

1 AN ACT concerning public employee benefits.

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

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

8 (40 ILCS 5/1-160)

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

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

12 (a) The provisions of this Section apply to a person who,
13 on or after January 1, 2011, first becomes a member or a
14 participant under any reciprocal retirement system or pension
15 fund established under this Code, other than a retirement
16 system or pension fund established under Article 2, 3, 4, 5, 6,
17 15 or 18 of this Code, notwithstanding any other provision of
18 this Code to the contrary, but do not apply to any self-managed
19 plan established under this Code, to any person with respect to
20 service as a sheriff's law enforcement employee under Article
21 7, or to any participant of the retirement plan established
22 under Section 22-101. Notwithstanding anything to the contrary
23 in this Section, for purposes of this Section, a person who

1 participated in a retirement system under Article 15 prior to
2 January 1, 2011 shall be deemed a person who first became a
3 member or participant prior to January 1, 2011 under any
4 retirement system or pension fund subject to this Section. The
5 changes made to this Section by Public Act 98-596 ~~this~~
6 ~~amendatory Act of the 98th General Assembly~~ are a clarification
7 of existing law and are intended to be retroactive to January
8 1, 2011 (the effective date of Public Act 96-889),
9 notwithstanding the provisions of Section 1-103.1 of this Code.

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

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

24 (2) In Articles 8, 9, 10, 11, and 12, "highest average
25 annual salary for any 4 consecutive years within the last
26 10 years of service immediately preceding the date of

1 withdrawal".

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

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

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

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

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

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

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (beginning January 1, 2015, age 65 with respect to service
4 under Article 12 of this Code that is subject to this Section)
5 and has at least 10 years of service credit and is otherwise
6 eligible under the requirements of the applicable Article.

7 A member or participant who has attained age 62 (beginning
8 January 1, 2015, age 60 with respect to service under Article
9 12 of this Code that is subject to this Section) and has at
10 least 10 years of service credit and is otherwise eligible
11 under the requirements of the applicable Article may elect to
12 receive the lower retirement annuity provided in subsection (d)
13 of this Section.

14 (c-5) A person who first becomes a member or a participant
15 under Article 8 or Article 11 of this Code on or after the
16 effective date of this amendatory Act of the 99th General
17 Assembly, notwithstanding any other provision of this Code to
18 the contrary, is entitled to a retirement annuity upon written
19 application if he or she has attained age 65 and has at least
20 10 years of service credit under Article 8 or Article 11 of
21 this Code and is otherwise eligible under the requirements of
22 Article 8 or Article 11 of this Code, whichever is applicable.

23 (d) The retirement annuity of a member or participant who
24 is retiring after attaining age 62 (beginning January 1, 2015,
25 age 60 with respect to service under Article 12 of this Code
26 that is subject to this Section) with at least 10 years of

1 service credit shall be reduced by one-half of 1% for each full
2 month that the member's age is under age 67 (beginning January
3 1, 2015, age 65 with respect to service under Article 12 of
4 this Code that is subject to this Section).

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

12 (d-10) Each person who first became a member or participant
13 under Article 8 or Article 11 of this Code on or after January
14 1, 2011 and prior to the effective date of this amendatory Act
15 of the 99th General Assembly shall make an irrevocable election
16 either:

17 (i) to be eligible for the reduced retirement age
18 provided in subsections (c-5) and (d-5) of this Section,
19 the eligibility for which is conditioned upon the member or
20 participant agreeing to the increases in employee
21 contributions for age and service annuities provided in
22 subsection (a-5) of Section 8-174 of this Code (for service
23 under Article 8) or subsection (a-5) of Section 11-170 of
24 this Code (for service under Article 11); or

25 (ii) to not agree to item (i) of this subsection
26 (d-10), in which case the member or participant shall

1 continue to be subject to the retirement age provisions in
2 subsections (c) and (d) of this Section and the employee
3 contributions for age and service annuity as provided in
4 subsection (a) of Section 8-174 of this Code (for service
5 under Article 8) or subsection (a) of Section 11-170 of
6 this Code (for service under Article 11).

7 The election provided for in this subsection shall be made
8 between June 1, 2017 and July 15, 2017. A person subject to
9 this subsection who makes the required election shall remain
10 bound by that election. A person subject to this subsection who
11 fails for any reason to make the required election within the
12 time specified in this subsection shall be deemed to have made
13 the election under item (ii).

14 (e) Any retirement annuity or supplemental annuity shall be
15 subject to annual increases on the January 1 occurring either
16 on or after the attainment of age 67 (beginning January 1,
17 2015, age 65 with respect to service under Article 12 of this
18 Code that is subject to this Section and beginning on the
19 effective date of this amendatory Act of the 99th General
20 Assembly, age 65 with respect to persons who: (i) first became
21 members or participants under Article 8 or Article 11 of this
22 Code on or after the effective date of this amendatory Act of
23 the 99th General Assembly; or (ii) first became members or
24 participants under Article 8 or Article 11 of this Code on or
25 after January 1, 2011 and before the effective date of this
26 amendatory Act of the 99th General Assembly and made the

1 election under item (i) of subsection (d-10) of this Section)
2 or the first anniversary of the annuity start date, whichever
3 is later. Each annual increase shall be calculated at 3% or
4 one-half the annual unadjusted percentage increase (but not
5 less than zero) in the consumer price index-u for the 12 months
6 ending with the September preceding each November 1, whichever
7 is less, of the originally granted retirement annuity. If the
8 annual unadjusted percentage change in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1 is zero or there is a decrease, then the
11 annuity shall not be increased.

12 Notwithstanding Section 1-103.1 of this Code, the changes
13 made to this Section by this amendatory Act of the 99th General
14 Assembly are applicable without regard to whether the employee
15 was in active service on or after the effective date of this
16 amendatory Act of the 99th General Assembly.

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

1 66 2/3% of the earned annuity without a reduction due to age. A
2 child's annuity of an otherwise eligible child shall be in the
3 amount prescribed under each Article if applicable. Any
4 survivor's or widow's annuity shall be increased (1) on each
5 January 1 occurring on or after the commencement of the annuity
6 if the deceased member died while receiving a retirement
7 annuity or (2) in other cases, on each January 1 occurring
8 after the first anniversary of the commencement of the annuity.
9 Each annual increase shall be calculated at 3% or one-half the
10 annual unadjusted percentage increase (but not less than zero)
11 in the consumer price index-u for the 12 months ending with the
12 September preceding each November 1, whichever is less, of the
13 originally granted survivor's annuity. If the annual
14 unadjusted percentage change in the consumer price index-u for
15 the 12 months ending with the September preceding each November
16 1 is zero or there is a decrease, then the annuity shall not be
17 increased.

18 (g) The benefits in Section 14-110 apply only if the person
19 is a State policeman, a fire fighter in the fire protection
20 service of a department, or a security employee of the
21 Department of Corrections or the Department of Juvenile
22 Justice, as those terms are defined in subsection (b) of
23 Section 14-110. A person who meets the requirements of this
24 Section is entitled to an annuity calculated under the
25 provisions of Section 14-110, in lieu of the regular or minimum
26 retirement annuity, only if the person has withdrawn from

1 service with not less than 20 years of eligible creditable
2 service and has attained age 60, regardless of whether the
3 attainment of age 60 occurs while the person is still in
4 service.

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

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then that
25 person's annuity or retirement pension earned as an active
26 employee of the employer shall be suspended during that

1 contractual service. A person receiving an annuity or
2 retirement pension under this Code shall notify the pension
3 fund or retirement system from which he or she is receiving an
4 annuity or retirement pension, as well as his or her
5 contractual employer, of his or her retirement status before
6 accepting contractual employment. A person who fails to submit
7 such notification shall be guilty of a Class A misdemeanor and
8 required to pay a fine of \$1,000. Upon termination of that
9 contractual employment, the person's retirement annuity or
10 retirement pension payments shall resume and, if appropriate,
11 be recalculated under the applicable provisions of this Code.

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

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

18 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

19 Sec. 8-113. Municipal employee, employee, contributor, or
20 participant. "Municipal employee", "employee", "contributor",
21 or "participant":

22 (a) Any employee of an employer employed in the classified
23 civil service thereof other than by temporary appointment or in
24 a position excluded or exempt from the classified service by
25 the Civil Service Act, or in the case of a city operating under

1 a personnel ordinance, any employee of an employer employed in
2 the classified or career service under the provisions of a
3 personnel ordinance, other than in a provisional or exempt
4 position as specified in such ordinance or in rules and
5 regulations formulated thereunder.

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

8 (c) Any person employed by the board.

9 (d) Any person employed after December 31, 1949, but prior
10 to January 1, 1984, in the service of the employer by temporary
11 appointment or in a position exempt from the classified service
12 as set forth in the Civil Service Act, or in a provisional or
13 exempt position as specified in the personnel ordinance, who
14 meets the following qualifications:

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

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

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

25 (f) Beginning January 1, 1984, any person employed by an
26 employer other than the Chicago Housing Authority or the Public

1 Building Commission of the city, whether or not such person is
2 serving by temporary appointment or in a position exempt from
3 the classified service as set forth in the Civil Service Act,
4 or in a provisional or exempt position as specified in the
5 personnel ordinance, provided that such person is neither (1)
6 an alderman or other officer or official of the employer, nor
7 (2) participating, on the basis of such employment, in any
8 other pension fund or retirement system established under this
9 Act.

10 (g) After December 31, 1959, any person employed in the law
11 department of the city, or municipal court or Board of Election
12 Commissioners of the city, who was a contributor and
13 participant, on December 31, 1959, in the annuity and benefit
14 fund in operation in the city on said date, by virtue of the
15 Court and Law Department Employees' Annuity Act or the Board of
16 Election Commissioners Employees' Annuity Act.

17 After December 31, 1959, the foregoing definition includes
18 any other person employed or to be employed in the law
19 department, or municipal court (other than as a judge), or
20 Board of Election Commissioners (if his salary is provided by
21 appropriation of the city council of the city and his salary
22 paid by the city) -- subject, however, in the case of such
23 persons not participants on December 31, 1959, to compliance
24 with the same qualifications and restrictions otherwise set
25 forth in this Section and made generally applicable to
26 employees or officers of the city concerning eligibility for

1 participation or membership.

2 Notwithstanding any other provision in this Section, any
3 person who first becomes employed in the law department of the
4 city on or after the effective date of this amendatory Act of
5 the 99th General Assembly shall be included within the
6 foregoing definition, effective upon the date the person first
7 becomes so employed, regardless of the nature of the
8 appointment the person holds under the provisions of a
9 personnel ordinance.

10 (h) After December 31, 1965, any person employed in the
11 public library of the city -- and any other person -- who was a
12 contributor and participant, on December 31, 1965, in the
13 pension fund in operation in the city on said date, by virtue
14 of the Public Library Employees' Pension Act.

15 (i) After December 31, 1968, any person employed in the
16 house of correction of the city, who was a contributor and
17 participant, on December 31, 1968, in the pension fund in
18 operation in the city on said date, by virtue of the House of
19 Correction Employees' Pension Act.

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

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

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

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

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

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

6 (a) Except as provided in subsection (f) of this Section,
7 the city council of the city shall levy a tax annually upon all
8 taxable property in the city at a rate that will produce a sum
9 which, when added to the amounts deducted from the salaries of
10 the employees or otherwise contributed by them and the amounts
11 deposited under subsection (f), will be sufficient for the
12 requirements of this Article, but which when extended will
13 produce an amount not to exceed the greater of the following:

14 (a) the sum obtained by the levy of a tax of .1093% of the
15 value, as equalized or assessed by the Department of Revenue,
16 of all taxable property within such city, or (b) the sum of
17 \$12,000,000. However any city in which a Fund has been
18 established and in operation under this Article for more than 3
19 years prior to 1970 shall levy for the year 1970 a tax at a rate
20 on the dollar of assessed valuation of all taxable property
21 that will produce, when extended, an amount not to exceed 1.2
22 times the total amount of contributions made by employees to
23 the Fund for annuity purposes in the calendar year 1968, and,
24 for the year 1971 and 1972 such levy that will produce, when
25 extended, an amount not to exceed 1.3 times the total amount of

1 contributions made by employees to the Fund for annuity
2 purposes in the calendar years 1969 and 1970, respectively; and
3 for the year 1973 an amount not to exceed 1.365 times such
4 total amount of contributions made by employees for annuity
5 purposes in the calendar year 1971; and for the year 1974 an
6 amount not to exceed 1.430 times such total amount of
7 contributions made by employees for annuity purposes in the
8 calendar year 1972; and for the year 1975 an amount not to
9 exceed 1.495 times such total amount of contributions made by
10 employees for annuity purposes in the calendar year 1973; and
11 for the year 1976 an amount not to exceed 1.560 times such
12 total amount of contributions made by employees for annuity
13 purposes in the calendar year 1974; and for the year 1977 an
14 amount not to exceed 1.625 times such total amount of
15 contributions made by employees for annuity purposes in the
16 calendar year 1975; and for the year 1978 and each year
17 thereafter through levy year 2016, such levy as will produce,
18 when extended, an amount not to exceed the total amount of
19 contributions made by or on behalf of employees to the Fund for
20 annuity purposes in the calendar year 2 years prior to the year
21 for which the annual applicable tax is levied, multiplied by
22 1.690 for the years 1978 through 1998 and by 1.250 for the year
23 1999 and for each year thereafter through levy year 2016.
24 Beginning in levy year 2017, and in each year thereafter, the
25 levy shall not exceed the amount of the city's total required
26 contribution to the Fund for the next payment year, as

1 determined under subsection (a-5). For the purposes of this
2 Section, the payment year is the year immediately following the
3 levy year.

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

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

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

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

25 (a-5) (1) Beginning in payment year 2018, the city's
26 required annual contribution to the Fund for payment years 2018

1 through 2022 shall be: for 2018, \$266,000,000; for 2019,
2 \$344,000,000; for 2020, \$421,000,000; for 2021, \$499,000,000;
3 and for 2022, \$576,000,000.

4 (2) For payment years 2023 through 2058, the city's
5 required annual contribution to the Fund shall be the amount
6 determined by the Fund to be equal to the sum of (i) the city's
7 portion of the projected normal cost for that fiscal year, plus
8 (ii) an amount determined on a level percentage of applicable
9 employee payroll basis (reflecting any limits on individual
10 participants' pay that apply for benefit and contribution
11 purposes under this plan) that is sufficient to bring the total
12 actuarial assets of the Fund up to 90% of the total actuarial
13 liabilities of the Fund by the end of 2058.

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

25 To the extent that the city's contribution for any of the
26 payment years referenced in this subsection is made with

1 property taxes, those property taxes shall be levied,
2 collected, and paid to the Fund in a like manner with the
3 general taxes of the city.

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

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

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

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

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

23 (b) On or before July 1, 2017, and each July 1 thereafter
24 ~~January 10, annually,~~ the board shall certify to ~~notify~~ the
25 city council the annual amounts required under ~~of the~~
26 ~~requirements of~~ this Article, for which ~~that~~ the tax herein

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

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

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

1 limitation of the per cent of the assessed valuation upon which
2 taxes are required to be extended for the park district. The
3 proceeds of the tax levied by the park district, upon receipt
4 by the district, shall be immediately paid over to the city
5 treasurer of the city for the uses and purposes of the fund.

6 The various sums to be contributed by the city and park
7 district and allocated for the purposes of this Article, and
8 any interest to be contributed by the city, shall be derived
9 from the revenue from the taxes authorized in this Section or
10 otherwise as expressly provided in this Section.

11 If it is not possible or practicable for the city to make
12 contributions for age and service annuity and widow's annuity
13 at the same time that employee contributions are made for such
14 purposes, such city contributions shall be construed to be due
15 and payable as of the end of the fiscal year for which the tax
16 is levied and shall accrue thereafter with interest at the
17 effective rate until paid.

18 (d) With respect to employees whose wages are funded as
19 participants under the Comprehensive Employment and Training
20 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
21 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
22 subsequent to October 1, 1978, and in instances where the board
23 has elected to establish a manpower program reserve, the board
24 shall compute the amounts necessary to be credited to the
25 manpower program reserves established and maintained as herein
26 provided, and shall make a periodic determination of the amount

1 of required contributions from the City to the reserve to be
2 reimbursed by the federal government in accordance with rules
3 and regulations established by the Secretary of the United
4 States Department of Labor or his designee, and certify the
5 results thereof to the City Council. Any such amounts shall
6 become a credit to the City and will be used to reduce the
7 amount which the City would otherwise contribute during
8 succeeding years for all employees.

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

21 (f) In lieu of levying all or a portion of the tax required
22 under this Section in any year, the city may deposit with the
23 city treasurer ~~no later than March 1 of that year~~ for the
24 benefit of the fund, to be held in accordance with this
25 Article, an amount that, together with the taxes levied under
26 this Section for that year, is not less than the amount of the

1 city contributions for that year as certified by the board to
2 the city council. The deposit may be derived from any source
3 legally available for that purpose, including, but not limited
4 to, the proceeds of city borrowings. The making of a deposit
5 shall satisfy fully the requirements of this Section for that
6 year to the extent of the amounts so deposited. Amounts
7 deposited under this subsection may be used by the fund for any
8 of the purposes for which the proceeds of the tax levied by the
9 city under this Section may be used, including the payment of
10 any amount that is otherwise required by this Article to be
11 paid from the proceeds of that tax.

12 (Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98;
13 90-766, eff. 8-14-98.)

14 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

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

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

1 (a-5) Except as provided in subsection (a-10), for an
2 employee who on or after January 1, 2011 and prior to the
3 effective date of this amendatory Act of the 99th General
4 Assembly first became a member or participant under this
5 Article and made the election under item (i) of subsection
6 (d-10) of Section 1-160: prior to the effective date of this
7 amendatory Act of the 99th General Assembly, 6.5%; and
8 beginning on the effective date of this amendatory Act of the
9 99th General Assembly and prior to January 1, 2018, 7.5%; and
10 beginning January 1, 2018 and prior to January 1, 2019, 8.5%;
11 and beginning January 1, 2019 and thereafter, employee
12 contributions for those employees who made the election under
13 item (i) of subsection (d-10) of Section 1-160 shall be the
14 lesser of: (i) the total normal cost, calculated using the
15 entry age normal actuarial method, projected for that fiscal
16 year for the benefits and expenses of the plan of benefits
17 applicable to those members and participants who first became
18 members or participants on or after the effective date of this
19 amendatory Act of the 99th General Assembly and to those
20 employees who made the election under item (i) of subsection
21 (d-10) of Section 1-160, but not less than 6.5% of each payment
22 of salary combined with the employee contributions provided for
23 in subsection (b) of Section 8-137 and Section 8-182 of this
24 Article; or (ii) the aggregate employee contribution
25 consisting of 9.5% of each payment of salary combined with the
26 employee contributions provided for in subsection (b) of

1 Section 8-137 and 8-182 of this Article.

2 Beginning with the first pay period on or after the date
3 when the funded ratio of the fund is first determined to have
4 reached the 90% funding goal, and each pay period thereafter
5 for as long as the fund maintains a funding ratio of 75% or
6 more, employee contributions for age and service annuity for
7 those employees who made the election under item (i) of
8 subsection (d-10) of Section 1-160 shall be 5.5% of each
9 payment of salary. If the funding ratio falls below 75%, then
10 employee contributions for age and service annuity for those
11 employees who made the election under item (i) of subsection
12 (d-10) shall revert to the lesser of: (A) the total normal
13 cost, calculated using the entry age normal actuarial method,
14 projected for that fiscal year for the benefits and expenses of
15 the plan of benefits applicable to those members and
16 participants who first became members or participants on or
17 after the effective date of this amendatory Act of the 99th
18 General Assembly and to those employees who made the election
19 under item (i) of subsection (d-10) of Section 1-160, but not
20 less than 6.5% of each payment of salary combined with the
21 employee contributions provided for in subsection (b) of
22 Section 8-137 and Section 8-182 of this Article; or (B) the
23 aggregate employee contribution consisting of 9.5% of each
24 payment of salary combined with the employee contributions
25 provided for in subsection (b) of Section 8-137 and 8-182 of
26 this Article. If the fund once again is determined to have

1 reached a funding ratio of 75%, the 5.5% of salary contribution
2 for age and service annuity shall resume. An employee who made
3 the election under item (ii) of subsection (d-10) of Section
4 1-160 shall continue to have the contributions for age and
5 service annuity determined under subsection (a) of this
6 Section.

7 If contributions are reduced to less than the aggregate
8 employee contribution described in item (ii) or item (B) of
9 this subsection due to application of the normal cost
10 criterion, the employee contribution amount shall be
11 consistent from July 1 of the fiscal year through June 30 of
12 that fiscal year.

13 The normal cost, for the purposes of this subsection (a-5)
14 and subsection (a-10), shall be calculated by an independent
15 enrolled actuary mutually agreed upon by the fund and the City.
16 The fees and expenses of the independent actuary shall be the
17 responsibility of the City. For purposes of this subsection
18 (a-5), the fund and the City shall both be considered to be the
19 clients of the actuary, and the actuary shall utilize
20 participant data and actuarial standards to calculate the
21 normal cost. The fund shall provide information that the
22 actuary requests in order to calculate the applicable normal
23 cost.

24 (a-10) For each employee who on or after the effective date
25 of this amendatory Act of the 99th General Assembly first
26 becomes a member or participant under this Article, 9.5% of

1 each payment of salary shall be contributed to the fund as a
2 deduction from salary for age and service annuity. Beginning
3 January 1, 2018 and each year thereafter, employee
4 contributions for each employee subject to this subsection
5 (a-10) shall be the lesser of: (i) the total normal cost,
6 calculated using the entry age normal actuarial method,
7 projected for that fiscal year for the benefits and expenses of
8 the plan of benefits applicable to those members and
9 participants who first become members or participants on or
10 after the effective date of this amendatory Act of the 99th
11 General Assembly and to those employees who made the election
12 under item (i) of subsection (d-10) of Section 1-160, but not
13 less than 6.5% of each payment of salary combined with the
14 employee contributions provided for in subsection (b) of
15 Section 8-137 and Section 8-182 of this Article; or (ii) the
16 aggregate employee contribution consisting of 9.5% of each
17 payment of salary combined with the employee contributions
18 provided for in subsection (b) of Section 8-137 and Section
19 8-182 of this Article.

20 Beginning with the first pay period on or after the date
21 when the funded ratio of the fund is first determined to have
22 reached the 90% funding goal, and each pay period thereafter
23 for as long as the fund maintains a funding ratio of 75% or
24 more, employee contributions for age and service annuity for
25 each employee subject to this subsection (a-10) shall be 5.5%
26 of each payment of salary. If the funding ratio falls below

1 75%, then employee contributions for age and service annuity
2 for each employee subject to this subsection (a-10) shall
3 revert to the lesser of: (A) the total normal cost, calculated
4 using the entry age normal actuarial method, projected for that
5 fiscal year for the benefits and expenses of the plan of
6 benefits applicable to those members and participants who first
7 become members or participants on or after the effective date
8 of this amendatory Act of the 99th General Assembly and to
9 those employees who made the election under item (i) of
10 subsection (d-10) of Section 1-160, but not less than 6.5% of
11 each payment of salary combined with the employee contributions
12 provided for in subsection (b) of Section 8-137 and Section
13 8-182 of this Article; or (B) the aggregate employee
14 contribution consisting of 9.5% of each payment of salary
15 combined with the employee contributions provided for in
16 subsection (b) of Section 8-137 and Section 8-182 of this
17 Article. If the fund once again is determined to have reached a
18 funding ratio of 75%, the 5.5% of salary contribution for age
19 and service annuity shall resume.

20 If contributions are reduced to less than the aggregate
21 employee contribution described in item (ii) or item (B) of
22 this subsection (a-10) due to application of the normal cost
23 criterion, the employee contribution amount shall be
24 consistent from July 1 of the fiscal year through June 30 of
25 that fiscal year.

26 Such deductions beginning on the effective date and prior

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

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

19 (c) Each employee contribution made prior to the date the
20 age and service annuity for an employee is fixed and each
21 corresponding city contribution shall be credited to the
22 employee and allocated to the account of the employee for whose
23 benefit it is made.

24 (d) Notwithstanding Section 1-103.1, the changes to this
25 Section made by this amendatory Act of the 99th General
26 Assembly apply regardless of whether the employee was in active

1 service on or after the effective date of this amendatory Act
2 of the 99th General Assembly.

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

4 (40 ILCS 5/8-228.5 new)

5 Sec. 8-228.5. Action by Fund against third party;
6 subrogation. In those cases where the injury or death for which
7 a disability or death benefit is payable under this Article was
8 caused under circumstances creating a legal liability on the
9 part of some person or entity (hereinafter "third party") to
10 pay damages to the employee, legal proceedings may be taken
11 against such third party to recover damages notwithstanding the
12 Fund's payment of or liability to pay disability or death
13 benefits under this Article. In such case, however, if the
14 action against such third party is brought by the injured
15 employee or his or her personal representative and judgment is
16 obtained and paid, or settlement is made with such third party,
17 either with or without suit, from the amount received by such
18 employee or personal representative, then there shall be paid
19 to the Fund the amount of money representing the death or
20 disability benefits paid or to be paid to the disabled employee
21 pursuant to the provisions of this Article. In all
22 circumstances where the action against a third party is brought
23 by the disabled employee or his or her personal representative,
24 the Fund shall have a claim or lien upon any recovery, by
25 judgment or settlement, out of which the disabled employee or

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

23 In the event the disabled employee or his or her personal
24 representative has not instituted an action against a third
25 party at a time when only 3 months remain before such action
26 would thereafter be barred by law, the Fund may, in its own

1 name or in the name of the personal representative, commence a
2 proceeding against such third party seeking the recovery of all
3 damages on account of injuries caused to the employee. From any
4 amount so recovered, the Fund shall pay to the personal
5 representative of such disabled employee all sums collected
6 from such third party by judgment or otherwise in excess of the
7 amount of disability or death benefits paid or to be paid under
8 this Article to the disabled employee or his or her personal
9 representative, and such costs, attorney's fees, and
10 reasonable expenses as may be incurred by the Fund in making
11 the collection or in enforcing such liability. The Fund's
12 recovery shall be satisfied only from that portion of a
13 recovery that has been, or can be, allocated or attributed to
14 past and future lost salary, which recovery is by judgment or
15 settlement. The Fund's recovery shall not be satisfied from
16 that portion of the recovery that has been or can be allocated
17 or attributed to medical care and treatment, pain and
18 suffering, loss of consortium, and attorney's fees and costs.

19 Additionally, with respect to any right of subrogation
20 asserted by the Fund under this Section, the Fund, in the
21 exercise of discretion, may determine what amount from past or
22 future salary shall be appropriate under the circumstances to
23 collect from the recovery obtained on behalf of the disabled
24 employee.

25 This Section applies only to persons who first become
26 members or participants under this Article on or after the

1 effective date of this amendatory Act of 99th General Assembly.

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

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

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

9 (b) Any elected city officer, while serving in that
10 capacity or as provided in subsection (f), may elect to
11 establish alternative credits for an alternative annuity by
12 electing in writing to make additional optional contributions
13 in accordance with this Section and the procedures established
14 by the board. Such elected city officer may discontinue making
15 the additional optional contributions by notifying the Fund in
16 writing in accordance with this Section and procedures
17 established by the board.

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

20 (1) For service after the option is elected, an
21 additional contribution of 3% of salary shall be
22 contributed to the Fund on the same basis and under the
23 same conditions as contributions required under Sections
24 8-174 and 8-182.

25 (2) For service before the option is elected, an

1 additional contribution of 3% of the salary for the
2 applicable period of service, plus interest at the
3 effective rate from the date of service to the date of
4 payment. All payments for past service must be paid in full
5 before credit is given. No additional optional
6 contributions may be made for any period of service for
7 which credit has been previously forfeited by acceptance of
8 a refund, unless the refund is repaid in full with interest
9 at the effective rate from the date of refund to the date
10 of repayment.

11 (c) In lieu of the retirement annuity otherwise payable
12 under this Article, any city officer elected by vote of the
13 people who (1) has elected to participate in the Fund and make
14 additional optional contributions in accordance with this
15 Section, and (2) has attained age 55 with at least 10 years of
16 service credit, or has attained age 60 with at least 8 years of
17 service credit, may elect to have his retirement annuity
18 computed as follows: 3% of the participant's salary at the time
19 of termination of service for each of the first 8 years of
20 service credit, plus 4% of such salary for each of the next 4
21 years of service credit, plus 5% of such salary for each year
22 of service credit in excess of 12 years, subject to a maximum
23 of 80% of such salary. To the extent such elected city officer
24 has made additional optional contributions with respect to only
25 a portion of his years of service credit, his retirement
26 annuity will first be determined in accordance with this

1 Section to the extent such additional optional contributions
2 were made, and then in accordance with the remaining Sections
3 of this Article to the extent of years of service credit with
4 respect to which additional optional contributions were not
5 made.

6 (d) In lieu of the disability benefits otherwise payable
7 under this Article, any city officer elected by vote of the
8 people who (1) has elected to participate in the Fund, and (2)
9 has become permanently disabled and as a consequence is unable
10 to perform the duties of his office, and (3) was making
11 optional contributions in accordance with this Section at the
12 time the disability was incurred, may elect to receive a
13 disability annuity calculated in accordance with the formula in
14 subsection (c). For the purposes of this subsection, such
15 elected city officer shall be considered permanently disabled
16 only if: (i) disability occurs while in service as an elected
17 city officer and is of such a nature as to prevent him from
18 reasonably performing the duties of his office at the time; and
19 (ii) the board has received a written certification by at least
20 2 licensed physicians appointed by it stating that such officer
21 is disabled and that the disability is likely to be permanent.

22 (e) Refunds of additional optional contributions shall be
23 made on the same basis and under the same conditions as
24 provided under Sections 8-168, 8-170 and 8-171. Interest shall
25 be credited at the effective rate on the same basis and under
26 the same conditions as for other contributions. Optional

1 contributions shall be accounted for in a separate Elected City
2 Officer Optional Contribution Reserve. Optional contributions
3 under this Section shall be included in the amount of employee
4 contributions used to compute the tax levy under Section 8-173.

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

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

1 (g) Notwithstanding any other provision in this Section or
2 in this Code to the contrary, any person who first becomes a
3 city officer, as defined in this Section, on or after the
4 effective date of this amendatory Act of the 99th General
5 Assembly, shall not be eligible for the alternative annuity or
6 alternative disability benefits as provided in subsections
7 (a), (b), (c), and (d) of this Section or for the alternative
8 survivor's benefits as provided in Section 8-243.3. Such person
9 shall not be eligible, or be required, to make any additional
10 contributions beyond those required of other participants
11 under Sections 8-137, 8-174, and 8-182. The retirement annuity,
12 disability benefits, and survivor's benefits for a person who
13 first becomes a city officer on or after the effective date of
14 this amendatory Act of the 99th General Assembly shall be
15 determined pursuant to the provisions otherwise provided in
16 this Article.

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

18 (40 ILCS 5/8-244) (from Ch. 108 1/2, par. 8-244)

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

20 (a) All annuities, refunds, pensions, and disability
21 benefits granted under this Article, shall be exempt from
22 attachment or garnishment process and shall not be seized,
23 taken, subjected to, detained, or levied upon by virtue of any
24 judgment, or any process or proceeding whatsoever issued out of
25 or by any court in this State, for the payment and satisfaction

1 in whole or in part of any debt, damage, claim, demand, or
2 judgment against any annuitant, pensioner, participant, refund
3 applicant, or other beneficiary hereunder.

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

8 (1) an annuitant or pensioner who elects or has elected
9 to participate in a ~~non-profit group~~ hospital care plan or
10 ~~group~~ medical surgical plan may with the approval of the
11 board and in conformity with its regulations authorize the
12 board to withhold from the pension or annuity the current
13 premium for such coverage and pay such premium to the
14 organization underwriting such plan;

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

22 (3) the board, in its discretion, may pay to the wife
23 of any annuitant, pensioner, refund applicant, or
24 disability beneficiary, such an amount out of her husband's
25 annuity pension, refund, or disability benefit as any court
26 of competent jurisdiction may order, or such an amount as

1 the board may consider necessary for the support of his
2 wife or children, or both in the event of his disappearance
3 or unexplained absence or of his failure to support such
4 wife or children.

5 (c) The board may retain out of any future annuity,
6 pension, refund or disability benefit payments, such amount, or
7 amounts, as it may require for the repayment of any moneys paid
8 to any annuitant, pensioner, refund applicant, or disability
9 beneficiary through misrepresentation, fraud or error. Any
10 such action of the board shall relieve and release the board
11 and the fund from any liability for any moneys so withheld.

12 (d) Whenever an annuity or disability benefit is payable to
13 a minor or to a person certified by a medical doctor to be
14 under legal disability, the board, in its discretion and when
15 it is in the best interest of the person concerned, may waive
16 guardianship proceedings and pay the annuity or benefit to the
17 person providing or caring for the minor or person under legal
18 disability.

19 In the event that a person certified by a medical doctor to
20 be under legal disability (i) has no spouse, blood relative, or
21 other person providing or caring for him or her, (ii) has no
22 guardian of his or her estate, and (iii) is confined to a
23 Medicare approved, State certified nursing home or to a
24 publicly owned and operated nursing home, hospital, or mental
25 institution, the Board may pay any benefit due that person to
26 the nursing home, hospital, or mental institution, to be used

1 for the sole benefit of the person under legal disability.

2 Payment in accordance with this subsection to a person,
3 nursing home, hospital, or mental institution for the benefit
4 of a minor or person under legal disability shall be an
5 absolute discharge of the Fund's liability with respect to the
6 amount so paid. Any person, nursing home, hospital, or mental
7 institution accepting payment under this subsection shall
8 notify the Fund of the death or any other relevant change in
9 the status of the minor or person under legal disability.

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

11 (40 ILCS 5/8-244.1) (from Ch. 108 1/2, par. 8-244.1)

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

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

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

4 (b) An annuitant formerly employed by the City of Chicago
5 may authorize the withholding of a portion of his or her
6 annuity for payment of dues to the labor organization which
7 formerly represented the annuitant when the annuitant was an
8 active employee; however, no withholding shall be required
9 under this subsection for payment to one labor organization
10 unless a minimum of 25 annuitants authorize such withholding.
11 The Board shall prescribe a form for the authorization of
12 withholding of dues, release of name, social security number
13 and address and shall provide such forms to employees,
14 annuitants and labor organizations upon request. Amounts
15 withheld by the Board under this subsection shall be promptly
16 paid over to the designated organizations, indicating the
17 names, social security numbers and addresses of annuitants on
18 whose behalf dues were withheld.

19 At the request and at the expense of the labor organization
20 that formerly represented the annuitant, the City of Chicago
21 shall coordinate mailings no more than twice in any
22 twelve-month period to such annuitants and the Board shall
23 supply current annuitant addresses to the City of Chicago upon
24 request. These mailings shall be limited to informing the
25 annuitants of their rights under this subsection (b), the form
26 authorizing the withholding of dues from their annuity and

1 information supplied by the labor organization pertinent to the
2 decision of whether to exercise the rights of this subsection.
3 ~~To meet this obligation, the City of Chicago shall, upon~~
4 ~~request, create and update records of all retirees for each~~
5 ~~labor organization as far back in time as records permit,~~
6 ~~including their names, addresses, phone numbers and social~~
7 ~~security numbers.~~

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

9 (40 ILCS 5/8-251) (from Ch. 108 1/2, par. 8-251)

10 Sec. 8-251. Felony conviction.

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

15 This section shall not operate to impair any contract or
16 vested right heretofore acquired under any law or laws
17 continued in this Article, nor to preclude the right to a
18 refund.

19 Any refund required under this Article shall be calculated
20 based on that person's contributions to the Fund, less the
21 amount of any annuity benefit previously received by the person
22 or his or her beneficiaries. The changes made to this Section
23 by this amendatory Act of the 99th General Assembly apply only
24 to persons who first become participants under this Article on
25 or after the effective date of this amendatory Act of the 99th

1 General Assembly.

2 All future entrants entering service subsequent to July 11,
3 1955 shall be deemed to have consented to the provisions of
4 this section as a condition of coverage.

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

6 (40 ILCS 5/11-125.9 new)

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

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

25 In the event the disabled employee or his or her personal
26 representative has not instituted an action against a third

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

26 This Section applies only to persons who first become

1 members or participants under this Article on or after the
2 effective date of this amendatory Act of 99th General Assembly.

3 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

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

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

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

1 tax is levied, multiplied by 1.1 for the years 1970, 1971 and
2 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235
3 for the year 1975; 1.280 for the year 1976; 1.325 for the year
4 1977; 1.370 for the years 1978 through 1998; and 1.000 for the
5 year 1999 and for each year thereafter through levy year 2016.
6 Beginning in levy year 2017, and in each year thereafter, the
7 levy shall not exceed the amount of the city's total required
8 contribution to the Fund for the next payment year, as
9 determined under subsection (a-5). For the purposes of this
10 Section, the payment year is the year immediately following the
11 levy year.

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

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

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

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

7 (a-5) (1) Beginning in payment year 2018, the city's
8 required annual contribution to the Fund for payment years 2018
9 through 2022 shall be: for 2018, \$36,000,000; for 2019,
10 \$48,000,000; for 2020, \$60,000,000; for 2021, \$72,000,000; and
11 for 2022, \$84,000,000.

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

20 (3) For payment years after 2058, the city's required
21 annual contribution to the Fund shall be equal to the amount,
22 if any, needed to bring the total actuarial assets of the Fund
23 up to 90% of the total actuarial liabilities of the Fund as of
24 the end of the year. In making the determinations under
25 paragraphs (2) and (3) of this subsection, the actuarial
26 calculations shall be determined under the entry age normal

1 actuarial cost method, and any actuarial gains or losses from
2 investment return incurred in a fiscal year shall be recognized
3 in equal annual amounts over the 5-year period following the
4 fiscal year.

5 To the extent that the city's contribution for any of the
6 payment years referenced in this subsection is made with
7 property taxes, those property taxes shall be levied,
8 collected, and paid to the Fund in a like manner with the
9 general taxes of the city.

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

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

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

23 (3) in payment year 2020 and each payment year
24 thereafter, the total amount of any grants of State funds
25 to the city.

26 The State Comptroller may not deduct from any grants of

1 State funds to the city more than the amount of delinquent
2 payments certified to the State Comptroller by the Fund.

3 (b) On or before July 1, 2017, and each July 1 thereafter
4 ~~January 10, annually,~~ the board shall certify to ~~notify~~ the
5 city council the annual amounts required under ~~of the~~
6 ~~requirement of~~ this Article, for which ~~that~~ the tax herein
7 provided shall be levied for the following ~~that current~~ year.
8 The board shall compute the amounts necessary for the purposes
9 of this fund to be credited to the reserves established and
10 maintained as herein provided, and shall make an annual
11 determination of the amount of the required city contributions;
12 and certify the results thereof to the city council.

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

25 The tax so levied by the park district shall be in addition
26 to and exclusive of all other taxes authorized to be levied by

1 the park district for corporate, annuity fund, or other
2 purposes. The county clerk of the county in which the park
3 district is located, in reducing any tax levied under the
4 provisions of any Act concerning the levy and extension of
5 taxes shall not consider such tax as part of the general tax
6 levy for park purposes, and shall not include the same in any
7 limitation of the per cent of the assessed valuation upon which
8 taxes are required to be extended for the park district. The
9 proceeds of the tax levied by the park district, upon receipt
10 by the district, shall be immediately paid over to the city
11 treasurer of the city for the uses and purposes of the fund.

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

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

1 (d) With respect to employees whose wages are funded as
2 participants under the Comprehensive Employment and Training
3 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
4 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
5 subsequent to October 1, 1978, and in instances where the board
6 has elected to establish a manpower program reserve, the board
7 shall compute the amounts necessary to be credited to the
8 manpower program reserves established and maintained as herein
9 provided, and shall make a periodic determination of the amount
10 of required contributions from the City to the reserve to be
11 reimbursed by the federal government in accordance with rules
12 and regulations established by the Secretary of the United
13 States Department of Labor or his designee, and certify the
14 results thereof to the City Council. Any such amounts shall
15 become a credit to the City and will be used to reduce the
16 amount which the City would otherwise contribute during
17 succeeding years for all employees.

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

1 City and be used to reduce the amount which the City would
2 otherwise contribute during succeeding years for all
3 employees.

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

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

22 (40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

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

25 Sec. 11-170. Contributions for age and service annuities

1 for present employees, future entrants and re-entrants.

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

10 (a-5) Except as provided in subsection (a-10), for an
11 employee who on or after January 1, 2011 and prior to the
12 effective date of this amendatory Act of the 99th General
13 Assembly first became a member or participant under this
14 Article and made the election under item (i) of subsection
15 (d-10) of Section 1-160: prior to the effective date of this
16 amendatory Act of the 99th General Assembly, 6.5%; and
17 beginning on the effective date of this amendatory Act of the
18 99th General Assembly and prior to January 1, 2018, 7.5%; and
19 beginning January 1, 2018 and prior to January 1, 2019, 8.5%;
20 and beginning January 1, 2019 and thereafter, employee
21 contributions for those employees who made the election under
22 item (i) of subsection (d-10) of Section 1-160 shall be the
23 lesser of: (i) the total normal cost, calculated using the
24 entry age normal actuarial method, projected for that fiscal
25 year for the benefits and expenses of the plan of benefits
26 applicable to those members and participants who first became

1 members or participants on or after the effective date of this
2 amendatory Act of the 99th General Assembly and to those
3 employees who made the election under item (i) of subsection
4 (d-10) of Section 1-160, but not less than 6.5% of each payment
5 of salary combined with the employee contributions provided for
6 in subsection (b) of Section 11-134.1 and Section 11-174 of
7 this Article; or (ii) the aggregate employee contribution
8 consisting of 9.5% of each payment of salary combined with the
9 employee contributions provided for in subsection (b) of
10 Section 11-134.1 and 11-174 of this Article.

11 Beginning with the first pay period on or after the date
12 when the funded ratio of the fund is first determined to have
13 reached the 90% funding goal, and each pay period thereafter
14 for as long as the fund maintains a funding ratio of 75% or
15 more, employee contributions for age and service annuity for
16 those employees who made the election under item (i) of
17 subsection (d-10) of Section 1-160 shall be 5.5% of each
18 payment of salary. If the funding ratio falls below 75%, then
19 employee contributions for age and service annuity for those
20 employees who made the election under item (i) of subsection
21 (d-10) shall revert to the lesser of: (A) the total normal
22 cost, calculated using the entry age normal actuarial method,
23 projected for that fiscal year for the benefits and expenses of
24 the plan of benefits applicable to those members and
25 participants who first became members or participants on or
26 after the effective date of this amendatory Act of the 99th

1 General Assembly and to those employees who made the election
2 under item (i) of subsection (d-10) of Section 1-160, but not
3 less than 6.5% of each payment of salary combined with the
4 employee contributions provided for in subsection (b) of
5 Section 11-134.1 and Section 11-174 of this Article; or (B) the
6 aggregate employee contribution consisting of 9.5% of each
7 payment of salary combined with the employee contributions
8 provided for in subsection (b) of Section 11-134.1 and 11-174
9 of this Article. If the fund once again is determined to have
10 reached a funding ratio of 75%, the 5.5% of salary contribution
11 for age and service annuity shall resume. An employee who made
12 the election under item (ii) of subsection (d-10) of Section
13 1-160 shall continue to have the contributions for age and
14 service annuity determined under subsection (a) of this
15 Section.

16 If contributions are reduced to less than the aggregate
17 employee contribution described in item (ii) or item (B) of
18 this subsection due to application of the normal cost
19 criterion, the employee contribution amount shall be
20 consistent from July 1 of the fiscal year through June 30 of
21 that fiscal year.

22 The normal cost, for the purposes of this subsection (a-5)
23 and subsection (a-10), shall be calculated by an independent
24 enrolled actuary mutually agreed upon by the fund and the City.
25 The fees and expenses of the independent actuary shall be the
26 responsibility of the City. For purposes of this subsection

1 (a-5), the fund and the City shall both be considered to be the
2 clients of the actuary, and the actuary shall utilize
3 participant data and actuarial standards to calculate the
4 normal cost. The fund shall provide information that the
5 actuary requests in order to calculate the applicable normal
6 cost.

7 (a-10) For each employee who on or after the effective date
8 of this amendatory Act of the 99th General Assembly first
9 becomes a member or participant under this Article, 9.5% of
10 each payment of salary shall be contributed to the fund as a
11 deduction from salary for age and service annuity. Beginning
12 January 1, 2018 and each year thereafter, employee
13 contributions for each employee subject to this subsection
14 (a-10) shall be the lesser of: (i) the total normal cost,
15 calculated using the entry age normal actuarial method,
16 projected for that fiscal year for the benefits and expenses of
17 the plan of benefits applicable to those members and
18 participants who first become members or participants on or
19 after the effective date of this amendatory Act of the 99th
20 General Assembly and to those employees who made the election
21 under item (i) of subsection (d-10) of Section 1-160, but not
22 less than 6.5% of each payment of salary combined with the
23 employee contributions provided for in subsection (b) of
24 Section 11-134.1 and Section 11-174 of this Article; or (ii)
25 the aggregate employee contribution consisting of 9.5% of each
26 payment of salary combined with the employee contributions

1 provided for in subsection (b) of Section 11-134.1 and Section
2 11-174 of this Article.

3 Beginning with the first pay period on or after the date
4 when the funded ratio of the fund is first determined to have
5 reached the 90% funding goal, and each pay period thereafter
6 for as long as the fund maintains a funding ratio of 75% or
7 more, employee contributions for age and service annuity for
8 each employee subject to this subsection (a-10) shall be 5.5%
9 of each payment of salary. If the funding ratio falls below
10 75%, then employee contributions for age and service annuity
11 for each employee subject to this subsection (a-10) shall
12 revert to the lesser of: (A) the total normal cost, calculated
13 using the entry age normal actuarial method, projected for that
14 fiscal year for the benefits and expenses of the plan of
15 benefits applicable to those members and participants who first
16 become members or participants on or after the effective date
17 of this amendatory Act of the 99th General Assembly and to
18 those employees who made the election under item (i) of
19 subsection (d-10) of Section 1-160, but not less than 6.5% of
20 each payment of salary combined with the employee contributions
21 provided for in subsection (b) of Section 11-134.1 and Section
22 11-174 of this Article; or (B) the aggregate employee
23 contribution consisting of 9.5% of each payment of salary
24 combined with the employee contributions provided for in
25 subsection (b) of Section 11-134.1 and Section 11-174 of this
26 Article. If the fund once again is determined to have reached a

1 funding ratio of 75%, the 5.5% of salary contribution for age
2 and service annuity shall resume.

3 If contributions are reduced to less than the aggregate
4 employee contribution described in item (ii) or item (B) of
5 this subsection (a-10) due to application of the normal cost
6 criterion, the employee contribution amount shall be
7 consistent from July 1 of the fiscal year through June 30 of
8 that fiscal year.

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

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

26 (c) Each employee contribution made prior to the date age

1 and service annuity for an employee is fixed and each
2 corresponding city contribution shall be allocated to the
3 account of and credited to the employee for whose benefit it is
4 made.

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

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

10 (40 ILCS 5/11-197.7 new)

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

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

4 (40 ILCS 5/11-223.1) (from Ch. 108 1/2, par. 11-223.1)

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

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

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

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

24 (40 ILCS 5/11-230) (from Ch. 108 1/2, par. 11-230)

1 Sec. 11-230. Felony conviction.

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

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

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

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

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

21 (40 ILCS 5/8-173.1 rep.)

22 (40 ILCS 5/11-169.1 rep.)

23 Section 10. The Illinois Pension Code is amended by
24 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.