

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 Sections 17-119 and 17-156.1 as follows:

6 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

7 Sec. 17-119. Automatic annual increase in pension. Each  
8 teacher retiring on or after September 1, 1959, is entitled  
9 to the annual increase in pension, defined herein, while he  
10 is receiving a pension from the Fund.

11 1. The term "base pension" means a service retirement or  
12 disability retirement pension in the amount fixed and payable  
13 at the date of retirement of a teacher.

14 2. The annual increase in pension shall be at the rate  
15 of 1 1/2% of base pension. This increase shall first occur in  
16 January of the year next following the first anniversary of  
17 retirement. At such time the Fund shall pay the pro rata part  
18 of the increase for the period from the first anniversary  
19 date to the date of the first increase in pension. Beginning  
20 January 1, 1972, the rate of annual increase in pension shall  
21 be 2% of the base pension. Beginning January 1, 1979, the  
22 rate of annual increase in pension shall be 3% of the base  
23 pension. Beginning January 1, 1990, all automatic annual  
24 increases payable under this Section shall be calculated as a  
25 percentage of the total pension payable at the time of the  
26 increase, including all increases previously granted under  
27 this Article, notwithstanding Section 17-157. Beginning  
28 January 1, 2002, all annual increases in pension payable  
29 under this Section shall be calculated at the rate of 4% of  
30 the amount of pension payable at the time of the increase,  
31 including all increases previously granted under this

1 Article, notwithstanding Section 17-157.

2 3. An increase in pension shall be granted only if the  
3 retired teacher is age 60 or over. If the teacher attains age  
4 60 after retirement, the increase in pension shall begin in  
5 January of the year following the 61st birthday. At such time  
6 the Fund also shall pay the pro rata part of the increase  
7 from the 61st birthday to the date of first increase in  
8 pension.

9 In addition to other increases which may be provided by  
10 this Section, on January 1, 1981 any teacher who was  
11 receiving a retirement pension on or before January 1, 1971  
12 shall have his retirement pension then being paid increased  
13 \$1 per month for each year of creditable service. On January  
14 1, 1982, any teacher whose retirement pension began on or  
15 before January 1, 1977, shall have his retirement pension  
16 then being paid increased \$1 per month for each year of  
17 creditable service.

18 On January 1, 1987, any teacher whose retirement pension  
19 began on or before January 1, 1977, shall have the monthly  
20 retirement pension increased by an amount equal to 8¢ per  
21 year of creditable service times the number of years that  
22 have elapsed since the retirement pension began.

23 (Source: P.A. 90-566, eff. 1-2-98.)

24 (40 ILCS 5/17-156.1) (from Ch. 108 1/2, par. 17-156.1)

25 Sec. 17-156.1. Increases to retired members. A teacher  
26 who retired prior to September 1, 1959 on service retirement  
27 pension who was at least 55 years of age at date of  
28 retirement and had at least 20 years of validated service  
29 shall be entitled to receive benefits under this Section.

30 These benefits shall be in an amount equal to 1-1/2% of  
31 the total of (1) the initial service retirement pension plus  
32 (2) any emeritus payment payable under Sections 34-86 and  
33 34-87 of the School Code, multiplied by the number of full

1 years on pension. This payment shall begin in January of  
 2 1970. An additional 1-1/2% shall be added in January of each  
 3 year thereafter. Beginning January 1, 1972 the rate of  
 4 increase in the service retirement pension each year shall be  
 5 2%. Beginning January 1, 1979, the rate of increase in the  
 6 service retirement pension each year shall be 3%. Beginning  
 7 January 1, 1990, all automatic annual increases payable under  
 8 this Section shall be calculated as a percentage of the total  
 9 pension payable at the time of the increase, including all  
 10 increases previously granted under this Article,  
 11 notwithstanding Section 17-157. Beginning January 1, 2002,  
 12 all annual increases in pension payable under this Section  
 13 shall be calculated at the rate of 4% of the amount of  
 14 pension payable at the time of the increase, including all  
 15 increases previously granted under this Article,  
 16 notwithstanding Section 17-157.

17 A pensioner who otherwise qualifies for the aforesaid  
 18 benefit shall make a one-time payment of 1% of the final  
 19 monthly average salary multiplied by the number of completed  
 20 years of service forming the basis of his service retirement  
 21 pension or, if the pension was not computed according to  
 22 average salary as defined in Section 17-116, 1% of the  
 23 monthly base pension multiplied by each complete year of  
 24 service forming the basis of his service retirement pension.  
 25 Unless the pensioner rejects the benefits of this Section,  
 26 such sum shall be deducted from the pensioner's December 1969  
 27 pension check and shall not be refundable.

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

29 Section 90. The State Mandates Act is amended by adding  
 30 Section 8.25 as follows:

31 (30 ILCS 805/8.25 new)

32 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6

1 and 8 of this Act, no reimbursement by the State is required  
2 for the implementation of any mandate created by this  
3 amendatory Act of the 92nd General Assembly.

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