

AN ACT concerning public employee benefits.

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

Section 5. The General Obligation Bond Act is amended by changing Sections 2, 2.5, and 7.7 as follows:

(30 ILCS 330/2) (from Ch. 127, par. 652)

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of \$79,256,839,969 ~~\$78,256,839,969~~.

The bonds authorized in this Section 2 and in Section 16 of this Act are herein called "Bonds".

Of the total amount of Bonds authorized in this Act, up to \$2,200,000,000 in aggregate original principal amount may be issued and sold in accordance with the Baccalaureate Savings Act in the form of General Obligation College Savings Bonds.

Of the total amount of Bonds authorized in this Act, up to \$300,000,000 in aggregate original principal amount may be issued and sold in accordance with the Retirement Savings Act in the form of General Obligation Retirement Savings Bonds.

Of the total amount of Bonds authorized in this Act, the

additional \$10,000,000,000 authorized by Public Act 93-2, the \$3,466,000,000 authorized by Public Act 96-43, and the \$4,096,348,300 authorized by Public Act 96-1497 shall be used solely as provided in Section 7.2.

Of the total amount of Bonds authorized in this Act, the additional \$6,000,000,000 authorized by Public Act 100-23 shall be used solely as provided in Section 7.6 and shall be issued by December 31, 2017.

Of the total amount of Bonds authorized in this Act, \$2,000,000,000 ~~\$1,000,000,000~~ of the additional amount authorized by Public Act 100-587 and this amendatory Act of the 102nd General Assembly shall be used solely as provided in Section 7.7.

The issuance and sale of Bonds pursuant to the General Obligation Bond Act is an economical and efficient method of financing the long-term capital needs of the State. This Act will permit the issuance of a multi-purpose General Obligation Bond with uniform terms and features. This will not only lower the cost of registration but also reduce the overall cost of issuing debt by improving the marketability of Illinois General Obligation Bonds.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 101-30, eff. 6-28-19.)

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than (i) Bonds authorized by Public Act 100-23, (ii) Bonds issued by Public Act 96-43, (iii) Bonds authorized by Public Act 96-1497, ~~and~~ (iv) Bonds authorized by Public Act 100-587, and (v) Bonds authorized by this amendatory Act of the 102nd General Assembly, would exceed 7% of the aggregate appropriations from the general funds, the State Construction Account Fund, and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance. For the purposes of this subsection (a), "general funds" has the same meaning as ascribed to that term under Section 50-40 of the State Budget Law of the Civil Administrative Code of Illinois.

(b) If the Comptroller and Treasurer each consent in writing, Bonds may be issued even if the issuance does not comply with subsection (a). In addition, \$2,000,000,000 in Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7, and \$2,000,000,000 in Refunding Bonds under Section 16, may be issued during State fiscal year 2017 without complying with subsection (a). In addition, \$2,000,000,000 in Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7, and \$2,000,000,000 in Refunding Bonds under Section 16, may be

issued during State fiscal year 2018 without complying with subsection (a).

(Source: P.A. 100-23, Article 25, Section 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 101-30, eff. 6-28-19.)

(30 ILCS 330/7.7)

Sec. 7.7. State Pension Obligation Acceleration Bonds.

(a) As used in this Act, "State Pension Obligation Acceleration Bonds" means Bonds authorized by Public Act 100-587 and this amendatory Act of the 102nd General Assembly ~~this amendatory Act of the 100th General Assembly~~ and used for the purpose of making accelerated pension benefit payments under Articles 14, 15, and 16 of the Illinois Pension Code.

(b) State Pension Obligation Acceleration Bonds in the amount of \$2,000,000,000 ~~\$1,000,000,000~~ are hereby authorized to be used for the purpose of making accelerated pension benefit payments under Articles 14, 15, and 16 of the Illinois Pension Code.

(c) The proceeds of State Pension Obligation Acceleration Bonds authorized in subsection (b) of this Section, less the amounts authorized in the Bond Sale Order to be directly paid out for bond sale expenses under Section 8, shall be deposited directly into the State Pension Obligation Acceleration Bond Fund, and the Comptroller and the Treasurer shall, as soon as practical, make accelerated pension benefit payments under

Articles 14, 15, and 16 of the Illinois Pension Code.

(d) There is created the State Pension Obligation Acceleration Bond Fund as a special fund in the State Treasury. Funds deposited in the State Pension Obligation Acceleration Bond Fund may only be used for the purpose of making accelerated pension benefit payments under Articles 14, 15, and 16 of the Illinois Pension Code or for the payment of principal and interest due on State Pension Obligation Acceleration Bonds. This subsection shall constitute an irrevocable and continuing appropriation of all amounts necessary for such purposes.

(Source: P.A. 100-587, eff. 6-4-18.)

Section 10. The Illinois Pension Code is amended by changing Sections 14-147.5, 14-147.6, 15-185.5, 15-185.6, 16-190.5, and 16-190.6 as follows:

(40 ILCS 5/14-147.5)

Sec. 14-147.5. Accelerated pension benefit payment in lieu of any pension benefit.

(a) As used in this Section:

"Eligible person" means a person who:

- (1) has terminated service;
- (2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;

(3) has not received any retirement annuity under this Article; and

(4) has not made the election under Section 14-147.6.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) As soon as practical after June 4, 2018 (the effective date of Public Act 100-587), the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the present value of pension benefits for each eligible person who requests that information and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person. An eligible person is limited to one calculation and offer per calendar year. The System shall make a good faith effort to contact every eligible person to notify him or her of the election.

Until June 30, 2026 ~~2024~~, an eligible person may irrevocably elect to receive an accelerated pension benefit

payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on the terminated creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to active service under this Article, then:

(1) Any benefits under the System earned as a result of that return to active service shall be based solely on the person's creditable service arising from the return to active service.

(2) The accelerated pension benefit payment may not be repaid to the System, and the terminated creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall transfer the amount into the member's eligible retirement plan or qualified account.

(g) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

(40 ILCS 5/14-147.6)

Sec. 14-147.6. Accelerated pension benefit payment for a reduction in annual retirement annuity and survivor's annuity increases.

(a) As used in this Section:

"Accelerated pension benefit payment" means a lump sum payment equal to 70% of the difference of the present value of the automatic annual increases to a Tier 1 member's retirement annuity and survivor's annuity using the formula applicable to the Tier 1 member and the present value of the automatic annual increases to the Tier 1 member's retirement annuity using the formula provided under subsection (b-5) and survivor's annuity using the formula provided under subsection (b-6).

"Eligible person" means a person who:

- (1) is a Tier 1 member;
- (2) has submitted an application for a retirement annuity under this Article;
- (3) meets the age and service requirements for receiving a retirement annuity under this Article;
- (4) has not received any retirement annuity under this Article; and
- (5) has not made the election under Section 14-147.5.

(b) As soon as practical after June 4, 2018 (the effective date of Public Act 100-587) and until June 30, 2026 ~~2024~~, the System shall implement an accelerated pension benefit payment option for eligible persons. Upon the request of an eligible

person, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, an accelerated pension benefit payment amount and shall offer that eligible person the opportunity to irrevocably elect to have his or her automatic annual increases in retirement annuity calculated in accordance with the formula provided under subsection (b-5) and any increases in survivor's annuity payable to his or her survivor's annuity beneficiary calculated in accordance with the formula provided under subsection (b-6) in exchange for the accelerated pension benefit payment. The election under this subsection must be made before the eligible person receives the first payment of a retirement annuity otherwise payable under this Article.

(b-5) Notwithstanding any other provision of law, the retirement annuity of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 1.5% of the originally granted retirement annuity.

(b-6) Notwithstanding any other provision of law, a survivor's annuity payable to a survivor's annuity beneficiary of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring on or after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 1.5% of

the originally granted survivor's annuity.

(c) If a person who has received an accelerated pension benefit payment returns to active service under this Article, then:

(1) the calculation of any future automatic annual increase in retirement annuity shall be calculated in accordance with the formula provided under subsection (b-5); and

(2) the accelerated pension benefit payment may not be repaid to the System.

(d) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(d-5) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher to the System, and the System shall transfer the

amount into a member's eligible retirement plan or qualified account.

(e) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(f) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

(40 ILCS 5/15-185.5)

Sec. 15-185.5. Accelerated pension benefit payment in lieu of any pension benefit.

(a) As used in this Section:

"Eligible person" means a person who:

(1) has terminated service;

(2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;

(3) has not received any retirement annuity under this Article;

(4) has not made the election under Section 15-185.6; and

(5) is not a participant in the self-managed plan under Section 15-158.2.

"Implementation date" means the earliest date upon which the Board authorizes eligible persons to begin irrevocably

electing the accelerated pension benefit payment option under this Section. The Board shall endeavor to make such participation available as soon as possible after June 4, 2018 (the effective date of Public Act 100-587) and shall establish an implementation date by Board resolution.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivors benefits, disability benefits, or disability retirement annuity benefits.

(b) Beginning on the implementation date, the System shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. The System shall calculate, using actuarial tables and other assumptions adopted by the Board, the present value of pension benefits for each eligible person upon his or her request in writing to the System. The System shall not perform more than one calculation per eligible member in a State fiscal year. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person. The System shall make a good faith effort to contact every eligible

person to notify him or her of the election.

Beginning on the implementation date and until June 30, 2026 ~~2024~~, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) Upon payment of an accelerated pension benefit payment under this Section, the person forfeits all accrued rights and credits in the System and no other benefit shall be paid under this Article based on those forfeited rights and credits, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to participation under this Article, any benefits under the System earned as a result of that return to participation shall be based solely on the person's credits and creditable service arising from the return to participation. Upon return to participation, the person shall be considered a new employee subject to all the qualifying conditions for participation and eligibility for

benefits applicable to new employees.

(d-5) The accelerated pension benefit payment may not be repaid to the System, and the forfeited rights and credits may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be deposited into a tax qualified retirement plan or account identified by the eligible person at the time of the election. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) The System shall submit vouchers to the State Comptroller for the payment of accelerated pension benefit payments under this Section. The State Comptroller shall pay the amounts of the vouchers from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall deposit the amounts into the applicable tax qualified plans or accounts.

(g) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan

under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

(40 ILCS 5/15-185.6)

Sec. 15-185.6. Accelerated pension benefit payment for a reduction in an annual increase to a retirement annuity and an annuity benefit payable as a result of death.

(a) As used in this Section:

"Accelerated pension benefit payment" means a lump sum payment equal to 70% of the difference of: (i) the present value of the automatic annual increases to a Tier 1 member's retirement annuity, including any increases to any annuity benefit payable as a result of his or her death, using the formula applicable to the Tier 1 member; and (ii) the present value of the automatic annual increases to the Tier 1 member's retirement annuity, including any increases to any annuity benefit payable as a result of his or her death, using the formula provided under subsection (b-5).

"Eligible person" means a person who:

- (1) is a Tier 1 member;
- (2) has submitted an application for a retirement annuity under this Article;
- (3) meets the age and service requirements for receiving a retirement annuity under this Article;
- (4) has not received any retirement annuity under this Article;

(5) has not made the election under Section 15-185.5;
and

(6) is not a participant in the self-managed plan
under Section 15-158.2.

"Implementation date" means the earliest date upon which the Board authorizes eligible persons to begin irrevocably electing the accelerated pension benefit payment option under this Section. The Board shall endeavor to make such participation available as soon as possible after June 4, 2018 (the effective date of Public Act 100-587) and shall establish an implementation date by Board resolution.

(b) Beginning on the implementation date and until June 30, 2026 ~~2024~~, the System shall implement an accelerated pension benefit payment option for eligible persons. The System shall calculate, using actuarial tables and other assumptions adopted by the Board, an accelerated pension benefit payment amount for an eligible person upon his or her request in writing to the System and shall offer that eligible person the opportunity to irrevocably elect to have his or her automatic annual increases in retirement annuity and any annuity benefit payable as a result of his or her death calculated in accordance with the formula provided in subsection (b-5) in exchange for the accelerated pension benefit payment. The System shall not perform more than one calculation under this Section per eligible person in a State fiscal year. The election under this subsection must be made

before any retirement annuity is paid to the eligible person, and the eligible survivor, spouse, or contingent annuitant, as applicable, must consent to the election under this subsection.

(b-5) Notwithstanding any other provision of law, the retirement annuity of a person who made the election under subsection (b) shall be increased annually beginning on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later, and any annuity benefit payable as a result of his or her death shall be increased annually beginning on: (1) the January 1 occurring on or after the commencement of the annuity if the deceased Tier 1 member died while receiving a retirement annuity; or (2) the January 1 occurring after the first anniversary of the commencement of the benefit. Each annual increase shall be calculated at 1.5% of the originally granted retirement annuity or annuity benefit payable as a result of the Tier 1 member's death.

(c) If an annuitant who has received an accelerated pension benefit payment returns to participation under this Article, the calculation of any future automatic annual increase in retirement annuity under subsection (c) of Section 15-139 shall be calculated in accordance with the formula provided in subsection (b-5).

(c-5) The accelerated pension benefit payment may not be repaid to the System.

(d) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be deposited into a tax qualified retirement plan or account identified by the eligible person at the time of election. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(d-5) The System shall submit vouchers to the State Comptroller for the payment of accelerated pension benefit payments under this Section. The State Comptroller shall pay the amounts of the vouchers from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall deposit the amounts into the applicable tax qualified plans or accounts.

(e) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(f) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

Sec. 16-190.5. Accelerated pension benefit payment in lieu of any pension benefit.

(a) As used in this Section:

"Eligible person" means a person who:

- (1) has terminated service;
- (2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;
- (3) has not received any retirement annuity under this Article; and
- (4) has not made the election under Section 16-190.6.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) As soon as practical after June 4, 2018 (the effective date of Public Act 100-587), the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the present value of pension benefits for each eligible person who requests that information and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the

dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person. The System shall make a good faith effort to contact every eligible person to notify him or her of the election.

Until June 30, 2026 ~~2024~~, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on the terminated creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to active service under this Article, then:

(1) Any benefits under the System earned as a result of that return to active service shall be based solely on the person's creditable service arising from the return to active service.

(2) The accelerated pension benefit payment may not be repaid to the System, and the terminated creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall transfer the amount into the member's eligible retirement plan or qualified account.

(g) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(h) No provision of Public Act 100-587 shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 101-10, eff. 6-5-19; 102-558, eff. 8-20-21.)

(40 ILCS 5/16-190.6)

Sec. 16-190.6. Accelerated pension benefit payment for a reduction in annual retirement annuity and survivor's annuity increases.

(a) As used in this Section:

"Accelerated pension benefit payment" means a lump sum payment equal to 70% of the difference of the present value of the automatic annual increases to a Tier 1 member's retirement annuity and survivor's annuity using the formula applicable to the Tier 1 member and the present value of the automatic annual increases to the Tier 1 member's retirement annuity using the formula provided under subsection (b-5) and the survivor's annuity using the formula provided under subsection (b-6).

"Eligible person" means a person who:

- (1) is a Tier 1 member;
- (2) has submitted an application for a retirement annuity under this Article;
- (3) meets the age and service requirements for

receiving a retirement annuity under this Article;

(4) has not received any retirement annuity under this Article; and

(5) has not made the election under Section 16-190.5.

(b) As soon as practical after June 4, 2018 the effective date of Public Act 100-587) and until June 30, 2026 ~~2024~~, the System shall implement an accelerated pension benefit payment option for eligible persons. Upon the request of an eligible person, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, an accelerated pension benefit payment amount and shall offer that eligible person the opportunity to irrevocably elect to have his or her automatic annual increases in retirement annuity calculated in accordance with the formula provided under subsection (b-5) and any increases in survivor's annuity payable to his or her survivor's annuity beneficiary calculated in accordance with the formula provided under subsection (b-6) in exchange for the accelerated pension benefit payment. The election under this subsection must be made before the eligible person receives the first payment of a retirement annuity otherwise payable under this Article.

(b-5) Notwithstanding any other provision of law, the retirement annuity of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever

is later. Each annual increase shall be calculated at 1.5% of the originally granted retirement annuity.

(b-6) Notwithstanding any other provision of law, a survivor's annuity payable to a survivor's annuity beneficiary of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring on or after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 1.5% of the originally granted survivor's annuity.

(c) If a person who has received an accelerated pension benefit payment returns to active service under this Article, then:

(1) the calculation of any future automatic annual increase in retirement annuity shall be calculated in accordance with the formula provided in subsection (b-5); and

(2) the accelerated pension benefit payment may not be repaid to the System.

(d) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a

rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(d-5) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall transfer the amount into the member's eligible retirement plan or qualified account.

(e) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(f) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

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