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92ND GENERAL ASSEMBLY
FIRST CONFERENCE COMMITTEE REPORT
ON SENATE BILL 314

To the President of the Senate and the Speaker of the House of Representatives:

We, the conference committee appointed to consider the differences between the houses in relation to House Amendment No. 1 to Senate Bill 314, recommend the following:

- (1) That the House recede from House Amendment No. 1;
- and
- (2) That Senate Bill 314 be amended as follows:

by replacing the title with the following:

"AN ACT in relation to public employee benefits."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 8-137, 8-138, 11-134, and 11-134.1 as follows:

(40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

Sec. 8-137. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1959 and before January 1, 1987, having attained age 60 or more, shall, in January of the year after the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of

1 the aforesaid specified 1 1/2%, and beginning with January of
 2 the year 1984 such increases shall be at the rate of 3%.
 3 Beginning in January of 1999, such increases shall be at the
 4 rate of 3% of the currently payable monthly annuity,
 5 including any increases previously granted under this
 6 Article. An employee who retires on annuity after December
 7 31, 1959 and before January 1, 1987, but before age 60, shall
 8 receive such increases beginning in January of the year after
 9 the year in which he attains age 60.

10 An employee who retires from service on or after January
 11 1, 1987 shall, upon the first annuity payment date following
 12 the first anniversary of the date of retirement, or upon the
 13 first annuity payment date following attainment of age 60,
 14 whichever occurs later, have his then fixed and payable
 15 monthly annuity increased by 3%, and such annuity shall be
 16 increased by an additional 3% of the original fixed annuity
 17 on the same date each year thereafter. Beginning in January
 18 of 1999, such increases shall be at the rate of 3% of the
 19 currently payable monthly annuity, including any increases
 20 previously granted under this Article.

21 (a-5) Notwithstanding the provisions of subsection (a),
 22 upon the first annuity payment date following (1) the third
 23 anniversary of retirement, (2) the attainment of age 53, or
 24 (3) January 1, 2002, whichever occurs latest, the monthly
 25 annuity of an employee who retires on annuity prior to the
 26 attainment of age 60 and has not received an increase under
 27 subsection (a) shall be increased by 3%, and the annuity
 28 shall be increased by an additional 3% of the current payable
 29 monthly annuity, including any increases previously granted
 30 under this Article, on the same date each year thereafter.
 31 The increases provided under this subsection are in lieu of
 32 the increases provided in subsection (a).

33 (b) Subsections (a) and (a-5) are ~~The---~~foregoing
 34 ~~provisien--is~~ not applicable to an employee retiring and
 35 receiving a term annuity, as herein defined, nor to any

1 otherwise qualified employee who retires before he makes
2 employee contributions (at the 1/2 of 1% rate as provided in
3 this Act) for this additional annuity for not less than the
4 equivalent of one full year. Such employee, however, shall
5 make arrangement to pay to the fund a balance of such 1/2 of
6 1% contributions, based on his final salary, as will bring
7 such 1/2 of 1% contributions, computed without interest, to
8 the equivalent of or completion of one year's contributions.

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

13 Each such additional contribution shall be credited to an
14 account in the prior service annuity reserve, to be used,
15 together with city contributions, to defray the cost of the
16 specified annuity increments. Any balance in such account at
17 the beginning of each calendar year shall be credited with
18 interest at the rate of 3% per annum.

19 Such additional employee contributions are not
20 refundable, except to an employee who withdraws and applies
21 for refund under this Article, and in cases where a term
22 annuity becomes payable. In such cases his contributions
23 shall be refunded, without interest, and charged to such
24 account in the prior service annuity reserve.

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

26 (40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

27 Sec. 8-138. Minimum annuities - Additional provisions.

28 (a) An employee who withdraws after age 65 or more with
29 at least 20 years of service, for whom the amount of age and
30 service and prior service annuity combined is less than the
31 amount stated in this Section, shall from the date of
32 withdrawal, instead of all annuities otherwise provided, be
33 entitled to receive an annuity for life of \$150 a year, plus
34 1 1/2% for each year of service, to and including 20 years,

1 and 1 2/3% for each year of service over 20 years, of his
2 highest average annual salary for any 4 consecutive years
3 within the last 10 years of service immediately preceding the
4 date of withdrawal.

5 An employee who withdraws after 20 or more years of
6 service, before age 65, shall be entitled to such annuity, to
7 begin not earlier than upon attained age of 55 years if under
8 such age at withdrawal, reduced by 2% for each full year or
9 fractional part thereof that his attained age is less than
10 65, plus an additional 2% reduction for each full year or
11 fractional part thereof that his attained age when annuity is
12 to begin is less than 60 so that the total reduction at age
13 55 shall be 30%.

14 (b) An employee who withdraws after July 1, 1957, at age
15 60 or over, with 20 or more years of service, for whom the
16 age and service and prior service annuity combined, is less
17 than the amount stated in this paragraph, shall, from the
18 date of withdrawal, instead of such annuities, be entitled to
19 receive an annuity for life equal to 1 2/3% for each year of
20 service, of the highest average annual salary for any 5
21 consecutive years within the last 10 years of service
22 immediately preceding the date of withdrawal; provided, that
23 in the case of any employee who withdraws on or after July 1,
24 1971, such employee age 60 or over with 20 or more years of
25 service, shall receive an annuity for life equal to 1.67% for
26 each of the first 10 years of service; 1.90% for each of the
27 next 10 years of service; 2.10% for each year of service in
28 excess of 20 but not exceeding 30; and 2.30% for each year of
29 service in excess of 30, based on the highest average annual
30 salary for any 4 consecutive years within the last 10 years
31 of service immediately preceding the date of withdrawal.

32 An employee who withdraws after July 1, 1957 and before
33 January 1, 1988, with 20 or more years of service, before age
34 60 years is entitled to annuity, to begin not earlier than
35 upon attained age of 55 years, if under such age at

1 withdrawal, as computed in the last preceding paragraph,
2 reduced 0.25% for each full month or fractional part thereof
3 that his attained age when annuity is to begin is less than
4 60 if the employee was born before January 1, 1936, or 0.5%
5 for each such month if the employee was born on or after
6 January 1, 1936.

7 Any employee born before January 1, 1936, who withdraws
8 with 20 or more years of service, and any employee with 20 or
9 more years of service who withdraws on or after January 1,
10 1988, may elect to receive, in lieu of any other employee
11 annuity provided in this Section, an annuity for life equal
12 to 1.80% for each of the first 10 years of service, 2.00% for
13 each of the next 10 years of service, 2.20% for each year of
14 service in excess of 20 but not exceeding 30, and 2.40% for
15 each year of service in excess of 30, of the highest average
16 annual salary for any 4 consecutive years within the last 10
17 years of service immediately preceding the date of
18 withdrawal, to begin not earlier than upon attained age of 55
19 years, if under such age at withdrawal, reduced 0.25% for
20 each full month or fractional part thereof that his attained
21 age when annuity is to begin is less than 60; except that an
22 employee retiring on or after January 1, 1988, at age 55 or
23 over but less than age 60, having at least 35 years of
24 service, or an employee retiring on or after July 1, 1990, at
25 age 55 or over but less than age 60, having at least 30 years
26 of service, or an employee retiring on or after the effective
27 date of this amendatory Act of 1997, at age 55 or over but
28 less than age 60, having at least 25 years of service, shall
29 not be subject to the reduction in retirement annuity because
30 of retirement below age 60.

31 However, in the case of an employee who retired on or
32 after January 1, 1985 but before January 1, 1988, at age 55
33 or older and with at least 35 years of service, and who was
34 subject under this subsection (b) to the reduction in
35 retirement annuity because of retirement below age 60, that

1 reduction shall cease to be effective January 1, 1991, and
2 the retirement annuity shall be recalculated accordingly.

3 Any employee who withdraws on or after July 1, 1990, with
4 20 or more years of service, may elect to receive, in lieu of
5 any other employee annuity provided in this Section, an
6 annuity for life equal to 2.20% for each year of service if
7 withdrawal is before January 1, 2002, or 2.40% for each year
8 of service if withdrawal is on or after January 1, 2002, of
9 the highest average annual salary for any 4 consecutive years
10 within the last 10 years of service immediately preceding the
11 date of withdrawal, to begin not earlier than upon attained
12 age of 55 years, if under such age at withdrawal, reduced
13 0.25% for each full month or fractional part thereof that his
14 attained age when annuity is to begin is less than 60; except
15 that an employee retiring at age 55 or over but less than age
16 60, having at least 30 years of service, shall not be subject
17 to the reduction in retirement annuity because of retirement
18 below age 60.

19 Any employee who withdraws on or after the effective date
20 of this amendatory Act of 1997 with 20 or more years of
21 service may elect to receive, in lieu of any other employee
22 annuity provided in this Section, an annuity for life equal
23 to 2.20%⁷ for each year of service, if withdrawal is before
24 January 1, 2002, or 2.40% for each year of service if
25 withdrawal is on or after January 1, 2002, of the highest
26 average annual salary for any 4 consecutive years within the
27 last 10 years of service immediately preceding the date of
28 withdrawal, to begin not earlier than upon attainment of age
29 55 (age 50 if the employee has at least 30 years of service),
30 reduced 0.25% for each full month or remaining fractional
31 part thereof that the employee's attained age when annuity is
32 to begin is less than 60; except that an employee retiring at
33 age 50 or over with at least 30 years of service or at age 55
34 or over with at least 25 years of service shall not be
35 subject to the reduction in retirement annuity because of

1 retirement below age 60.

2 The maximum annuity payable under part (a) and (b) of
3 this Section shall not exceed 70% of highest average annual
4 salary in the case of an employee who withdraws prior to July
5 1, 1971, and 75% if withdrawal takes place on or after July
6 1, 1971 and prior to January 1, 2002, or 80% if withdrawal
7 takes place on or after January 1, 2002. For the purpose of
8 the minimum annuity provided in this Section \$1,500 is
9 considered the minimum annual salary for any year; and the
10 maximum annual salary for the computation of such annuity is
11 \$4,800 for any year before 1953, \$6000 for the years 1953 to
12 1956, inclusive, and the actual annual salary, as salary is
13 defined in this Article, for any year thereafter.

14 To preserve rights existing on December 31, 1959, for
15 participants and contributors on that date to the fund
16 created by the Court and Law Department Employees' Annuity
17 Act, who became participants in the fund provided for on
18 January 1, 1960, the maximum annual salary to be considered
19 for such persons for the years 1955 and 1956 is \$7,500.

20 (c) For an employee receiving disability benefit, his
21 salary for annuity purposes under paragraphs (a) and (b) of
22 this Section, for all periods of disability benefit
23 subsequent to the year 1956, is the amount on which his
24 disability benefit was based.

25 (d) An employee with 20 or more years of service, whose
26 entire disability benefit credit period expires before
27 attainment of age 55 while still disabled for service, is
28 entitled upon withdrawal to the larger of (1) the minimum
29 annuity provided above, assuming he is then age 55, and
30 reducing such annuity to its actuarial equivalent as of his
31 attained age on such date or (2) the annuity provided from
32 his age and service and prior service annuity credits.

33 (e) The minimum annuity provisions do not apply to any
34 former municipal employee receiving an annuity from the fund
35 who re-enters service as a municipal employee, unless he

1 renders at least 3 years of additional service after the date
2 of re-entry.

3 (f) An employee in service on July 1, 1947, or who
4 became a contributor after July 1, 1947 and before attainment
5 of age 70, who withdraws after age 65, with less than 20
6 years of service for whom the annuity has been fixed under
7 this Article shall, instead of the annuity so fixed, receive
8 an annuity as follows:

9 Such amount as he could have received had the accumulated
10 amounts for annuity been improved with interest at the
11 effective rate to the date of his withdrawal, or to
12 attainment of age 70, whichever is earlier, and had the city
13 contributed to such earlier date for age and service annuity
14 the amount that it would have contributed had he been under
15 age 65, after the date his annuity was fixed in accordance
16 with this Article, and assuming his annuity were computed
17 from such accumulations as of his age on such earlier date.
18 The annuity so computed shall not exceed the annuity which
19 would be payable under the other provisions of this Section
20 if the employee was credited with 20 years of service and
21 would qualify for annuity thereunder.

22 (g) Instead of the annuity provided in this Article, an
23 employee having attained age 65 with at least 15 years of
24 service who withdraws from service on or after July 1, 1971
25 and whose annuity computed under other provisions of this
26 Article is less than the amount provided under this
27 paragraph, is entitled to a minimum annuity for life equal to
28 1% of the highest average annual salary, as salary is defined
29 and limited in this Section for any 4 consecutive years
30 within the last 10 years of service for each year of service,
31 plus the sum of \$25 for each year of service. The annuity
32 shall not exceed 60% of such highest average annual salary.

33 (g-1) Instead of any other retirement annuity provided
34 in this Article, an employee who has at least 10 years of
35 service and withdraws from service on or after January 1,

1 1999 may elect to receive a retirement annuity for life,
2 beginning no earlier than upon attainment of age 60, equal to
3 2.2% if withdrawal is before January 1, 2002, or 2.4% if
4 withdrawal is on or after January 1, 2002, of final average
5 salary for each year of service, subject to a maximum of 75%
6 of final average salary if withdrawal is before January 1,
7 2002, or 80% if withdrawal is on or after January 1, 2002.
8 For the purpose of calculating this annuity, "final average
9 salary" means the highest average annual salary for any 4
10 consecutive years in the last 10 years of service.

11 (h) The minimum annuities provided under this Section
12 shall be paid in equal monthly installments.

13 (i) The amendatory provisions of part (b) and (g) of
14 this Section shall be effective July 1, 1971 and apply in the
15 case of every qualifying employee withdrawing on or after
16 July 1, 1971.

17 (j) The amendatory provisions of this amendatory Act of
18 1985 (P.A. 84-23) relating to the discount of annuity because
19 of retirement prior to attainment of age 60, and to the
20 retirement formula, for those born before January 1, 1936,
21 shall apply only to qualifying employees withdrawing on or
22 after July 18, 1985.

23 (j-1) The changes made to this Section by this
24 amendatory Act of the 92nd General Assembly (increasing the
25 retirement formula to 2.4% per year of service and increasing
26 the maximum to 80%) apply to persons who withdraw from
27 service on or after January 1, 2002, regardless of whether
28 that withdrawal takes place before the effective date of this
29 amendatory Act. In the case of a person who withdraws from
30 service on or after January 1, 2002 but begins to receive a
31 retirement annuity before the effective date of this
32 amendatory Act, the annuity shall be recalculated, with the
33 increase resulting from this amendatory Act accruing from the
34 date the retirement annuity began.

35 (k) Beginning on January 1, 1999, the minimum amount of

1 employee's annuity shall be \$850 per month for life for the
2 following classes of employees, without regard to the fact
3 that withdrawal occurred prior to the effective date of this
4 amendatory Act of 1998:

5 (1) any employee annuitant alive and receiving a
6 life annuity on the effective date of this amendatory Act
7 of 1998, except a reciprocal annuity;

8 (2) any employee annuitant alive and receiving a
9 term annuity on the effective date of this amendatory Act
10 of 1998, except a reciprocal annuity;

11 (3) any employee annuitant alive and receiving a
12 reciprocal annuity on the effective date of this
13 amendatory Act of 1998, whose service in this fund is at
14 least 5 years;

15 (4) any employee annuitant withdrawing after age 60
16 on or after the effective date of this amendatory Act of
17 1998, with at least 10 years of service in this fund.

18 The increases granted under items (1), (2) and (3) of
19 this subsection (k) shall not be limited by any other Section
20 of this Act.

21 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
22 90-766, eff. 8-14-98.)

23 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
24 Sec. 11-134. Minimum annuities.

25 (a) An employee whose withdrawal occurs after July 1,
26 1957 at age 60 or over, with 20 or more years of service, (as
27 service is defined or computed in Section 11-216), for whom
28 the age and service and prior service annuity combined is
29 less than the amount stated in this Section, shall, from and
30 after the date of withdrawal, in lieu of all annuities
31 otherwise provided in this Article, be entitled to receive an
32 annuity for life of an amount equal to 1 2/3% for each year
33 of service, of the highest average annual salary for any 5
34 consecutive years within the last 10 years of service

1 immediately preceding the date of withdrawal; provided, that
2 in the case of any employee who withdraws on or after July 1,
3 1971, such employee age 60 or over with 20 or more years of
4 service, shall be entitled to instead receive an annuity for
5 life equal to 1.67% for each of the first 10 years of
6 service; 1.90% for each of the next 10 years of service;
7 2.10% for each year of service in excess of 20 but not
8 exceeding 30; and 2.30% for each year of service in excess of
9 30, based on the highest average annual salary for any 4
10 consecutive years within the last 10 years of service
11 immediately preceding the date of withdrawal.

12 An employee who withdraws after July 1, 1957 and before
13 January 1, 1988, with 20 or more years of service, before age
14 60, shall be entitled to an annuity, to begin not earlier
15 than age 55, if under such age at withdrawal, as computed in
16 the last preceding paragraph, reduced 0.25% if the employee
17 was born before January 1, 1936, or 0.5% if the employee was
18 born on or after January 1, 1936, for each full month or
19 fractional part thereof that his attained age when such
20 annuity is to begin is less than 60.

21 Any employee born before January 1, 1936 who withdraws
22 with 20 or more years of service, and any employee with 20 or
23 more years of service who withdraws on or after January 1,
24 1988, may elect to receive, in lieu of any other employee
25 annuity provided in this Section, an annuity for life equal
26 to 1.80% for each of the first 10 years of service, 2.00% for
27 each of the next 10 years of service, 2.20% for each year of
28 service in excess of 20, but not exceeding 30, and 2.40% for
29 each year of service in excess of 30, of the highest average
30 annual salary for any 4 consecutive years within the last 10
31 years of service immediately preceding the date of
32 withdrawal, to begin not earlier than upon attained age of 55
33 years, if under such age at withdrawal, reduced 0.25% for
34 each full month or fractional part thereof that his attained
35 age when annuity is to begin is less than 60; except that an

1 employee retiring on or after January 1, 1988, at age 55 or
2 over but less than age 60, having at least 35 years of
3 service, or an employee retiring on or after July 1, 1990, at
4 age 55 or over but less than age 60, having at least 30 years
5 of service, or an employee retiring on or after the effective
6 date of this amendatory Act of 1997, at age 55 or over but
7 less than age 60, having at least 25 years of service, shall
8 not be subject to the reduction in retirement annuity because
9 of retirement below age 60.

10 However, in the case of an employee who retired on or
11 after January 1, 1985 but before January 1, 1988, at age 55
12 or older and with at least 35 years of service, and who was
13 subject under this subsection (a) to the reduction in
14 retirement annuity because of retirement below age 60, that
15 reduction shall cease to be effective January 1, 1991, and
16 the retirement annuity shall be recalculated accordingly.

17 Any employee who withdraws on or after July 1, 1990, with
18 20 or more years of service, may elect to receive, in lieu of
19 any other employee annuity provided in this Section, an
20 annuity for life equal to 2.20% for each year of service if
21 withdrawal is before January 1, 2002, or 2.40% for each year
22 of service if withdrawal is on or after January 1, 2002, of
23 the highest average annual salary for any 4 consecutive years
24 within the last 10 years of service immediately preceding the
25 date of withdrawal, to begin not earlier than upon attained
26 age of 55 years, if under such age at withdrawal, reduced
27 0.25% for each full month or fractional part thereof that his
28 attained age when annuity is to begin is less than 60; except
29 that an employee retiring at age 55 or over but less than age
30 60, having at least 30 years of service, shall not be subject
31 to the reduction in retirement annuity because of retirement
32 below age 60.

33 Any employee who withdraws on or after the effective date
34 of this amendatory Act of 1997 with 20 or more years of
35 service may elect to receive, in lieu of any other employee

1 annuity provided in this Section, an annuity for life equal
2 to 2.20%⁷ for each year of service if withdrawal is before
3 January 1, 2002, or 2.40% for each year of service if
4 withdrawal is on or after January 1, 2002, of the highest
5 average annual salary for any 4 consecutive years within the
6 last 10 years of service immediately preceding the date of
7 withdrawal, to begin not earlier than upon attainment of age
8 55 (age 50 if the employee has at least 30 years of service),
9 reduced 0.25% for each full month or remaining fractional
10 part thereof that the employee's attained age when annuity is
11 to begin is less than 60; except that an employee retiring at
12 age 50 or over with at least 30 years of service or at age 55
13 or over with at least 25 years of service shall not be
14 subject to the reduction in retirement annuity because of
15 retirement below age 60.

16 The maximum annuity payable under this paragraph (a) of
17 this Section shall not exceed 70% of highest average annual
18 salary in the case of an employee who withdraws prior to July
19 1, 1971, 75% if withdrawal takes place on or after July 1,
20 1971 and prior to January 1, 2002, or 80% if withdrawal is on
21 or after January 1, 2002. For the purpose of the minimum
22 annuity provided in said paragraphs \$1,500 shall be
23 considered the minimum annual salary for any year; and the
24 maximum annual salary to be considered for the computation of
25 such annuity shall be \$4,800 for any year prior to 1953,
26 \$6,000 for the years 1953 to 1956, inclusive, and the actual
27 annual salary, as salary is defined in this Article, for any
28 year thereafter.

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

33 (c) An employee with 20 or more years of service, whose
34 entire disability benefit credit period expires prior to
35 attainment of age 55 while still disabled for service, shall

1 be entitled upon withdrawal to the larger of (1) the minimum
2 annuity provided above assuming that he is then age 55, and
3 reducing such annuity to its actuarial equivalent at his
4 attained age on such date, or (2) the annuity provided from
5 his age and service and prior service annuity credits.

6 (d) The minimum annuity provisions as aforesaid shall
7 not apply to any former employee receiving an annuity from
8 the fund, and who re-enters service as an employee, unless he
9 renders at least 3 years of additional service after the date
10 of re-entry.

11 (e) An employee in service on July 1, 1947, or who
12 became a contributor after July 1, 1947 and prior to July 1,
13 1950, or who shall become a contributor to the fund after
14 July 1, 1950 prior to attainment of age 70, who withdraws
15 after age 65 with less than 20 years of service, for whom the
16 annuity has been fixed under the foregoing Sections of this
17 Article shall, in lieu of the annuity so fixed, receive an
18 annuity as follows:

19 Such amount as he could have received had the accumulated
20 amounts for annuity been improved with interest at the
21 effective rate to the date of his withdrawal, or to
22 attainment of age 70, whichever is earlier, and had the city
23 contributed to such earlier date for age and service annuity
24 the amount that would have been contributed had he been under
25 age 65, after the date his annuity was fixed in accordance
26 with this Article, and assuming his annuity were computed
27 from such accumulations as of his age on such earlier date.
28 The annuity so computed shall not exceed the annuity which
29 would be payable under the other provisions of this Section
30 if the employee was credited with 20 years of service and
31 would qualify for annuity thereunder.

32 (f) In lieu of the annuity provided in this or in any
33 other Section of this Article, an employee having attained
34 age 65 with at least 15 years of service who withdraws from
35 service on or after July 1, 1971 and whose annuity computed

1 under other provisions of this Article is less than the
 2 amount provided under this paragraph shall be entitled to
 3 receive a minimum annual annuity for life equal to 1% of the
 4 highest average annual salary for any 4 consecutive years
 5 within the last 10 years of service immediately preceding
 6 retirement for each year of his service plus the sum of \$25
 7 for each year of service. Such annual annuity shall not
 8 exceed the maximum percentages stated under paragraph (a) of
 9 this Section of such highest average annual salary.

10 (f-1) Instead of any other retirement annuity provided
 11 in this Article, an employee who has at least 10 years of
 12 service and withdraws from service on or after January 1,
 13 1999 may elect to receive a retirement annuity for life,
 14 beginning no earlier than upon attainment of age 60, equal to
 15 2.2% if withdrawal is before January 1, 2002, or 2.4% for
 16 each year of service if withdrawal is on or after January 1,
 17 2002, of final average salary for each year of service,
 18 subject to a maximum of 75% of final average salary if
 19 withdrawal is before January 1, 2002, or 80% if withdrawal is
 20 on or after January 1, 2002. For the purpose of calculating
 21 this annuity, "final average salary" means the highest
 22 average annual salary for any 4 consecutive years in the last
 23 10 years of service.

24 (g) Any annuity payable under the preceding subsections
 25 of this Section 11-134 shall be paid in equal monthly
 26 installments.

27 (h) The amendatory provisions of part (a) and (f) of
 28 this Section shall be effective July 1, 1971 and apply in the
 29 case of every qualifying employee withdrawing on or after
 30 July 1, 1971.

31 (h-1) The changes made to this Section by this
 32 amendatory Act of the 92nd General Assembly (increasing the
 33 retirement formula to 2.4% per year of service and increasing
 34 the maximum to 80%) apply to persons who withdraw from
 35 service on or after January 1, 2002, regardless of whether

1 that withdrawal takes place before the effective date of this
 2 amendatory Act. In the case of a person who withdraws from
 3 service on or after January 1, 2002 but begins to receive a
 4 retirement annuity before the effective date of this
 5 amendatory Act, the annuity shall be recalculated, with the
 6 increase resulting from this amendatory Act accruing from the
 7 date the retirement annuity began.

8 (i) The amendatory provisions of this amendatory Act of
 9 1985 relating to the discount of annuity because of
 10 retirement prior to attainment of age 60 and increasing the
 11 retirement formula for those born before January 1, 1936,
 12 shall apply only to qualifying employees withdrawing on or
 13 after August 16, 1985.

14 (j) Beginning on January 1, 1999, the minimum amount of
 15 employee's annuity shall be \$850 per month for life for the
 16 following classes of employees, without regard to the fact
 17 that withdrawal occurred prior to the effective date of this
 18 amendatory Act of 1998:

19 (1) any employee annuitant alive and receiving a
 20 life annuity on the effective date of this amendatory Act
 21 of 1998, except a reciprocal annuity;

22 (2) any employee annuitant alive and receiving a
 23 term annuity on the effective date of this amendatory Act
 24 of 1998, except a reciprocal annuity;

25 (3) any employee annuitant alive and receiving a
 26 reciprocal annuity on the effective date of this
 27 amendatory Act of 1998, whose service in this fund is at
 28 least 5 years;

29 (4) any employee annuitant withdrawing after age 60
 30 on or after the effective date of this amendatory Act of
 31 1998, with at least 10 years of service in this fund.

32 The increases granted under items (1), (2) and (3) of
 33 this subsection (j) shall not be limited by any other Section
 34 of this Act.

35 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;

1 90-766, eff. 8-14-98.)

2 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)
3 Sec. 11-134.1. Automatic increase in annuity.

4 (a) An employee who retired or retires from service
5 after December 31, 1963, and before January 1, 1987, having
6 attained age 60 or more, shall, in the month of January of
7 the year following the year in which the first anniversary of
8 retirement occurs, have the amount of his then fixed and
9 payable monthly annuity increased by 1 1/2%, and such first
10 fixed annuity as granted at retirement increased by a further
11 1 1/2% in January of each year thereafter. Beginning with
12 January of the year 1972, such increases shall be at the rate
13 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
14 January, 1984, such increases shall be at the rate of 3%.
15 Beginning in January of 1999, such increases shall be at the
16 rate of 3% of the currently payable monthly annuity,
17 including any increases previously granted under this
18 Article. An employee who retires on annuity after December
19 31, 1963 and before January 1, 1987, but prior to age 60,
20 shall receive such increases beginning with January of the
21 year immediately following the year in which he attains the
22 age of 60 years.

23 An employee who retires from service on or after January
24 1, 1987 shall, upon the first annuity payment date following
25 the first anniversary of the date of retirement, or upon the
26 first annuity payment date following attainment of age 60,
27 whichever occurs later, have his then fixed and payable
28 monthly annuity increased by 3%, and such annuity shall be
29 increased by an additional 3% of the original fixed annuity
30 on the same date each year thereafter. Beginning in January
31 of 1999, such increases shall be at the rate of 3% of the
32 currently payable monthly annuity, including any increases
33 previously granted under this Article.

34 (a-5) Notwithstanding the provisions of subsection (a),

1 upon the first annuity payment date following (1) the third
 2 anniversary of retirement, (2) the attainment of age 53, or
 3 (3) January 1, 2002, whichever occurs latest, the monthly
 4 annuity of an employee who retires on annuity prior to the
 5 attainment of age 60 and has not received an increase under
 6 subsection (a) shall be increased by 3%, and the annuity
 7 shall be increased by an additional 3% of the current payable
 8 monthly annuity, including any increases previously granted
 9 under this Article, on the same date each year thereafter.
 10 The increases provided under this subsection are in lieu of
 11 the increases provided in subsection (a).

12 (b) Subsections (a) and (a-5) are The---foregoing
 13 ~~provision--is~~ not applicable to an employee retiring and
 14 receiving a term annuity, as defined in this Article, nor to
 15 any otherwise qualified employee who retires before he shall
 16 have made employee contributions (at the 1/2 of 1% rate as
 17 hereinafter provided) for the purposes of this additional
 18 annuity for not less than the equivalent of one full year.
 19 Such employee, however, shall make arrangement to pay to the
 20 fund a balance of such 1/2 of 1% contributions, based on his
 21 final salary, as will bring such 1/2 of 1% contributions,
 22 computed without interest, to the equivalent of or completion
 23 of one year's contributions.

24 Beginning with the month of January, 1964, each employee
 25 shall contribute by means of salary deductions 1/2 of 1% of
 26 each salary payment, concurrently with and in addition to the
 27 employee contributions otherwise made for annuity purposes.

28 Each such additional employee contribution shall be
 29 credited to an account in the prior service annuity reserve,
 30 to be used, together with city contributions, to defray the
 31 cost of the specified annuity increments. Any balance as of
 32 the beginning of each calendar year existing in such account
 33 shall be credited with interest at the rate of 3% per annum.

34 Such employee contributions shall not be subject to
 35 refund, except to an employee who resigns or is discharged

1 and applies for refund under this Article, and also in cases
2 where a term annuity becomes payable.

3 In such cases the employee contributions shall be
4 refunded him, without interest, and charged to the
5 aforementioned account in the prior service annuity reserve.
6 (Source: P.A. 90-766, eff. 8-14-98.)

7 Section 10. The Law Enforcement Officers, Civil Defense
8 Workers, Civil Air Patrol Members, Paramedics, Firemen,
9 Chaplains, and State Employees Compensation Act is amended by
10 changing Section 3 as follows:

11 (820 ILCS 315/3) (from Ch. 48, par. 283)

12 Sec. 3. Duty death benefit. If a claim therefor is made
13 within one year of the date of death of a the law enforcement
14 officer, civil defense worker, civil air patrol member,
15 paramedic, fireman, chaplain, or State employee killed in the
16 line of duty, compensation ~~in-the-amount-of-\$10,000~~ shall be
17 paid to the person designated by the a law enforcement
18 officer, civil defense worker, civil air patrol member,
19 paramedic, fireman, chaplain, or State employee.

20 The amount of compensation shall be \$10,000 if the death
21 killed in the line of duty occurred prior to January 1,
22 1974;~~i~~ and \$20,000 if such death occurred after December 31,
23 1973 and before July 1, 1983;~~i~~ \$50,000 if such death occurred
24 on or after July 1, 1983 and before January 1, 1996;~~i~~
25 \$100,000 if the death occurred on or after January 1, 1996
26 and before May 18, 2001; ~~the--effective--date--of--this~~
27 ~~amendatory-Act-of-the-92nd-General-Assembly~~, and \$118,000 if
28 the death occurred on or after May 18, 2001 ~~the-effective~~
29 ~~date-of-this-amendatory-Act-of-the-92nd-General-Assembly~~ and
30 before the effective date of this amendatory Act of the 92nd
31 General Assembly; and \$259,038 if the death occurs on or
32 after the effective date of this amendatory Act of the 92nd
33 General Assembly and before January 1, 2003.

1 For deaths occurring on or after Beginning January 1,
2 2003, the death compensation rate for death in the line of
3 duty occurring in a particular calendar year shall be the
4 death compensation rate for death occurring in the previous
5 calendar year (or in the case of deaths occurring in 2003,
6 the rate in effect on December 31, 2002) increased by a
7 percentage thereof equal to the percentage increase, if any,
8 in the index known as the Consumer Price Index for All Urban
9 Consumers: U.S. city average, unadjusted, for all items,
10 "Employment-Cost-Index, Wages-and-Salaries, by-Occupation-and
11 Industry--Group:--State-and-Local-Government-Workers:--Public
12 Administration", as published by the United States Department
13 of Labor, Bureau of Labor Statistics, for the 12 months
14 ending with the month of June of that previous calendar year.

15 If no beneficiary is designated or surviving at the death
16 of the law enforcement officer, civil defense worker, civil
17 air patrol member, paramedic, fireman, chaplain, or State
18 employee killed in the line of duty, the compensation shall
19 be paid as follows:

20 (a) when there is a surviving spouse, the entire
21 sum shall be paid to the spouse;

22 (b) when there is no surviving spouse, but a
23 surviving descendant of the decedent, the entire sum
24 shall be paid to the decedent's descendants per stirpes;

25 (c) when there is neither a surviving spouse nor a
26 surviving descendant, the entire sum shall be paid to the
27 parents of the decedent in equal parts, allowing to the
28 surviving parent, if one is dead, the entire sum; and

29 (d) when there is no surviving spouse, descendant
30 or parent of the decedent, but there are surviving
31 brothers or sisters, or descendants of a brother or
32 sister, who were receiving their principal support from
33 the decedent at his death, the entire sum shall be paid,
34 in equal parts, to the dependent brothers or sisters or
35 dependent descendant of a brother or sister. Dependency

1 shall be determined by the Court of Claims based upon the
2 investigation and report of the Attorney General.

3 When there is no beneficiary designated or surviving at
4 the death of the law enforcement officer, civil defense
5 worker, civil air patrol member, paramedic, fireman,
6 chaplain, or State employee killed in the line of duty and no
7 surviving spouse, descendant, parent, dependent brother or
8 sister, or dependent descendant of a brother or sister, no
9 compensation shall be payable under this Act.

10 No part of such compensation may be paid to any other
11 person for any efforts in securing such compensation.

12 (Source: P.A. 92-3, eff. 5-18-01.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.26 as follows:

15 (30 ILCS 805/8.26 new)

16 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
17 and 8 of this Act, no reimbursement by the State is required
18 for the implementation of any mandate created by this
19 amendatory Act of the 92nd General Assembly.

20 Section 95. To the extent that the changes made in
21 Section 5 of this Act (increasing the retirement formula
22 under Articles 8 and 11 of the Illinois Pension Code)
23 conflict with the corresponding changes made in House Bill
24 5168 of the 92nd General Assembly, the provisions of this Act
25 are intended to control.

26 Section 99. Effective date. This Act takes effect upon
27 becoming law."

28 Submitted on June 2, 2002.

29 s/Sen. Dan Cronin

s/Rep. Robert Bugielski

30 s/Sen. Walter Dudycz

s/Rep. Barbar Flynn Currie

1 s/Sen. Thoms Walsh

Rep. Harold Murphy

2 s/Sen. Denny Jacobs

s/Rep. Art Tenhouse

3 s/Sen. John Cullerton

s/Rep. Angelo "Skip" Saviano

4 Committee for the Senate

Committee for the House