

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 17-119 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, if the percentage change in the consumer
29 price index for all urban consumers, as published by the
30 Bureau of Labor Statistics of the U.S. Department of Labor,
31 for the 12 months ending on the preceding June 30th, exceeds

1 6%, then the rate of annual increase in pension shall be 3%
 2 plus an additional percentage equal to the amount by which
 3 that percentage change in the consumer price index exceeds
 4 6%.

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

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

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

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

27 Section 90. The State Mandates Act is amended by adding
 28 Section 8.25 as follows:

29 (30 ILCS 805/8.25 new)

30 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
 31 and 8 of this Act, no reimbursement by the State is required
 32 for the implementation of any mandate created by this

1 amendatory Act of the 92nd General Assembly.

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.