

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 Illinois Pension Code is amended by changing Sections 1-160, 9-169, 9-179.1, 9-184, 9-185, 9-195, and 9-199 and by adding Sections 9-169.1, 9-169.2, and 9-240 as follows:

(40 ILCS 5/1-160)

(Text of Section from P.A. 102-719)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 7, 15, or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code or to any participant of the retirement plan established under Section 22-101; except that this Section applies to a person who elected to establish alternative credits by electing in writing after January 1, 2011, but before August 8, 2011, under Section 7-145.1 of this Code. Notwithstanding anything

to the contrary in this Section, for purposes of this Section, a person who is a Tier 1 regular employee as defined in Section 7-109.4 of this Code or who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

This Section does not apply to a person who first becomes a noncovered employee under Article 14 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who first becomes a member or participant under Article 16 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who elects under

subsection (c-5) of Section 1-161 to receive the benefits under Section 1-161.

This Section does not apply to a person who first becomes a member or participant of an affected pension fund on or after 6 months after the resolution or ordinance date, as defined in Section 1-162, unless that person elects under subsection (c) of Section 1-162 to receive the benefits provided under this Section and the applicable provisions of the Article under which he or she is a member or participant.

(b) "Final average salary" means, except as otherwise provided in this subsection, the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) (Blank).

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of

withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

A member of the Teachers' Retirement System of the State of Illinois who retires on or after June 1, 2021 and for whom the 2020-2021 school year is used in the calculation of the member's final average salary shall use the higher of the following for the purpose of determining the member's final average salary:

(A) the amount otherwise calculated under the first paragraph of this subsection; or

(B) an amount calculated by the Teachers' Retirement System of the State of Illinois using the average of the monthly (or annual) salary obtained by dividing the total salary or earnings calculated under Article 16 applicable to the member or participant during the 96 months (or 8 years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the Article was the highest by the number of months (or years) of service in that period.

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings,

salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(b-10) Beginning on January 1, 2024, for all purposes under this Code (including, without limitation, the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant under Article 9 to whom this Section applies shall include an annual earnings, salary, or wage cap that tracks the Social Security wage base. Maximum annual earnings, wages, or salary shall be the annual contribution

and benefit base established for the applicable year by the Commissioner of the Social Security Administration under the federal Social Security Act.

However, in no event shall the annual earnings, salary, or wages for the purposes of this Article and Article 9 exceed any limitation imposed on annual earnings, salary, or wages under Section 1-117. Under no circumstances shall the maximum amount of annual earnings, salary, or wages be greater than the amount set forth in this subsection (b-10) as a result of reciprocal service or any provisions regarding reciprocal services, nor shall the Fund under Article 9 be required to pay any refund as a result of the application of this maximum annual earnings, salary, and wage cap.

Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of any employee contributions. Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of disability or other payments made between January 1, 2011 and January 1, 2024.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section)

and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (age 60, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant subject to this Section on or after July 6, 2017 (the effective date of Public Act 100-23), notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity under Article 8 or Article 11 upon written application if he or she has attained age 65 and has at least 10 years of service credit and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (age 60, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1,

2022 or who makes the election under item (i) of subsection (d-15) of this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section).

(d-5) The retirement annuity payable under Article 8 or Article 11 to an eligible person subject to subsection (c-5) of this Section who is retiring at age 60 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to July 6, 2017 (the effective date of Public Act 100-23) shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section

11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between October 1, 2017 and November 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(d-15) Each person who first becomes a member or participant under Article 12 on or after January 1, 2011 and prior to January 1, 2022 shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age specified in subsections (c) and (d) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increase in employee contributions for service annuities specified in subsection (b) of Section 12-150; or

(ii) to not agree to item (i) of this subsection (d-15), in which case the member or participant shall not be eligible for the reduced retirement age specified in subsections (c) and (d) of this Section and shall not be subject to the increase in employee contributions for service annuities specified in subsection (b) of Section 12-150.

The election provided for in this subsection shall be made between January 1, 2022 and April 1, 2022. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15); and beginning on July 6, 2017 (the effective date of Public Act 100-23), age 65 with respect to service under Article 8 or Article 11 for eligible persons who: (i) are subject to subsection (c-5) of this Section; or (ii) made the election under item (i) of subsection (d-10) of

this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by Public Act 102-263 are applicable without regard to whether the employee was in active service on or after August 6, 2021 (the effective date of Public Act 102-263).

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by Public Act 100-23 are applicable without regard to whether the employee was in active service on or after July 6, 2017 (the effective date of Public Act 100-23).

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or

participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply if the person is a fire fighter in the fire protection service of a department, a security employee of the Department of Corrections or the Department of Juvenile Justice, or a security employee of the Department of Innovation and Technology, as those terms are

defined in subsection (b) and subsection (c) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(g-5) The benefits in Section 14-110 apply if the person is a State policeman, investigator for the Secretary of State, conservation police officer, investigator for the Department of Revenue or the Illinois Gaming Board, investigator for the Office of the Attorney General, Commerce Commission police officer, or arson investigator, as those terms are defined in subsection (b) and subsection (c) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, regardless of whether the attainment of age 55 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a

member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that

contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21; 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff. 5-6-22.)

(Text of Section from P.A. 102-813)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 7, 15, or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code or to any participant of the retirement plan established under Section 22-101; except that this Section applies to a person who elected to establish alternative credits by electing in writing after January 1, 2011, but before August 8, 2011, under Section 7-145.1 of this Code. Notwithstanding anything

to the contrary in this Section, for purposes of this Section, a person who is a Tier 1 regular employee as defined in Section 7-109.4 of this Code or who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

This Section does not apply to a person who first becomes a noncovered employee under Article 14 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who first becomes a member or participant under Article 16 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who elects under

subsection (c-5) of Section 1-161 to receive the benefits under Section 1-161.

This Section does not apply to a person who first becomes a member or participant of an affected pension fund on or after 6 months after the resolution or ordinance date, as defined in Section 1-162, unless that person elects under subsection (c) of Section 1-162 to receive the benefits provided under this Section and the applicable provisions of the Article under which he or she is a member or participant.

(b) "Final average salary" means, except as otherwise provided in this subsection, the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) (Blank).

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of

withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

A member of the Teachers' Retirement System of the State of Illinois who retires on or after June 1, 2021 and for whom the 2020-2021 school year is used in the calculation of the member's final average salary shall use the higher of the following for the purpose of determining the member's final average salary:

(A) the amount otherwise calculated under the first paragraph of this subsection; or

(B) an amount calculated by the Teachers' Retirement System of the State of Illinois using the average of the monthly (or annual) salary obtained by dividing the total salary or earnings calculated under Article 16 applicable to the member or participant during the 96 months (or 8 years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the Article was the highest by the number of months (or years) of service in that period.

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings,

salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(b-10) Beginning on January 1, 2024, for all purposes under this Code (including, without limitation, the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant under Article 9 to whom this Section applies shall include an annual earnings, salary, or wage cap that tracks the Social Security wage base. Maximum annual earnings, wages, or salary shall be the annual contribution

and benefit base established for the applicable year by the Commissioner of the Social Security Administration under the federal Social Security Act.

However, in no event shall the annual earnings, salary, or wages for the purposes of this Article and Article 9 exceed any limitation imposed on annual earnings, salary, or wages under Section 1-117. Under no circumstances shall the maximum amount of annual earnings, salary, or wages be greater than the amount set forth in this subsection (b-10) as a result of reciprocal service or any provisions regarding reciprocal services, nor shall the Fund under Article 9 be required to pay any refund as a result of the application of this maximum annual earnings, salary, and wage cap.

Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of any employee contributions. Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of disability or other payments made between January 1, 2011 and January 1, 2024.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section)

and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (age 60, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant subject to this Section on or after July 6, 2017 (the effective date of Public Act 100-23), notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity under Article 8 or Article 11 upon written application if he or she has attained age 65 and has at least 10 years of service credit and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (age 60, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1,

2022 or who makes the election under item (i) of subsection (d-15) of this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section).

(d-5) The retirement annuity payable under Article 8 or Article 11 to an eligible person subject to subsection (c-5) of this Section who is retiring at age 60 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to July 6, 2017 (the effective date of Public Act 100-23) shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section

11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between October 1, 2017 and November 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(d-15) Each person who first becomes a member or participant under Article 12 on or after January 1, 2011 and prior to January 1, 2022 shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age specified in subsections (c) and (d) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increase in employee contributions for service annuities specified in subsection (b) of Section 12-150; or

(ii) to not agree to item (i) of this subsection (d-15), in which case the member or participant shall not be eligible for the reduced retirement age specified in subsections (c) and (d) of this Section and shall not be subject to the increase in employee contributions for service annuities specified in subsection (b) of Section 12-150.

The election provided for in this subsection shall be made between January 1, 2022 and April 1, 2022. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15); and beginning on July 6, 2017 (the effective date of Public Act 100-23), age 65 with respect to service under Article 8 or Article 11 for eligible persons who: (i) are subject to subsection (c-5) of this Section; or (ii) made the election under item (i) of subsection (d-10) of

this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by Public Act 102-263 are applicable without regard to whether the employee was in active service on or after August 6, 2021 (the effective date of Public Act 102-263).

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by Public Act 100-23 are applicable without regard to whether the employee was in active service on or after July 6, 2017 (the effective date of Public Act 100-23).

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or

participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, a conservation police officer, an investigator for the Secretary of State, an arson investigator, a Commerce Commission police officer,

investigator for the Department of Revenue or the Illinois Gaming Board, a security employee of the Department of Corrections or the Department of Juvenile Justice, or a security employee of the Department of Innovation and Technology, as those terms are defined in subsection (b) and subsection (c) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the

applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21; 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.

5-13-22.)

(Text of Section from P.A. 102-956)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 7, 15, or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code or to any participant of the retirement plan established under Section 22-101; except that this Section applies to a person who elected to establish alternative credits by electing in writing after January 1, 2011, but before August 8, 2011, under Section 7-145.1 of this Code. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who is a Tier 1 regular employee as defined in Section 7-109.4 of this Code or who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective

date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

This Section does not apply to a person who first becomes a noncovered employee under Article 14 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who first becomes a member or participant under Article 16 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who elects under subsection (c-5) of Section 1-161 to receive the benefits under Section 1-161.

This Section does not apply to a person who first becomes a member or participant of an affected pension fund on or after 6 months after the resolution or ordinance date, as defined in Section 1-162, unless that person elects under subsection (c) of Section 1-162 to receive the benefits provided under this Section and the applicable provisions of the Article under which he or she is a member or participant.

(b) "Final average salary" means, except as otherwise provided in this subsection, the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) (Blank).

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

A member of the Teachers' Retirement System of the State of Illinois who retires on or after June 1, 2021 and for whom the 2020-2021 school year is used in the calculation of the

member's final average salary shall use the higher of the following for the purpose of determining the member's final average salary:

(A) the amount otherwise calculated under the first paragraph of this subsection; or

(B) an amount calculated by the Teachers' Retirement System of the State of Illinois using the average of the monthly (or annual) salary obtained by dividing the total salary or earnings calculated under Article 16 applicable to the member or participant during the 96 months (or 8 years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the Article was the highest by the number of months (or years) of service in that period.

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u"

means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(b-10) Beginning on January 1, 2024, for all purposes under this Code (including, without limitation, the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant under Article 9 to whom this Section applies shall include an annual earnings, salary, or wage cap that tracks the Social Security wage base. Maximum annual earnings, wages, or salary shall be the annual contribution and benefit base established for the applicable year by the Commissioner of the Social Security Administration under the federal Social Security Act.

However, in no event shall the annual earnings, salary, or wages for the purposes of this Article and Article 9 exceed any limitation imposed on annual earnings, salary, or wages under Section 1-117. Under no circumstances shall the maximum amount of annual earnings, salary, or wages be greater than the amount set forth in this subsection (b-10) as a result of

reciprocal service or any provisions regarding reciprocal services, nor shall the Fund under Article 9 be required to pay any refund as a result of the application of this maximum annual earnings, salary, and wage cap.

Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of any employee contributions. Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of disability or other payments made between January 1, 2011 and January 1, 2024.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (age 60, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section) and has at least 10 years of service credit and is otherwise eligible under the

requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant subject to this Section on or after July 6, 2017 (the effective date of Public Act 100-23), notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity under Article 8 or Article 11 upon written application if he or she has attained age 65 and has at least 10 years of service credit and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (age 60, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15) of this Section).

(d-5) The retirement annuity payable under Article 8 or Article 11 to an eligible person subject to subsection (c-5) of this Section who is retiring at age 60 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to July 6, 2017 (the effective date of Public Act 100-23) shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section 11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between October 1, 2017 and November 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(d-15) Each person who first becomes a member or participant under Article 12 on or after January 1, 2011 and prior to January 1, 2022 shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age specified in subsections (c) and (d) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increase in employee contributions for service annuities specified in subsection (b) of Section 12-150; or

(ii) to not agree to item (i) of this subsection (d-15), in which case the member or participant shall not be eligible for the reduced retirement age specified in subsections (c) and (d) of this Section and shall not be subject to the increase in employee contributions for service annuities specified in subsection (b) of Section 12-150.

The election provided for in this subsection shall be made between January 1, 2022 and April 1, 2022. A person subject to

this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (age 65, with respect to service under Article 12 that is subject to this Section, for a member or participant under Article 12 who first becomes a member or participant under Article 12 on or after January 1, 2022 or who makes the election under item (i) of subsection (d-15); and beginning on July 6, 2017 (the effective date of Public Act 100-23), age 65 with respect to service under Article 8 or Article 11 for eligible persons who: (i) are subject to subsection (c-5) of this Section; or (ii) made the election under item (i) of subsection (d-10) of this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a

decrease, then the annuity shall not be increased.

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by Public Act 102-263 are applicable without regard to whether the employee was in active service on or after August 6, 2021 (the effective date of Public Act 102-263).

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by Public Act 100-23 are applicable without regard to whether the employee was in active service on or after July 6, 2017 (the effective date of Public Act 100-23).

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the

annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, a conservation police officer, an investigator for the Secretary of State, an investigator for the Office of the Attorney General, an arson investigator, a Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, a security employee of the Department of Corrections or the Department of Juvenile Justice, or a security employee of the Department of Innovation and Technology, as those terms are defined in subsection (b) and subsection (c) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of

the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an

active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21; 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff. 5-27-22.)

(40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

Sec. 9-169. Financing; tax ~~Financing—Tax~~ levy and other funding sources.

(a) The county board shall levy a tax annually upon all taxable property in the county at the rate that will produce a sum which, when added to the amounts deducted from the

salaries of the employees or otherwise contributed by them is sufficient for the requirements of this Article.

For the years before 1962 the tax rate shall be as provided in "The 1925 Act". For the years 1962 and 1963 the tax rate shall be not more than .0200 per cent; for the years 1964 and 1965 the tax rate shall be not more than .0202 per cent; for the years 1966 and 1967 the tax rate shall be not more than .0207 per cent; for the year 1968 the tax rate shall be not more than .0220 per cent; for the year 1969 the tax rate shall be not more than .0233 per cent; for the year 1970 the tax rate shall be not more than .0255 per cent; for the year 1971 the tax rate shall be not more than .0268 per cent of the value, as equalized or assessed by the Department of Revenue upon all taxable property in the county. Beginning with the year 1972 and for each year thereafter the county shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within the county that will produce, when extended, not to exceed an amount equal to the total amount of contributions made by the employees to the fund in the calendar year 2 years prior to the year for which the annual applicable tax is levied multiplied by .8 for the years 1972 through 1976; by .8 for the year 1977; by .87 for the year 1978; by .94 for the year 1979; by 1.02 for the year 1980 and by 1.10 for the year 1981 and by 1.18 for the year 1982 and by 1.36 for the year 1983 and by 1.54 for the year 1984 and for each year thereafter.

This tax shall be levied and collected in like manner with the general taxes of the county, and shall be in addition to all other taxes which the county is authorized to levy upon the aggregate valuation of all taxable property within the county and shall be exclusive of and in addition to the amount of tax the county is authorized to levy for general purposes under any laws which may limit the amount of tax which the county may levy for general purposes. The county clerk, in reducing tax levies under any Act concerning the levy and extension of taxes, shall not consider this tax as a part of the general tax levy for county purposes, and shall not include it within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the county. It is lawful to extend this tax in addition to the general county rate fixed by statute, without being authorized as additional by a vote of the people of the county.

Revenues derived from this tax shall be paid to the treasurer of the county and held by the treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the county may issue tax anticipation warrants against the current tax levy.

(b) By January 10, annually, the board shall notify the county board of the requirement of this Article that this tax shall be levied. The board shall make an annual determination

of the required county contributions, and shall certify the results thereof to the county board.

(c) Beginning in the year 2024, the county's minimum required employer contribution as provided in Section 9-169.2 shall be paid with the portion of the tax levy as provided in subsection (a) of this Section and any other lawfully available funds of the county. The county shall disburse to and deposit with the county treasurer on a monthly basis beginning no later than the December 31 preceding the beginning of the Fund's fiscal year 1/12 of the balance of what is not paid under subsection (a), for the benefit of the Fund, to be held in accordance with this Article. This amount, together with such real estate taxes as are specifically levied under this Section for that year, shall not be less than the amount of the minimum required employer contribution for that year as certified by the Fund to the county board. The deposit may be derived from any source otherwise legally available to the county for that purpose, including, but not limited to, home rule taxes. The making of a deposit shall satisfy the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the Fund for any of the purposes for which the proceeds of real estate taxes levied by the county under this Section may otherwise be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax. If the

county, before the effective date of this amendatory Act of the 103rd General Assembly, made a contribution or agreed to make a contribution to the Fund from sources other than real estate taxes, this paragraph confirms the validity of or ratifies such contribution or agreement, and neither the county nor any of its officers or employees shall be required to answer for such contribution or agreement in any court. ~~The various sums to be contributed by the county board and allocated for the purposes of this Article and any interest to be contributed by the county shall be taken from the revenue derived from this tax and no money of the county derived from any source other than the levy and collection of this tax or the sale of tax anticipation warrants, except state or federal funds contributed for annuity and benefit purposes for employees of a county department of public aid under "The Illinois Public Aid Code", approved April 11, 1967, as now or hereafter amended, may be used to provide revenue for the fund.~~

If it is not possible or practicable for the county to make contributions for age and service annuity and widow's annuity concurrently with the employee contributions made for such purposes, such county shall make such contributions as soon as possible and practicable thereafter with interest thereon at the effective rate until the time it shall be made.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training

Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the County to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the County Board. Any such amounts shall become a credit to the County and will be used to reduce the amount which the County would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special County contribution rate for all such employees. If this option is elected, the County shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the County and be used to reduce the amount which the County would otherwise contribute during succeeding

years for all employees.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-169.1 new)

Sec. 9-169.1. Annual actuarial report. The retirement board shall retain an actuary who is a member in good standing of the American Academy of Actuaries to produce an annual actuarial report of the Fund. The annual actuarial report shall include, but not be limited to: (1) a statement of the minimum required contribution, the actuarial value of the Fund's assets as projected over at least 30 years' time, and the actuarial value of the Fund's liabilities as projected over the same period of time; and (2) the minimum required employer contribution, as determined under Section 9-169.2, for the second year immediately following the year ending on the valuation date upon which the annual actuarial report is based.

The annual actuarial report may be prepared as part of the annual audit required under Section 9-195. The annual actuarial report shall be reviewed and formally adopted by the retirement board and shall be included in the annual report that is required to be submitted to the county in July of each year under Section 9-199.

In this Section, "valuation date" means the date that the value of the assets and liabilities of the Fund is based on in the annual actuarial report.

(40 ILCS 5/9-169.2 new)

Sec. 9-169.2. Minimum required employer contribution. The minimum required employer contribution for a specified year, as set forth in the annual actuarial report required under Section 9-169.1, shall be the amount determined by the Fund's actuary to be equal to the sum of: (i) the projected normal cost for pensions for that fiscal year based on the entry age actuarial cost method, plus (ii) a projected unfunded actuarial accrued liability amortization payment for pensions for the fiscal year, plus (iii) projected expenses for that fiscal year, plus (iv) interest to adjust for payment pattern during the fiscal year, less (v) projected employee contributions for that fiscal year.

The minimum required employer contribution for the next year shall be submitted annually by the county on or before June 14 of each year unless another time frame is agreed upon by the county and the Fund.

For the purposes of this Section:

"5-Year smoothed actuarial value of assets" means the value of assets as determined by a method that spreads the effect of each year's investment return in excess of or below the expected return.

"Entry age actuarial cost method" means a method of determining the normal cost and is determined as a level percentage of pay that, if paid from entry age to the assumed

retirement age, assuming all the actuarial assumptions are exactly met by experience and no changes in assumptions or benefit provisions, would accumulate to a fund sufficient to pay all benefits provided by the Fund.

"Layered amortization" means a technique that separately layers the different components of the unfunded actuarial accrued liabilities to be amortized over a fixed period not to exceed 30 years.

"Projected expenses" means the projected administrative expenses for the cost of administering the Fund.

"Projected normal costs for pensions" means the cost of the benefits that accrue during the year for active members under the entry age actuarial cost method.

"Unfunded actuarial accrued liability amortization payment" means the annual contribution equal to the difference between the values of assets and the accrued liabilities of the plan, calculated by an actuary, needed to amortize the Fund's liabilities over a period of 30 years starting in 2017, with layered amortization of the Fund's unexpected unfunded actuarial accrued liability amortization payment following 2017 in periods of 30 years, with amortization payments increasing 2% per year, and reflecting a discount rate for all liabilities consistent with the assumed investment rate of return on fund assets and a 5-year smoothed actuarial value of assets.

(40 ILCS 5/9-179.1) (from Ch. 108 1/2, par. 9-179.1)

Sec. 9-179.1. Military service. A contributing employee ~~as of January 1, 1993 with at least 25 years of service credit~~ may apply for creditable service for up to 2 years of military service whether or not the military service followed service as a county employee. The military service need not have been served in wartime, but the employee must not have been dishonorably discharged. To establish this creditable service the applicant must pay to the Fund, while in the service of the county, an amount determined by the Fund to represent the employee contributions for the creditable service established, based on the employee's rate of compensation on his or her last day as a contributor before the military service, or on his or her first day as a contributor after the military service, whichever is greater, plus interest at the effective rate from the date of discharge to the date of payment. If a person who has established any credit under this Section applies for or receives any early retirement incentive under Section 9-134.2, the credit under this Section shall be forfeited and the amount paid to the Fund under this Section shall be refunded.

(Source: P.A. 87-1265.)

(40 ILCS 5/9-184) (from Ch. 108 1/2, par. 9-184)

Sec. 9-184. Estimates of sums required for certain annuities and benefits. The board shall estimate and itemize the amounts required each year to pay for all annuities, each

benefit category, and benefits and administrative expenses associated with this Article, by way of a written report and request to the County Board of Commissioners. The amounts shall be paid into the fund annually by the county as provided in Section 9-169 ~~from the prescribed tax levy~~.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)

Sec. 9-185. Board created.

(a) A board of 9 members shall constitute the board of trustees authorized to carry out the provisions of this Article. The board of trustees shall be known as "The Retirement Board of the County Employees' Annuity and Benefit Fund of County". The board shall consist of 2 members appointed and 7 members elected as hereinafter prescribed.

(b) The appointed members shall be appointed as follows: One member shall be appointed by the comptroller of such county, who may be the comptroller or some person chosen by the comptroller ~~him~~ from among employees of the county, who are versed in the affairs of the comptroller's office; and one member shall be appointed by the treasurer of such county, who may be the treasurer or some person chosen by the treasurer ~~him~~ from among employees of the County who are versed in the affairs of the treasurer's office.

The member appointed by the comptroller shall hold office for a term ending on December 1st of the first year following

the year of appointment. The member appointed by the county treasurer shall hold office for a term ending on December 1st of the second year following the year of appointment.

Thereafter, each appointed member shall be appointed by the officer that appointed the ~~his~~ predecessor for a term of 2 years.

(c) Three county employee members of the board shall be elected as follows: within 30 days from and after the date upon which this Article comes into effect in the county, the clerk of the county shall arrange for and hold an election. One employee shall be elected for a term ending on the first day in the month of December of the first year next following the effective date; one for a term ending on December 1st of the following year; and one for a term ending December 1st of the second following year.

(d) Beginning December 1, 1988, and every 3 years thereafter, an annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under this Article shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year.

(d-1) Beginning December 1, 2001, and every 3 years thereafter, an annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in

which only those participants who are currently receiving retirement benefits under this Article shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year. Until December 1, 2001, the position created under this subsection (d-1) may be filled by the board as in the case of a vacancy.

(e) Beginning December 1, 1988, if a Forest Preserve District Employees' Annuity and Benefit Fund shall be in force in such county and the board of this fund is charged with administering the affairs of such annuity and benefit fund for employees of such forest preserve district, a forest preserve district member of the board shall be elected as of December 1, 1988, and every 3 years thereafter as follows: the board shall arrange for and hold an election in which only those employees of such forest preserve district who are contributors to the annuity and benefit fund for employees of such forest preserve district shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year.

(f) Beginning December 1, 2001, and every 3 years thereafter, if a Forest Preserve District Employees' Annuity and Benefit Fund is in force in the county and the board of this Fund is charged with administering the affairs of that annuity and benefit fund for employees of the forest preserve district, a forest preserve district annuitant member of the

board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under Article 10 shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year. Until December 1, 2001, the position created under this subsection (f) may be filled by the board as in the case of a vacancy.

(Source: P.A. 92-66, eff. 7-12-01.)

(40 ILCS 5/9-195) (from Ch. 108 1/2, par. 9-195)

Sec. 9-195. To have an audit. To have an audit of the accounts of the fund made at least once each year by certified public accountants. The audit may include the preparation of the annual actuarial report required under Section 9-169.1.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/9-199) (from Ch. 108 1/2, par. 9-199)

Sec. 9-199. To submit an annual report. To submit a report in July of each year to the county board of the county as of the close of business on December 31st of the preceding year. The report shall contain a detailed statement of the affairs of the fund, its income and expenditures, and assets and liabilities, and it shall include the annual actuarial report required under Section 9-169.1. The county board shall have power to require and compel the retirement board to prepare

and submit such reports.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/9-240 new)

Sec. 9-240. Group health benefit funding. Beginning on the effective date of this amendatory Act of the 103rd General Assembly, the county shall be notified by June 14 of each year of the proposed costs of any such payments allocated by the Fund for all or any portion of the total health premium paid by the Fund pursuant to Section 9-239.

Section 90. The State Mandates Act is amended by adding Section 8.47 as follows:

(30 ILCS 805/8.47 new)

Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 103rd General Assembly.

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