

1 AN ACT in relation to 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  
5 changing Section 6-164 as follows:

6 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)  
7 Sec. 6-164. Automatic annual increase; retirement after  
8 September 1, 1959.

9 (a) A fireman qualifying for a minimum annuity who  
10 retires from service after September 1, 1959 shall, upon  
11 either the first of the month following the first anniversary  
12 of his date of retirement if he is age 60 (age 55 if born  
13 before January 1, 1945) or over on that anniversary date, or  
14 upon the first of the month following his attainment of age  
15 60 (age 55 if born before January 1, 1945) if that occurs  
16 after the first anniversary of his retirement date, have his  
17 then fixed and payable monthly annuity increased by 1 1/2%,  
18 and such first fixed annuity as granted at retirement  
19 increased by an additional 1 1/2% in January of each year  
20 thereafter up to a maximum increase of 30%. Beginning July  
21 1, 1982 for firemen born before January 1, 1930, and  
22 beginning January 1, 1990 for firemen born after December 31,  
23 1929 and before January 1, 1940, and beginning January 1,  
24 1996 for firemen born after December 31, 1939 but before  
25 January 1, 1945, and beginning January 1, 2003 for all  
26 firemen qualifying under this subsection without regard to  
27 date of birth, such increases shall be 3% and such firemen  
28 shall not be subject to the 30% maximum increase. Beginning  
29 January 1, 2003, the increases provided under this subsection  
30 shall be 3% of the total amount of annuity payable at the  
31 time of the increase, including any previous increases

1 granted under this Article.

2 Any fireman born before January 1, 1945 who qualifies for  
3 a minimum annuity and retires after September 1, 1967 but  
4 before the effective date of this amendatory Act of the 92nd  
5 General Assembly and has not received the initial increase  
6 under this subsection before January 1, 1996 is entitled to  
7 receive the initial increase under this subsection on (1)  
8 January 1, 1996, (2) the first anniversary of the date of  
9 retirement, or (3) attainment of age 55, whichever occurs  
10 last. The changes to this Section made by this amendatory  
11 Act of 1995 apply beginning January 1, 1996 and apply without  
12 regard to whether the fireman or annuitant terminated service  
13 before the effective date of this amendatory Act of 1995.

14 A fireman who withdraws from service on or after the  
15 effective date of this amendatory Act of the 92nd General  
16 Assembly with at least 20 years of service credit is entitled  
17 to receive the initial increase under this subsection on the  
18 first anniversary of the date of retirement, regardless of  
19 age.

20 A fireman who withdrew from service before the effective  
21 date of this amendatory Act of the 92nd General Assembly with  
22 at least 20 years of service credit and has not received the  
23 initial increase under this subsection before January 1, 2003  
24 is entitled to receive the initial increase under this  
25 subsection on the later of January 1, 2003 or the first  
26 anniversary of the date of retirement, regardless of age.  
27 The changes to this Section made by this amendatory Act apply  
28 without regard to whether the fireman or annuitant terminated  
29 service before the effective date of this amendatory Act.

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

32 (c) To help defray the cost of such increases in  
33 annuity, there shall be deducted, beginning September 1,  
34 1959, from each payment of salary to a fireman, 1/8 of 1% of

1 each such salary payment and an additional 1/8 of 1%  
2 beginning on September 1, 1961, and September 1, 1963,  
3 respectively, concurrently with and in addition to the salary  
4 deductions otherwise made for annuity purposes.

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

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

22 (Source: P.A. 89-136, eff. 7-14-95.)

23 Section 90. The State Mandates Act is amended by adding  
24 Section 8.26 as follows:

25 (30 ILCS 805/8.26 new)

26 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6  
27 and 8 of this Act, no reimbursement by the State is required  
28 for the implementation of any mandate created by this  
29 amendatory Act of the 92nd General Assembly.

30 Section 99. Effective date. This Act takes effect upon  
31 becoming law.