; and beginning
17 on July 1, 1947 and prior to July 1, 1953, 5%; and beginning
18 July 1, 1953, and prior to January 1, 1972, 6%; and beginning
19 January 1, 1972, 6-1/2% of each payment of the salary of each
20 present employee and future entrant, except as provided in
21 subsection (a-5) and (a-10), shall be contributed to the fund
22 as a deduction from salary for age and service annuity.

23 (a-5) Except as provided in subsection (a-10), for an
24 employee who, on or after January 1, 2011 and prior to the
25 effective date of this amendatory Act of the 99th General

1 Assembly, first became a member or participant under this
2 Article and made the election under item (i) of subsection
3 (d-10) of Section 1-160: prior to the effective date of this
4 amendatory Act of the 99th General Assembly, 6.5%; and
5 beginning on the effective date of this amendatory Act of the
6 99th General Assembly and prior to January 1, 2018, 7.5%; and
7 beginning January 1, 2018 and prior to January 1, 2019, 8.5%;
8 and beginning January 1, 2019 and thereafter, 9.5% of each
9 payment of salary shall be contributed to the fund as a
10 deduction from salary for age and service annuity. Beginning
11 with the first pay period on or after the date when the funded
12 ratio of the fund is first determined to have reached the 90%
13 funding goal, and each pay period thereafter for as long as the
14 fund maintains a funding ratio of 75% or more, employee
15 contributions for age and service annuity for those employees
16 who made the election under item (i) of subsection (d-10) of
17 Section 1-160 shall be 5.5% of each payment of salary. If the
18 funding ratio falls below 75%, then employee contributions for
19 age and service annuity for those employees who made the
20 election under item (i) of subsection (d-10) shall revert to
21 9.5% until such time as the fund once again is determined to
22 have reached a funding ratio of 75%, at which time the 5.5% of
23 salary contribution for age and service annuity shall resume.
24 An employee who made the election under item (ii) of subsection
25 (d-10) of Section 1-160 shall continue to have the
26 contributions for age and service annuity determined under

1 subsection (a) of this Section.

2 (a-10) For each employee who, on or after the effective
3 date of this amendatory Act of the 99th General Assembly
4 becomes a member or participant under this Article, 9.5% of
5 each payment of salary shall be contributed to the fund as a
6 deduction from salary for age and service annuity. Beginning
7 with the first pay period on or after the date when the funded
8 ratio of the fund is first determined to have reached the 90%
9 funding goal, and each pay period thereafter as long as the
10 Fund maintains a funding ratio of 75% or more, employee
11 contributions for age and service annuity for each employee
12 subject to this subsection (a-10) shall be 5.5% of each payment
13 of salary. If the funding ratio falls below 75%, then employee
14 contributions for each employee subject to this subsection
15 (a-10) shall revert to 9.5% until such time as the fund once
16 again is determined to have reached a funding ratio of 75%, at
17 which time the 5.5% of salary contribution for age and service
18 annuity shall resume.

19 Such deductions beginning on the effective date and prior
20 to July 1, 1947 shall be made for a future entrant while he is
21 in the service until he attains age 65 and for a present
22 employee while he is in the service until the amount so
23 deducted from his salary with the amount deducted from his
24 salary or paid by him according to law to any municipal pension
25 fund in force on the effective date with interest on both such
26 amounts at 4% per annum equals the sum that would have been to

1 his credit from sums deducted from his salary if deductions at
2 the rate herein stated had been made during his entire service
3 until he attained age 65 with interest at 4% per annum for the
4 period subsequent to his attainment of age 65. Such deductions
5 beginning July 1, 1947 shall be made and continued for
6 employees while in the service.

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

12 (c) Each employee contribution made prior to the date the
13 age and service annuity for an employee is fixed and each
14 corresponding city contribution shall be credited to the
15 employee and allocated to the account of the employee for whose
16 benefit it is made.

17 (d) Notwithstanding Section 1-103.1, the changes to this
18 Section made by this amendatory Act of the 99th General
19 Assembly apply regardless of whether the employee was in active
20 service on or after the effective date of this amendatory Act
21 of the 99th General Assembly.

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

23 (40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

24 Sec. 8-192. Board created. A board of 6 ~~5~~ members shall
25 constitute a Board of Trustees authorized to carry out the

1 provisions of this Article. The board shall be known as the
2 Retirement Board of the Municipal Employees', Officers', and
3 Officials' Annuity and Benefit Fund of the city, or for the
4 sake of brevity may also be known and referred to as the
5 Retirement Board of the Municipal Employees' Annuity and
6 Retirement Board of the Municipal Employees' Annuity and
7 Benefit Fund of such city. The board shall consist of ~~the city~~
8 ~~comptroller,~~ the city treasurer, 2 individuals appointed by the
9 mayor of the city, and 3 members who shall be employees, to be
10 elected as follows:

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

13 One employee shall be elected for a term ending on the
14 first day in the month of December of the first year next
15 following the effective date; one for a term ending December
16 1st of the following year; and one for a term ending on
17 December 1st of the second following year.

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

23 On the effective date of this amendatory Act of the 99th
24 General Assembly, the city comptroller, or his or her designee,
25 shall no longer be a member of the board.

26 The city treasurer, with the approval of the board, may
appoint a designee from among employees of the city who are

1 versed in the affairs of the treasurer's office to act in the
2 absence of the treasurer on all matters pertaining to
3 administering the provisions of this Article.

4 The individuals appointed by the mayor of the city, with
5 the approval of the board, may each appoint a designee, who
6 shall be a city employee, to act in his or her absence on all
7 matters pertaining to administering the provisions of this
8 Article.

9 The members of a Retirement Board of a municipal
10 employees', officers', and officials' annuity and benefit fund
11 holding office in a city at the time this Article becomes
12 effective, including elective and ex-officio members, shall
13 continue in office until the expiration of their terms and
14 until their respective successors are elected or appointed and
15 have qualified.

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

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

21 (40 ILCS 5/8-228.5 new)

22 Sec. 8-228.5. Action by Fund against third party;
23 subrogation. In those cases where the injury or death for which
24 a disability or death benefit is payable under this Article was
25 caused under circumstances creating a legal liability on the

1 part of some person or entity (hereinafter "third party") to
2 pay damages to the employee, legal proceedings may be taken
3 against such third party to recover damages notwithstanding the
4 Fund's payment of or liability to pay disability or death
5 benefits under this Article. In such case, however, if the
6 action against such third party is brought by the injured
7 employee or his or her personal representative and judgment is
8 obtained and paid, or settlement is made with such third party,
9 either with or without suit, from the amount received by such
10 employee or personal representative, then there shall be paid
11 to the Fund the amount of money representing the death or
12 disability benefits paid or to be paid to the disabled employee
13 pursuant to the provisions of this Article. In all
14 circumstances where the action against a third party is brought
15 by the disabled employee or his or her personal representative,
16 the Fund shall have a claim or lien upon any recovery, by
17 judgment or settlement, out of which the disabled employee or
18 his or her personal representative might be compensated from
19 such third party. The Fund may satisfy or enforce any such
20 claim or lien only from that portion of a recovery that has
21 been, or can be, allocated or attributed to past and future
22 lost salary, which recovery is by judgment or settlement. The
23 Fund's claim or lien shall not be satisfied or enforced from
24 that portion of a recovery that has been, or can be, allocated
25 or attributed to medical care and treatment, pain and
26 suffering, loss of consortium, and attorney's fees and costs.

1 Where action is brought by the disabled employee or his or
2 her personal representative he or she shall forthwith notify
3 the Fund, by personal service or registered mail, of such fact
4 and of the name of the court where such suit is brought, filing
5 proof of such notice in such action. The Fund may, at any time
6 thereafter, intervene in such action upon its own motion.
7 Therefore, no release or settlement of claim for damages by
8 reason of injury to the disabled employee, and no satisfaction
9 of judgment in such proceedings, shall be valid without the
10 written consent of the Board of Trustees authorized by this
11 Code to administer the Fund created under this Article, except
12 that such consent shall be provided expeditiously following a
13 settlement or judgment.

14 In the event the disabled employee or his or her personal
15 representative has not instituted an action against a third
16 party at a time when only 3 months remain before such action
17 would thereafter be barred by law, the Fund may, in its own
18 name or in the name of the personal representative, commence a
19 proceeding against such third party seeking the recovery of all
20 damages on account of injuries caused to the employee. From any
21 amount so recovered, the Fund shall pay to the personal
22 representative of such disabled employee all sums collected
23 from such third party by judgment or otherwise in excess of the
24 amount of disability or death benefits paid or to be paid under
25 this Article to the disabled employee or his or her personal
26 representative, and such costs, attorney's fees, and

1 reasonable expenses as may be incurred by the Fund in making
2 the collection or in enforcing such liability. The Fund's
3 recovery shall be satisfied only from that portion of a
4 recovery that has been, or can be, allocated or attributed to
5 past and future lost salary, which recovery is by judgment or
6 settlement. The Fund's recovery shall not be satisfied from
7 that portion of the recovery that has been or can be allocated
8 or attributed to medical care and treatment, pain and
9 suffering, loss of consortium, and attorney's fees and costs.

10 Additionally, with respect to any right of subrogation
11 asserted by the Fund under this Section, the Fund, in the
12 exercise of discretion, may determine what amount from past or
13 future salary shall be appropriate under the circumstances to
14 collect from the recovery obtained on behalf of the disabled
15 employee.

16 This Section applies only to persons who first become
17 members or participants under this Article on or after the
18 effective date of this amendatory Act of 99th General Assembly.

19 (40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)

20 Sec. 8-243.2. Alternative annuity for city officers.

21 (a) For the purposes of this Section and Sections 8-243.1
22 and 8-243.3, "city officer" means the city clerk, the city
23 treasurer, or an alderman of the city elected by vote of the
24 people, while serving in that capacity or as provided in
25 subsection (f), who has elected to participate in the Fund.

1 (b) Any elected city officer, while serving in that
2 capacity or as provided in subsection (f), may elect to
3 establish alternative credits for an alternative annuity by
4 electing in writing to make additional optional contributions
5 in accordance with this Section and the procedures established
6 by the board. Such elected city officer may discontinue making
7 the additional optional contributions by notifying the Fund in
8 writing in accordance with this Section and procedures
9 established by the board.

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

12 (1) For service after the option is elected, an
13 additional contribution of 3% of salary shall be
14 contributed to the Fund on the same basis and under the
15 same conditions as contributions required under Sections
16 8-174 and 8-182.

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

1 of repayment.

2 (c) In lieu of the retirement annuity otherwise payable
3 under this Article, any city officer elected by vote of the
4 people who (1) has elected to participate in the Fund and make
5 additional optional contributions in accordance with this
6 Section, and (2) has attained age 55 with at least 10 years of
7 service credit, or has attained age 60 with at least 8 years of
8 service credit, may elect to have his retirement annuity
9 computed as follows: 3% of the participant's salary at the time
10 of termination of service for each of the first 8 years of
11 service credit, plus 4% of such salary for each of the next 4
12 years of service credit, plus 5% of such salary for each year
13 of service credit in excess of 12 years, subject to a maximum
14 of 80% of such salary. To the extent such elected city officer
15 has made additional optional contributions with respect to only
16 a portion of his years of service credit, his retirement
17 annuity will first be determined in accordance with this
18 Section to the extent such additional optional contributions
19 were made, and then in accordance with the remaining Sections
20 of this Article to the extent of years of service credit with
21 respect to which additional optional contributions were not
22 made.

23 (d) In lieu of the disability benefits otherwise payable
24 under this Article, any city officer elected by vote of the
25 people who (1) has elected to participate in the Fund, and (2)
26 has become permanently disabled and as a consequence is unable

1 to perform the duties of his office, and (3) was making
2 optional contributions in accordance with this Section at the
3 time the disability was incurred, may elect to receive a
4 disability annuity calculated in accordance with the formula in
5 subsection (c). For the purposes of this subsection, such
6 elected city officer shall be considered permanently disabled
7 only if: (i) disability occurs while in service as an elected
8 city officer and is of such a nature as to prevent him from
9 reasonably performing the duties of his office at the time; and
10 (ii) the board has received a written certification by at least
11 2 licensed physicians appointed by it stating that such officer
12 is disabled and that the disability is likely to be permanent.

13 (e) Refunds of additional optional contributions shall be
14 made on the same basis and under the same conditions as
15 provided under Sections 8-168, 8-170 and 8-171. Interest shall
16 be credited at the effective rate on the same basis and under
17 the same conditions as for other contributions. Optional
18 contributions shall be accounted for in a separate Elected City
19 Officer Optional Contribution Reserve. Optional contributions
20 under this Section shall be included in the amount of employee
21 contributions used to compute the tax levy under Section 8-173.

22 (f) The effective date of this plan of optional alternative
23 benefits and contributions shall be July 1, 1990, or the date
24 upon which approval is received from the U.S. Internal Revenue
25 Service, whichever is later.

26 The plan of optional alternative benefits and

1 contributions shall not be available to any former city officer
2 or employee receiving an annuity from the Fund on the effective
3 date of the plan, unless he re-enters service as an elected
4 city officer and renders at least 3 years of additional service
5 after the date of re-entry. However, a person who holds office
6 as a city officer on June 1, 1995 may elect to participate in
7 the plan, to transfer credits into the Fund from other Articles
8 of this Code, and to make the contributions required for prior
9 service, until 30 days after the effective date of this
10 amendatory Act of the 92nd General Assembly, notwithstanding
11 the ending of his term of office prior to that effective date;
12 in the event that the person is already receiving an annuity
13 from this Fund or any other Article of this Code at the time of
14 making this election, the annuity shall be recalculated to
15 include any increase resulting from participation in the plan,
16 with such increase taking effect on the effective date of the
17 election.

18 (g) Notwithstanding any other provision in this Section or
19 in this Code to the contrary, any person who first becomes a
20 city officer, as defined in this Section, on or after the
21 effective date of this amendatory Act of the 99th General
22 Assembly, shall not be eligible for the alternative annuity or
23 alternative disability benefits as provided in subsections
24 (a), (b), (c), and (d) of this Section or for the alternative
25 survivor's benefits as provided in Section 8-243.3. Such person
26 shall not be eligible, or be required, to make any additional

1 contributions beyond those required of other participants
2 under Sections 8-137, 8-174, and 8-182. The retirement annuity,
3 disability benefits, and survivor's benefits for a person who
4 first becomes a city officer on or after the effective date of
5 this amendatory Act of the 99th General Assembly shall be
6 determined pursuant to the provisions otherwise provided in
7 this Article.

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

9 (40 ILCS 5/8-244) (from Ch. 108 1/2, par. 8-244)

10 Sec. 8-244. Annuities, etc., exempt.

11 (a) All annuities, refunds, pensions, and disability
12 benefits granted under this Article, shall be exempt from
13 attachment or garnishment process and shall not be seized,
14 taken, subjected to, detained, or levied upon by virtue of any
15 judgment, or any process or proceeding whatsoever issued out of
16 or by any court in this State, for the payment and satisfaction
17 in whole or in part of any debt, damage, claim, demand, or
18 judgment against any annuitant, pensioner, participant, refund
19 applicant, or other beneficiary hereunder.

20 (b) No annuitant, pensioner, refund applicant, or other
21 beneficiary shall have any right to transfer or assign his
22 annuity, refund, or disability benefit or any part thereof by
23 way of mortgage or otherwise, except that:

24 (1) an annuitant or pensioner who elects or has elected
25 to participate in a ~~non-profit group~~ hospital care plan or

1 ~~group~~ medical surgical plan may with the approval of the
2 board and in conformity with its regulations authorize the
3 board to withhold from the pension or annuity the current
4 premium for such coverage and pay such premium to the
5 organization underwriting such plan;

6 (2) in the case of refunds, a participant may pledge by
7 assignment, power of attorney, or otherwise, as security
8 for a loan from a legally operating credit union making
9 loans only to participants in certain public employee
10 pension funds described in the Illinois Pension Code, all
11 or part of any refund which may become payable to him in
12 the event of his separation from service; and

13 (3) the board, in its discretion, may pay to the wife
14 of any annuitant, pensioner, refund applicant, or
15 disability beneficiary, such an amount out of her husband's
16 annuity pension, refund, or disability benefit as any court
17 of competent jurisdiction may order, or such an amount as
18 the board may consider necessary for the support of his
19 wife or children, or both in the event of his disappearance
20 or unexplained absence or of his failure to support such
21 wife or children.

22 (c) The board may retain out of any future annuity,
23 pension, refund or disability benefit payments, such amount, or
24 amounts, as it may require for the repayment of any moneys paid
25 to any annuitant, pensioner, refund applicant, or disability
26 beneficiary through misrepresentation, fraud or error. Any

1 such action of the board shall relieve and release the board
2 and the fund from any liability for any moneys so withheld.

3 (d) Whenever an annuity or disability benefit is payable to
4 a minor or to a person certified by a medical doctor to be
5 under legal disability, the board, in its discretion and when
6 it is in the best interest of the person concerned, may waive
7 guardianship proceedings and pay the annuity or benefit to the
8 person providing or caring for the minor or person under legal
9 disability.

10 In the event that a person certified by a medical doctor to
11 be under legal disability (i) has no spouse, blood relative, or
12 other person providing or caring for him or her, (ii) has no
13 guardian of his or her estate, and (iii) is confined to a
14 Medicare approved, State certified nursing home or to a
15 publicly owned and operated nursing home, hospital, or mental
16 institution, the Board may pay any benefit due that person to
17 the nursing home, hospital, or mental institution, to be used
18 for the sole benefit of the person under legal disability.

19 Payment in accordance with this subsection to a person,
20 nursing home, hospital, or mental institution for the benefit
21 of a minor or person under legal disability shall be an
22 absolute discharge of the Fund's liability with respect to the
23 amount so paid. Any person, nursing home, hospital, or mental
24 institution accepting payment under this subsection shall
25 notify the Fund of the death or any other relevant change in
26 the status of the minor or person under legal disability.

1 (Source: P.A. 91-887, eff. 7-6-00.)

2 (40 ILCS 5/8-244.1) (from Ch. 108 1/2, par. 8-244.1)

3 Sec. 8-244.1. Payment of annuity other than direct.

4 (a) The board, at the written direction and request of any
5 annuitant, may, solely as an accommodation to such annuitant,
6 pay the annuity due him to a bank, savings and loan association
7 or any other financial institution insured by an agency of the
8 federal government, for deposit to his account, or to a bank or
9 trust company for deposit in a trust established by him for his
10 benefit with such bank, savings and loan association or trust
11 company, and such annuitant may withdraw such direction at any
12 time. The board may also, in the case of any disability
13 beneficiary or annuitant for whom no estate guardian has been
14 appointed and who is confined in a publicly owned and operated
15 mental institution, pay such disability benefit or annuity due
16 such person to the superintendent or other head of such
17 institution or hospital for deposit to such person's trust fund
18 account maintained for him by such institution or hospital, if
19 by law such trust fund accounts are authorized or recognized.

20 (b) An annuitant formerly employed by the City of Chicago
21 may authorize the withholding of a portion of his or her
22 annuity for payment of dues to the labor organization which
23 formerly represented the annuitant when the annuitant was an
24 active employee; however, no withholding shall be required
25 under this subsection for payment to one labor organization

1 unless a minimum of 25 annuitants authorize such withholding.
2 The Board shall prescribe a form for the authorization of
3 withholding of dues, release of name, social security number
4 and address and shall provide such forms to employees,
5 annuitants and labor organizations upon request. Amounts
6 withheld by the Board under this subsection shall be promptly
7 paid over to the designated organizations, indicating the
8 names, social security numbers and addresses of annuitants on
9 whose behalf dues were withheld.

10 At the request and at the expense of the labor organization
11 that formerly represented the annuitant, the City of Chicago
12 shall coordinate mailings no more than twice in any
13 twelve-month period to such annuitants and the Board shall
14 supply current annuitant addresses to the City of Chicago upon
15 request. These mailings shall be limited to informing the
16 annuitants of their rights under this subsection (b), the form
17 authorizing the withholding of dues from their annuity and
18 information supplied by the labor organization pertinent to the
19 decision of whether to exercise the rights of this subsection.
20 ~~To meet this obligation, the City of Chicago shall, upon~~
21 ~~request, create and update records of all retirees for each~~
22 ~~labor organization as far back in time as records permit,~~
23 ~~including their names, addresses, phone numbers and social~~
24 ~~security numbers.~~

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

1 (40 ILCS 5/8-251) (from Ch. 108 1/2, par. 8-251)

2 Sec. 8-251. Felony conviction.

3 None of the benefits provided for in this Article shall be
4 paid to any person who is convicted of any felony relating to
5 or arising out of or in connection with his service as a
6 municipal employee.

7 This section shall not operate to impair any contract or
8 vested right heretofore acquired under any law or laws
9 continued in this Article, nor to preclude the right to a
10 refund.

11 Any refund required under this Article shall be calculated
12 based on that person's contributions to the Fund, less the
13 amount of any annuity benefit previously received by the person
14 or his or her beneficiaries. The changes made to this Section
15 by this amendatory Act of the 99th General Assembly apply only
16 to persons who first become participants under this Article on
17 or after the effective date of this amendatory Act of the 99th
18 General Assembly.

19 All future entrants entering service subsequent to July 11,
20 1955 shall be deemed to have consented to the provisions of
21 this section as a condition of coverage.

22 (Source: Laws 1963, p. 161.)

23 (40 ILCS 5/11-110) (from Ch. 108 1/2, par. 11-110)

24 Sec. 11-110. Employee, contributory, contributor or
25 participant.

1 "Employee", "contributory", "contributor" or
2 "participant":

3 (a) Any employee of an employer in a position classified by
4 the civil service commission thereof as labor service and who
5 was appointed to such position under the Civil Service Act,
6 other than by temporary appointment as defined in said Act.

7 (b) Any employee in the service of an employer before the
8 Civil Service Act came into effect for the employer.

9 (c) Any person employed by the board; however, with respect
10 to any person who first becomes employed by the board on or
11 after the effective date of this amendatory Act of the 99th
12 General Assembly, such person must be an actual resident of the
13 City of Chicago for the duration of his or her employment with
14 the board.

15 (d) Any person employed by a retirement board of any other
16 annuity and benefit fund in such city which is on a reserve
17 basis on the effective date or thereafter in operation for the
18 employer, other than the fund created by this Article.

19 (e) Any person employed after July 31, 1951, by temporary
20 appointment as defined in Section 10 of the Civil Service Act,
21 in a position classified by the Civil Service Commission of the
22 employer as labor service of the employer; or in the case of a
23 city operating under a municipal personnel ordinance, any
24 employee of an employer employed under the provisions of such
25 municipal personnel ordinance as labor service of the employer.

26 (Source: P.A. 90-31, eff. 6-27-97.)

1 (40 ILCS 5/11-125.9 new)

2 Sec. 11-125.9 Action by Fund against third party;
3 subrogation. In those cases where the injury or death for which
4 a disability or death benefit is payable under this Article was
5 caused under circumstances creating a legal liability on the
6 part of some person or entity (hereinafter "third party") to
7 pay damages to the employee, legal proceedings may be taken
8 against such third party to recover damages notwithstanding the
9 Fund's payment of or liability to pay disability or death
10 benefits under this Article. In such case, however, if the
11 action against such third party is brought by the injured
12 employee or his or her personal representative and judgment is
13 obtained and paid, or settlement is made with such third party,
14 either with or without suit, from the amount received by such
15 employee or personal representative, then there shall be paid
16 to the Fund the amount of money representing the death or
17 disability benefits paid or to be paid to the disabled employee
18 pursuant to the provisions of this Article. In all
19 circumstances where the action against a third party is brought
20 by the disabled employee or his or her personal representative,
21 the Fund shall have a claim or lien upon any recovery, by
22 judgment or settlement, out of which the disabled employee or
23 his or her personal representative might be compensated from
24 such third party. The Fund may satisfy or enforce any such
25 claim or lien only from that portion of a recovery that has

1 been, or can be, allocated or attributed to past and future
2 lost salary, which recovery is by judgment or settlement. The
3 Fund's claim or lien shall not be satisfied or enforced from
4 that portion of a recovery that has been, or can be, allocated
5 or attributed to medical care and treatment, pain and
6 suffering, loss of consortium, and attorney's fees and costs.
7 Where action is brought by the disabled employee or his or her
8 personal representative he or she shall forthwith notify the
9 Fund, by personal service or registered mail, of such fact and
10 of the name of the court where such suit is brought, filing
11 proof of such notice in such action. The Fund may, at any time
12 thereafter, intervene in such action upon its own motion.
13 Therefore, no release or settlement of claim for damages by
14 reason of injury to the disabled employee, and no satisfaction
15 of judgment in such proceedings, shall be valid without the
16 written consent of the Board of Trustees authorized by this
17 Code to administer the Fund created under this Article, except
18 that such consent shall be provided expeditiously following a
19 settlement or judgment.

20 In the event the disabled employee or his or her personal
21 representative has not instituted an action against a third
22 party at a time when only 3 months remain before such action
23 would thereafter be barred by law, the Fund may, in its own
24 name or in the name of the personal representative, commence a
25 proceeding against such third party seeking the recovery of all
26 damages on account of injuries caused to the employee. From any

1 amount so recovered, the Fund shall pay to the personal
2 representative of such disabled employee all sums collected
3 from such third party by judgment or otherwise in excess of the
4 amount of disability or death benefits paid or to be paid under
5 this Article to the disabled employee or his or her personal
6 representative, and such costs, attorney's fees, and
7 reasonable expenses as may be incurred by the Fund in making
8 the collection or in enforcing such liability. The Fund's
9 recovery shall be satisfied only from that portion of a
10 recovery that has been, or can be, allocated or attributed to
11 past and future lost salary, which recovery is by judgment or
12 settlement. The Fund's recovery shall not be satisfied from
13 that portion of the recovery that has been or can be allocated
14 or attributed to medical care and treatment, pain and
15 suffering, loss of consortium, and attorney's fees and costs.
16 Additionally, with respect to any right of subrogation asserted
17 by the Fund under this Section, the Fund, in the exercise of
18 discretion, may determine what amount from past or future
19 salary shall be appropriate under the circumstances to collect
20 from the recovery obtained on behalf of the disabled employee.

21 This Section applies only to persons who first become
22 members or participants under this Article on or after the
23 effective date of this amendatory Act of 99th General Assembly.

24 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

25 (Text of Section WITHOUT the changes made by P.A. 98-641,

1 which has been held unconstitutional)

2 Sec. 11-169. Financing; tax levy.

3 (a) Except as provided in subsection (f) of this Section,
4 the city council of the city shall levy a tax annually upon all
5 taxable property in the city at the rate that will produce a
6 sum which, when added to the amounts deducted from the salaries
7 of the employees or otherwise contributed by them and the
8 amounts deposited under subsection (f), will be sufficient for
9 the requirements of this Article. For the years prior to the
10 year 1950 the tax rate shall be as provided for under "The 1935
11 Act". Beginning with the year 1950 to and including the year
12 1969 such tax shall be not more than .036% annually of the
13 value, as equalized or assessed by the Department of Revenue,
14 of all taxable property within such city. Beginning with the
15 year 1970 and each year thereafter through levy year 2016, the
16 city shall levy a tax annually at a rate on the dollar of the
17 value, as equalized or assessed by the Department of Revenue of
18 all taxable property within such city that will produce, when
19 extended, not to exceed an amount equal to the total amount of
20 contributions by the employees to the fund made in the calendar
21 year 2 years prior to the year for which the annual applicable
22 tax is levied, multiplied by 1.1 for the years 1970, 1971 and
23 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235
24 for the year 1975; 1.280 for the year 1976; 1.325 for the year
25 1977; 1.370 for the years 1978 through 1998; and 1.000 for the
26 year 1999 and for each year thereafter through levy year 2016.

1 Beginning in levy year 2017, and in each year thereafter, the
2 levy shall not exceed the amount of the city's total required
3 contribution to the Fund for the next payment year, as
4 determined under subsection (a-5). For the purposes of this
5 Section, the payment year is the year immediately following the
6 levy year.

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

19 Revenues derived from such tax shall be paid to the city
20 treasurer of the city as collected and held by the city
21 treasurer ~~him~~ for the benefit of the fund.

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

25 The city may continue to use other lawfully available funds
26 in lieu of all or part of the levy, as provided under

1 subsection (f) of this Section.

2 (a-5) (1) Beginning in payment year 2018, the city's
3 required annual contribution to the Fund for payment years 2018
4 through 2022 shall be: for 2018, \$36,000,000; for 2019,
5 \$48,000,000; for 2020, \$60,000,000; for 2021, \$72,000,000; and
6 for 2022, \$84,000,000.

7 (2) For payment years 2023 through 2058, the city's
8 required annual contribution to the Fund shall be the amount
9 determined by the Fund to be equal to the sum of (i) the city's
10 portion of projected normal cost for that fiscal year, plus
11 (ii) an amount determined on a level percentage of applicable
12 employee payroll basis that is sufficient to bring the total
13 actuarial assets of the Fund up to 90% of the total actuarial
14 liabilities of the Fund by the end of 2058.

15 (3) For payment years after 2058, the city's required
16 annual contribution to the Fund shall be equal to the amount,
17 if any, needed to bring the total actuarial assets of the Fund
18 up to 90% of the total actuarial liabilities of the Fund as of
19 the end of the year. In making the determinations under
20 paragraphs (2) and (3) of this subsection, the actuarial
21 calculations shall be determined under the entry age normal
22 actuarial cost method, and any actuarial gains or losses from
23 investment return incurred in a fiscal year shall be recognized
24 in equal annual amounts over the 5-year period following the
25 fiscal year.

26 To the extent that the city's contribution for any of the

1 payment years referenced in this subsection is made with
2 property taxes, those property taxes shall be levied,
3 collected, and paid to the Fund in a like manner with the
4 general taxes of the city.

5 (a-10) If the city fails to transmit to the Fund
6 contributions required of it under this Article by December 31
7 of the year in which such contributions are due, the Fund may,
8 after giving notice to the city, certify to the State
9 Comptroller the amounts of the delinquent payments, and the
10 Comptroller must, beginning in payment year 2018, deduct and
11 deposit into the Fund the certified amounts or a portion of
12 those amounts from the following proportions of grants of State
13 funds to the city:

14 (1) in payment year 2018, one-third of the total amount
15 of any grants of State funds to the city;

16 (2) in payment year 2019, two-thirds of the total
17 amount of any grants of State funds to the city; and

18 (3) in payment year 2020 and each payment year
19 thereafter, the total amount of any grants of State funds
20 to the city.

21 The State Comptroller may not deduct from any grants of
22 State funds to the city more than the amount of delinquent
23 payments certified to the State Comptroller by the Fund.

24 (b) On or before July 1, 2017, and each July 1 thereafter
25 ~~January 10, annually,~~ the board shall certify to ~~notify~~ the
26 city council the annual amounts required under ~~of the~~

1 ~~requirement of~~ this Article, for which ~~that~~ the tax herein
2 provided shall be levied for the following ~~that current~~ year.
3 The board shall compute the amounts necessary for the purposes
4 of this fund to be credited to the reserves established and
5 maintained as herein provided, and shall make an annual
6 determination of the amount of the required city contributions;
7 and certify the results thereof to the city council.

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

20 The tax so levied by the park district shall be in addition
21 to and exclusive of all other taxes authorized to be levied by
22 the park district for corporate, annuity fund, or other
23 purposes. The county clerk of the county in which the park
24 district is located, in reducing any tax levied under the
25 provisions of any Act concerning the levy and extension of
26 taxes shall not consider such tax as part of the general tax

1 levy for park purposes, and shall not include the same in any
2 limitation of the per cent of the assessed valuation upon which
3 taxes are required to be extended for the park district. The
4 proceeds of the tax levied by the park district, upon receipt
5 by the district, shall be immediately paid over to the city
6 treasurer of the city for the uses and purposes of the fund.

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

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

22 (d) With respect to employees whose wages are funded as
23 participants under the Comprehensive Employment and Training
24 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
25 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
26 subsequent to October 1, 1978, and in instances where the board

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

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

25 (f) In lieu of levying all or a portion of the tax required
26 under this Section in any year, the city may deposit ~~with the~~

1 ~~city treasurer no later than March 1~~ of that year for the
2 benefit of the fund, to be held in accordance with this
3 Article, an amount that, together with the taxes levied under
4 this Section for that year, is not less than the amount of the
5 city contributions for that year as certified by the board to
6 the city council. The deposit may be derived from any source
7 legally available for that purpose, including, but not limited
8 to, the proceeds of city borrowings. The making of a deposit
9 shall satisfy fully the requirements of this Section for that
10 year to the extent of the amounts so deposited. Amounts
11 deposited under this subsection may be used by the fund for any
12 of the purposes for which the proceeds of the tax levied by the
13 city under this Section may be used, including the payment of
14 any amount that is otherwise required by this Article to be
15 paid from the proceeds of that tax.

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

17 (40 ILCS 5/11-169.2 new)

18 Sec. 11-169.2. Funding obligation.

19 (a) Beginning January 1, 2018, the city shall be obligated
20 to contribute to the Fund in each fiscal year an amount not
21 less than the amount determined annually under subsection (a-5)
22 of Section 11-169 of this Code. Notwithstanding any other
23 provision of law, if the city fails to pay the amount
24 guaranteed under this Section on or before December 31 of the
25 year in which such amount is due, the retirement board may

1 bring a mandamus action in the Circuit Court of Cook County to
2 compel the city to make the required payment, irrespective of
3 other remedies that may be available to the Fund. The
4 obligations and causes of action created under this Section
5 shall be in addition to any other right or remedy otherwise
6 accorded by common law or State or federal law, and nothing in
7 this Section shall be construed to deny, abrogate, impair, or
8 waive any such common law or statutory right or remedy.

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

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

2 (Text of Section WITHOUT the changes made by P.A. 98-641,
3 which has been held unconstitutional)

4 Sec. 11-170. Contributions for age and service annuities
5 for present employees, future entrants and re-entrants.

6 (a) Beginning on the effective date and prior to July 1,
7 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
8 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,
9 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment
10 of the salary of each present employee, future entrant and
11 re-entrant, except as provided in subsection (a-5) and (a-10),
12 shall be contributed to the fund as a deduction from salary for
13 age and service annuity.

14 (a-5) Except as provided in subsection (a-10), for an
15 employee who on or after January 1, 2011 and prior to this
16 amendatory Act of the 99th General Assembly first became a
17 member or participant under this Article and made the election
18 under item (i) of subsection (d-10) of Section 1-160: prior to
19 this amendatory Act of the 99th General Assembly, 6.5%; and
20 beginning on the effective date of this amendatory Act of the
21 99th General Assembly and prior to January 1, 2018, 7.5%; and
22 beginning January 1, 2018, and prior to January 1, 2019, 8.5%;
23 and, beginning January 1, 2019 and thereafter, 9.5% of each
24 payment of salary shall be contributed to the fund as a
25 deduction from salary for age and service annuity. Beginning

1 with the first pay period on or after the date when the funded
2 ratio of the Fund is first determined to have reached the 90%
3 funding goal, and each pay period thereafter for as long as the
4 Fund maintains a funding ratio of 75% or more, employee
5 contributions for age and service annuity for those employees
6 who made the election under item (i) of subsection (d-10) of
7 Section 1-160 shall be 5.5% of each payment of salary. If the
8 funding ratio falls below 75%, then employee contributions for
9 age and service annuity for those employees who made the
10 election under item (i) of subsection (d-10) shall revert to
11 9.5% until such time as the Fund once again is determined to
12 have reached a funding ratio of 75%, at which time the 5.5% of
13 salary employee contribution for age and service annuity shall
14 resume. An employee who made the election under item (ii) of
15 subsection (d-10) of Section 1-160 shall continue to have the
16 contributions for age and service annuities determined under
17 subsection (a) of this Section.

18 (a-10) For each employee who on or after the effective date
19 of this amendatory Act of the 99th General Assembly first
20 becomes a member or participant under this Article, 9.5% of
21 each payment of his or her salary shall be contributed to the
22 fund as a deduction from salary for age and service annuity.
23 Beginning with the first pay period on or after the date when
24 the funded ratio of the Fund is first determined to have
25 reached the 90% funding goal, and each pay period thereafter
26 for as long as the Fund maintains a funding ratio of 75% or

1 more, employee contributions for age and service annuity for
2 each employee subject to this subsection (a-10) shall be 5.5%
3 of each payment of salary. If the funding ratio falls below
4 75%, then employee contributions for age and service annuity
5 for each employee subject to this subsection (a-10) shall
6 revert to 9.5% until such time as the Fund once again is
7 determined to have reached a funding ratio of 75%, at which
8 time the 5.5% of salary contribution for age and service
9 annuity shall resume.

10 Such deductions beginning on the effective date and prior
11 to June 30, 1947, inclusive shall be made for a future entrant
12 while he is in service until he attains age 65, and for a
13 present employee while he is in service until the amount so
14 deducted from his salary with interest at the rate of 4% per
15 annum shall be equal to the sum which would have accumulated to
16 his credit from sums deducted from his salary if deductions at
17 the rate herein stated had been made during his entire service
18 until he attained age 65 with interest at 4% per annum for the
19 period subsequent to his attainment of age 65. Such deductions
20 beginning July 1, 1947 shall be made and continued for
21 employees while in the service.

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

1 (c) Each employee contribution made prior to the date age
2 and service annuity for an employee is fixed and each
3 corresponding city contribution shall be allocated to the
4 account of and credited to the employee for whose benefit it is
5 made.

6 (d) Notwithstanding Section 1-103.1, the changes to this
7 Section made by this amendatory Act of the 99th General
8 Assembly apply regardless of whether the employee was in active
9 service on or after the effective date of this amendatory Act.

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

11 (40 ILCS 5/11-197.7 new)

12 Sec. 11-197.7. Payment of annuity other than direct. The
13 board, at the written direction and request of any annuitant,
14 may, solely as an accommodation to such annuitant, pay the
15 annuity due him or her to a bank, savings and loan association,
16 or any other financial institution insured by an agency of the
17 federal government, for deposit to his or her account, or to a
18 bank or trust company for deposit in a trust established by him
19 or her for his benefit with such bank, savings and loan
20 association, or trust company, and such annuitant may withdraw
21 such direction at any time. The board may also, in the case of
22 any disability beneficiary or annuitant for whom no estate
23 guardian has been appointed and who is confined in a publicly
24 owned and operated mental institution, pay such disability
25 benefit or annuity due such person to the superintendent or

1 other head of such institution or hospital for deposit to such
2 person's trust fund account maintained for him or her by such
3 institution or hospital, if by law such trust fund accounts are
4 authorized or recognized.

5 (40 ILCS 5/11-223.1) (from Ch. 108 1/2, par. 11-223.1)

6 Sec. 11-223.1. Assignment for health, hospital and medical
7 insurance.

8 The board may provide, by regulation, that any annuitant or
9 pensioner, may assign his annuity or disability benefit, or any
10 part thereof, for the purpose of premium payment for a
11 membership for the annuitant, and his or her spouse and
12 children, in a ~~non-profit group~~ hospital care plan or ~~group~~
13 medical surgical plan, provided, however, that the board may,
14 in its discretion, terminate the right of assignment. Any such
15 hospital or medical insurance plan may include provision for
16 the beneficiaries thereof who rely on treatment by spiritual
17 means alone through prayer for healing in accordance with the
18 tenets and practice of a well recognized religious
19 denomination.

20 Upon the adoption of a regulation permitting such
21 assignment, the board shall establish and administer a plan for
22 the maintenance of the insurance plan membership by the
23 annuitant or pensioner.

24 (Source: Laws 1965, p. 2290.)

1 (40 ILCS 5/11-230) (from Ch. 108 1/2, par. 11-230)

2 Sec. 11-230. Felony conviction.

3 None of the benefits provided in this Article shall be paid
4 to any person who is convicted of any felony relating to or
5 arising out of or in connection with his service as employee.

6 This section shall not operate to impair any contract or
7 vested right heretofore acquired under any law or laws
8 continued in this Article, nor to preclude the right to a
9 refund.

10 Any refund required under this Article shall be calculated
11 based on that person's contributions to the Fund, less the
12 amount of any annuity benefit previously received by the person
13 or his or beneficiaries. The changes made to this Section by
14 this amendatory Act of the 99th General Assembly apply only to
15 persons who first become members or participants under this
16 Article on or after the effective date of this amendatory Act
17 of the 99th General Assembly.

18 All future entrants entering service after July 11, 1955,
19 shall be deemed to have consented to the provisions of this
20 section as a condition of coverage.

21 (Source: Laws 1963, p. 161.)

22 (40 ILCS 5/8-173.1 rep.)

23 (40 ILCS 5/11-169.1 rep.)

24 Section 10. The Illinois Pension Code is amended by
25 repealing Sections 8-173.1 and 11-169.1.

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.40 as follows:

3 (30 ILCS 805/8.40 new)

4 Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 99th General Assembly.

8 Section 97. Inseverability and severability. The changes
9 made by this Act are inseverable, except that the changes made
10 to Sections 8-228.5 and 11-125.9 of the Illinois Pension Code
11 are severable under Section 1.31 of the Statute on Statutes.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.".