



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2452

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Employee, State Universities, and Downstate Teacher Articles of the Illinois Pension Code. Provides that the System shall offer an accelerated pension benefit payment option for eligible Tier 1 members. Provides that the accelerated pension benefit payment is a lump sum payment equal to 50% of the difference of the net present value of the Tier 1 member's retirement annuity, including the value of the annual increases to that retirement annuity, and the amount of the old-age payments under Social Security, including the value of the annual increases, that he or she would have been entitled to, as determined by the Board, if he or she had been eligible for Social Security coverage with respect to his or her position. Provides that a person who elects the accelerated pension benefit payment option shall have his or her retirement annuity reduced to the amount of the old age payments under Social Security that he or she would have been entitled to, as determined by the Board, had he or she been participating in Social Security and any increase in retirement annuity shall be the annual unadjusted percentage increase (but not less than zero) in the consumer price index-w for the 12 months ending with the September preceding each November 1 of the originally granted retirement annuity. Contains provisions concerning return to active service; rulemaking; qualified plan status; and new benefit increases. Makes conforming changes. Effective immediately.

LRB101 07898 RPS 52953 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by adding
5 Sections 14-147.7, 15-185.7, and 16-190.7 and by changing
6 Section 14-147.5, 14-147.6, 14-152.1, 15-185.5, 15-185.6,
7 15-198, 16-190.5, 16-190.6, and 16-203 as follows:

8 (40 ILCS 5/14-147.5)

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

11 (a) As used in this Section:

12 "Eligible person" means a person who:

13 (1) has terminated service;

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

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

19 (4) has not made the election under Section 14-147.6 or
20 14-147.7.

21 "Pension benefit" means the benefits under this Article, or
22 Article 1 as it relates to those benefits, including any
23 anticipated annual increases, that an eligible person is

1 entitled to upon attainment of the applicable retirement age.
2 "Pension benefit" also includes applicable survivor's or
3 disability benefits.

4 (b) As soon as practical after the effective date of this
5 amendatory Act of the 100th General Assembly, the System shall
6 calculate, using actuarial tables and other assumptions
7 adopted by the Board, the present value of pension benefits for
8 each eligible person who requests that information and shall
9 offer each eligible person the opportunity to irrevocably elect
10 to receive an amount determined by the System to be equal to
11 60% of the present value of his or her pension benefits in lieu
12 of receiving any pension benefit. The offer shall specify the
13 dollar amount that the eligible person will receive if he or
14 she so elects and shall expire when a subsequent offer is made
15 to an eligible person. An eligible person is limited to one
16 calculation and offer per calendar year. The System shall make
17 a good faith effort to contact every eligible person to notify
18 him or her of the election.

19 Until June 30, 2021, an eligible person may irrevocably
20 elect to receive an accelerated pension benefit payment in the
21 amount that the System offers under this subsection in lieu of
22 receiving any pension benefit. A person who elects to receive
23 an accelerated pension benefit payment under this Section may
24 not elect to proceed under the Retirement Systems Reciprocal
25 Act with respect to service under this Article.

26 (c) A person's creditable service under this Article shall

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

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

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

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

20 (e) As a condition of receiving an accelerated pension
21 benefit payment, the accelerated pension benefit payment must
22 be transferred into a tax qualified retirement plan or account.
23 The accelerated pension benefit payment under this Section may
24 be subject to withholding or payment of applicable taxes, but
25 to the extent permitted by federal law, a person who receives
26 an accelerated pension benefit payment under this Section must

1 direct the System to pay all of that payment as a rollover into
2 another retirement plan or account qualified under the Internal
3 Revenue Code of 1986, as amended.

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

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

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

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

19 (40 ILCS 5/14-147.6)

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

23 (a) As used in this Section:

24 "Accelerated pension benefit payment" means a lump sum
25 payment equal to 70% of the difference of the present value of

1 the automatic annual increases to a Tier 1 member's retirement
2 annuity and survivor's annuity using the formula applicable to
3 the Tier 1 member and the present value of the automatic annual
4 increases to the Tier 1 member's retirement annuity using the
5 formula provided under subsection (b-5) and survivor's annuity
6 using the formula provided under subsection (b-6).

7 "Eligible person" means a person who:

8 (1) is a Tier 1 member;

9 (2) has submitted an application for a retirement
10 annuity under this Article;

11 (3) meets the age and service requirements for
12 receiving a retirement annuity under this Article;

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

15 (5) has not made the election under Section 14-147.5 or
16 14-147.7.

17 (b) As soon as practical after the effective date of this
18 amendatory Act of the 100th General Assembly and until June 30,
19 2021, the System shall implement an accelerated pension benefit
20 payment option for eligible persons. Upon the request of an
21 eligible person, the System shall calculate, using actuarial
22 tables and other assumptions adopted by the Board, an
23 accelerated pension benefit payment amount and shall offer that
24 eligible person the opportunity to irrevocably elect to have
25 his or her automatic annual increases in retirement annuity
26 calculated in accordance with the formula provided under

1 subsection (b-5) and any increases in survivor's annuity
2 payable to his or her survivor's annuity beneficiary calculated
3 in accordance with the formula provided under subsection (b-6)
4 in exchange for the accelerated pension benefit payment. The
5 election under this subsection must be made before the eligible
6 person receives the first payment of a retirement annuity
7 otherwise payable under this Article.

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

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

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

25 (1) the calculation of any future automatic annual
26 increase in retirement annuity shall be calculated in

1 accordance with the formula provided under subsection
2 (b-5); and

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

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

15 (d-5) Upon receipt of a member's irrevocable election to
16 receive an accelerated pension benefit payment under this
17 Section, the System shall submit a voucher to the Comptroller
18 for payment of the member's accelerated pension benefit
19 payment. The Comptroller shall transfer the amount of the
20 voucher to the System, and the System shall transfer the amount
21 into a member's eligible retirement plan or qualified account.

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

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

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

2 (40 ILCS 5/14-147.7 new)

3 Sec. 14-147.7. Accelerated pension benefit payment for a
4 reduction in retirement annuity.

5 (a) As used in this Section:

6 "Accelerated pension benefit payment" means a lump sum
7 payment equal to 50% of the difference of the net present value
8 of the Tier 1 member's retirement annuity, including the value
9 of the annual increases to that retirement annuity, and the
10 amount of the old-age insurance payments under the federal
11 Old-Age, Survivors, and Disability Insurance program
12 administered by the Social Security Administration, including
13 the value of the annual increases under subsection (d), that he
14 or she would have been entitled to, as determined by the Board,
15 if he or she had been eligible for Social Security coverage
16 with respect to his or her position.

17 "Eligible person" means a person who:

18 (1) is a Tier 1 member;

19 (2) is a noncovered employee;

20 (3) does not have a Qualified Illinois Domestic
21 Relations Order in effect against him or her;

22 (4) has submitted an application for a retirement
23 annuity under this Article;

24 (5) meets the age and service requirements for
25 receiving a retirement annuity under this Article;

1 (6) has not received any retirement annuity under this
2 Article; and

3 (7) has not made the election under Section 14-147.5 or
4 14-147.6.

5 "Implementation date" means the earliest date upon which
6 the Board authorizes eligible persons to begin irrevocably
7 electing the accelerated pension benefit payment option under
8 this Section. The Board shall endeavor to make such
9 participation available as soon as possible after the effective
10 date of this amendatory Act of the 101st General Assembly and
11 shall establish an implementation date by Board resolution.

12 (b) Beginning on the implementation date, the System shall
13 implement an accelerated pension benefit payment option for
14 eligible persons. Upon the request of an eligible person, the
15 System shall calculate, using actuarial tables and other
16 assumptions adopted by the Board, an accelerated pension
17 benefit payment amount and shall offer that eligible person the
18 opportunity to irrevocably elect to have his or her retirement
19 annuity reduced in accordance with the formula provided under
20 subsection (c) and his or her automatic annual increases in
21 retirement annuity calculated in accordance with the formula
22 provided under subsection (d) in exchange for the accelerated
23 pension benefit payment. In determining the amount of the
24 accelerated pension benefit payment, the System may use any
25 necessary assumptions about what the amounts of the old-age
26 insurance payments under the federal Old-Age, Survivors, and

1 Disability Insurance program would be for that eligible person.
2 The election under this subsection must be made before the
3 eligible person receives the first payment of a retirement
4 annuity otherwise payable under this Article.

5 (c) Notwithstanding any other provision of law, the
6 retirement annuity of a person who made the election under
7 subsection (b) shall be equal to the amount of the old-age
8 insurance payment under the federal Old-Age, Survivors, and
9 Disability Insurance program that he or she would have been
10 entitled to, as determined by the Board, had he or she been
11 participating in Social Security with respect to his or her
12 employment under this Article.

13 (d) Notwithstanding any other provision of law, the
14 retirement annuity of a person who made the election under
15 subsection (b) shall be subject to annual increases on the
16 January 1 occurring either on or after the attainment of age 67
17 or the first anniversary of the annuity start date, whichever
18 is later. Each annual increase shall be the annual unadjusted
19 percentage increase (but not less than zero) in the consumer
20 price index-w for the 12 months ending with the September
21 preceding each November 1 of the originally granted retirement
22 annuity. If the annual unadjusted percentage change in the
23 consumer price index-w for the 12 months ending with the
24 September preceding each November 1 is zero or there is a
25 decrease, then the annuity shall not be increased.

26 For the purposes of this subsection, "consumer price

1 index-w" means the index published by the Bureau of Labor
2 Statistics of the United States Department of Labor that
3 measures the average change in prices of goods and services
4 purchased by Urban Wage Earners and Clerical Workers, United
5 States city average, all items, 1982-84 = 100. The new amount
6 resulting from each annual adjustment shall be determined by
7 the Public Pension Division of the Department of Insurance and
8 made available to the boards of the retirement systems and
9 pension funds by November 1 of each year.

10 (e) If a person who has received an accelerated pension
11 benefit payment returns to active service under this Article,
12 then any change in the amount of retirement annuity shall be
13 calculated in accordance with subsection (c) and any future
14 automatic annual increase in retirement annuity shall be
15 calculated in accordance with the formula provided under
16 subsection (d).

17 (f) The accelerated pension benefit payment may not be
18 repaid to the System.

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

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

3 (h) Upon receipt of a member's irrevocable election to
4 receive an accelerated pension benefit payment under this
5 Section, the System shall submit a voucher to the Comptroller
6 for payment of the member's accelerated pension benefit
7 payment. The Comptroller shall transfer the amount of the
8 voucher to the System, and the System shall transfer the amount
9 into a member's eligible retirement plan or qualified account.

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

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

15 (40 ILCS 5/14-152.1)

16 Sec. 14-152.1. Application and expiration of new benefit
17 increases.

18 (a) As used in this Section, "new benefit increase" means
19 an increase in the amount of any benefit provided under this
20 Article, or an expansion of the conditions of eligibility for
21 any benefit under this Article, that results from an amendment
22 to this Code that takes effect after June 1, 2005 (the
23 effective date of Public Act 94-4). "New benefit increase",
24 however, does not include any benefit increase resulting from
25 the changes made to Article 1 or this Article by Public Act

1 96-37, Public Act 100-23, Public Act 100-587, Public Act
2 100-611, or this amendatory Act of the 101st General Assembly
3 ~~or this amendatory Act of the 100th General Assembly.~~

4 (b) Notwithstanding any other provision of this Code or any
5 subsequent amendment to this Code, every new benefit increase
6 is subject to this Section and shall be deemed to be granted
7 only in conformance with and contingent upon compliance with
8 the provisions of this Section.

9 (c) The Public Act enacting a new benefit increase must
10 identify and provide for payment to the System of additional
11 funding at least sufficient to fund the resulting annual
12 increase in cost to the System as it accrues.

13 Every new benefit increase is contingent upon the General
14 Assembly providing the additional funding required under this
15 subsection. The Commission on Government Forecasting and
16 Accountability shall analyze whether adequate additional
17 funding has been provided for the new benefit increase and
18 shall report its analysis to the Public Pension Division of the
19 Department of Insurance. A new benefit increase created by a
20 Public Act that does not include the additional funding
21 required under this subsection is null and void. If the Public
22 Pension Division determines that the additional funding
23 provided for a new benefit increase under this subsection is or
24 has become inadequate, it may so certify to the Governor and
25 the State Comptroller and, in the absence of corrective action
26 by the General Assembly, the new benefit increase shall expire

1 at the end of the fiscal year in which the certification is
2 made.

3 (d) Every new benefit increase shall expire 5 years after
4 its effective date or on such earlier date as may be specified
5 in the language enacting the new benefit increase or provided
6 under subsection (c). This does not prevent the General
7 Assembly from extending or re-creating a new benefit increase
8 by law.

9 (e) Except as otherwise provided in the language creating
10 the new benefit increase, a new benefit increase that expires
11 under this Section continues to apply to persons who applied
12 and qualified for the affected benefit while the new benefit
13 increase was in effect and to the affected beneficiaries and
14 alternate payees of such persons, but does not apply to any
15 other person, including without limitation a person who
16 continues in service after the expiration date and did not
17 apply and qualify for the affected benefit while the new
18 benefit increase was in effect.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
20 100-611, eff. 7-20-18; revised 7-25-18.)

21 (40 ILCS 5/15-185.5)

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

24 (a) As used in this Section:

25 "Eligible person" means a person who:

1 (1) has terminated service;

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

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

7 (4) has not made the election under Section 15-185.6 or
8 15-185.7; and

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

11 "Implementation date" means the earliest date upon which
12 the Board authorizes eligible persons to begin irrevocably
13 electing the accelerated pension benefit payment option under
14 this Section. The Board shall endeavor to make such
15 participation available as soon as possible after the effective
16 date of this amendatory Act of the 100th General Assembly and
17 shall establish an implementation date by Board resolution.

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

25 (b) Beginning on the implementation date, the System shall
26 offer each eligible person the opportunity to irrevocably elect

1 to receive an amount determined by the System to be equal to
2 60% of the present value of his or her pension benefits in lieu
3 of receiving any pension benefit. The System shall calculate,
4 using actuarial tables and other assumptions adopted by the
5 Board, the present value of pension benefits for each eligible
6 person upon his or her request in writing to the System. The
7 System shall not perform more than one calculation per eligible
8 member in a State fiscal year. The offer shall specify the
9 dollar amount that the eligible person will receive if he or
10 she so elects and shall expire when a subsequent offer is made
11 to an eligible person. The System shall make a good faith
12 effort to contact every eligible person to notify him or her of
13 the election.

14 Beginning on the implementation date and until June 30,
15 2021, an eligible person may irrevocably elect to receive an
16 accelerated pension benefit payment in the amount that the
17 System offers under this subsection in lieu of receiving any
18 pension benefit. A person who elects to receive an accelerated
19 pension benefit payment under this Section may not elect to
20 proceed under the Retirement Systems Reciprocal Act with
21 respect to service under this Article.

22 (c) Upon payment of an accelerated pension benefit payment
23 under this Section, the person forfeits all accrued rights and
24 credits in the System and no other benefit shall be paid under
25 this Article based on those forfeited rights and credits,
26 including any retirement, survivor, or other benefit; except

1 that to the extent that participation, benefits, or premiums
2 under the State Employees Group Insurance Act of 1971 are based
3 on the amount of service credit, the terminated service credit
4 shall be used for that purpose.

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

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

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

1 Revenue Code of 1986, as amended.

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

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

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

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

15 (40 ILCS 5/15-185.6)

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

19 (a) As used in this Section:

20 "Accelerated pension benefit payment" means a lump sum
21 payment equal to 70% of the difference of: (i) the present
22 value of the automatic annual increases to a Tier 1 member's
23 retirement annuity, including any increases to any annuity
24 benefit payable as a result of his or her death, using the
25 formula applicable to the Tier 1 member; and (ii) the present

1 value of the automatic annual increases to the Tier 1 member's
2 retirement annuity, including any increases to any annuity
3 benefit payable as a result of his or her death, using the
4 formula provided under subsection (b-5).

5 "Eligible person" means a person who:

6 (1) is a Tier 1 member;

7 (2) has submitted an application for a retirement
8 annuity under this Article;

9 (3) meets the age and service requirements for
10 receiving a retirement annuity under this Article;

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

13 (5) has not made the election under Section 15-185.5 or
14 15-185.7; and

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

17 "Implementation date" means the earliest date upon which
18 the Board authorizes eligible persons to begin irrevocably
19 electing the accelerated pension benefit payment option under
20 this Section. The Board shall endeavor to make such
21 participation available as soon as possible after the effective
22 date of this amendatory Act of the 100th General Assembly and
23 shall establish an implementation date by Board resolution.

24 (b) Beginning on the implementation date and until June 30,
25 2021, the System shall implement an accelerated pension benefit
26 payment option for eligible persons. The System shall

1 calculate, using actuarial tables and other assumptions
2 adopted by the Board, an accelerated pension benefit payment
3 amount for an eligible person upon his or her request in
4 writing to the System and shall offer that eligible person the
5 opportunity to irrevocably elect to have his or her automatic
6 annual increases in retirement annuity and any annuity benefit
7 payable as a result of his or her death calculated in
8 accordance with the formula provided in subsection (b-5) in
9 exchange for the accelerated pension benefit payment. The
10 System shall not perform more than one calculation under this
11 Section per eligible person in a State fiscal year. The
12 election under this subsection must be made before any
13 retirement annuity is paid to the eligible person, and the
14 eligible survivor, spouse, or contingent annuitant, as
15 applicable, must consent to the election under this subsection.

16 (b-5) Notwithstanding any other provision of law, the
17 retirement annuity of a person who made the election under
18 subsection (b) shall be increased annually beginning on the
19 January 1 occurring either on or after the attainment of age 67
20 or the first anniversary of the annuity start date, whichever
21 is later, and any annuity benefit payable as a result of his or
22 her death shall be increased annually beginning on: (1) the
23 January 1 occurring on or after the commencement of the annuity
24 if the deceased Tier 1 member died while receiving a retirement
25 annuity; or (2) the January 1 occurring after the first
26 anniversary of the commencement of the benefit. Each annual

1 increase shall be calculated at 1.5% of the originally granted
2 retirement annuity or annuity benefit payable as a result of
3 the Tier 1 member's death.

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

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

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

23 (d-5) The System shall submit vouchers to the State
24 Comptroller for the payment of accelerated pension benefit
25 payments under this Section. The State Comptroller shall pay
26 the amounts of the vouchers from the State Pension Obligation

1 Acceleration Bond Fund to the System, and the System shall
2 deposit the amounts into the applicable tax qualified plans or
3 accounts.

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

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

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

10 (40 ILCS 5/15-185.7 new)

11 Sec. 15-185.7. Accelerated pension benefit payment for a
12 reduction in retirement annuity.

13 (a) As used in this Section:

14 "Accelerated pension benefit payment" means a lump sum
15 payment equal to 50% of the difference of the net present value
16 of the Tier 1 member's retirement annuity, including the value
17 of the annual increases to that retirement annuity, and the
18 amount of the old-age insurance payments under the federal
19 Old-Age, Survivors, and Disability Insurance program
20 administered by the Social Security Administration, including
21 the value of the annual increases under subsection (d), that he
22 or she would have been entitled to, as determined by the Board,
23 if he or she had been eligible for Social Security coverage
24 with respect to his or her position.

25 "Eligible person" means a person who:

- 1 (1) is a Tier 1 member;
2 (2) has submitted an application for a retirement
3 annuity under this Article;
4 (3) does not have a Qualified Illinois Domestic
5 Relations Order in effect against him or her;
6 (4) meets the age and service requirements for
7 receiving a retirement annuity under this Article;
8 (5) has not received any retirement annuity under this
9 Article;
10 (6) has not made the election under Section 15-185.5 or
11 15-185.6;
12 (7) is not a participant in the self-managed plan under
13 Section 15-158.2.

14 "Implementation date" means the earliest date upon which
15 the Board authorizes eligible persons to begin irrevocably
16 electing the accelerated pension benefit payment option under
17 this Section. The Board shall endeavor to make such
18 participation available as soon as possible after the effective
19 date of this amendatory Act of the 101st General Assembly and
20 shall establish an implementation date by Board resolution.

21 (b) Beginning on the implementation date, the System shall
22 implement an accelerated pension benefit payment option for
23 eligible persons. The System shall calculate, using actuarial
24 tables and other assumptions adopted by the Board, an
25 accelerated pension benefit payment amount for an eligible
26 person upon his or her request in writing to the System and

1 shall offer that eligible person the opportunity to irrevocably
2 elect to have his or her retirement annuity reduced in
3 accordance with the formula provided under subsection (c) and
4 his or her automatic annual increases in retirement annuity
5 calculated in accordance with the formula provided under
6 subsection (d) in exchange for the accelerated pension benefit
7 payment. In determining the amount of the accelerated pension
8 benefit payment, the System may use any necessary assumptions
9 about what the amounts of the old-age insurance payments under
10 the federal Old-Age, Survivors, and Disability Insurance
11 program would be for that eligible person. The election under
12 this subsection must be made before any retirement annuity is
13 paid to the eligible person.

14 (c) Notwithstanding any other provision of law, the
15 retirement annuity of a person who made the election under
16 subsection (b) shall be equal to the amount of the old-age
17 insurance payment under the federal Old-Age, Survivors, and
18 Disability Insurance program that he or she would have been
19 entitled to, as determined by the Board, had he or she been
20 participating in Social Security with respect to his or her
21 employment under this Article.

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

1 is later. Each annual increase shall be the annual unadjusted
2 percentage increase (but not less than zero) in the consumer
3 price index-w for the 12 months ending with the September
4 preceding each November 1 of the originally granted retirement
5 annuity. If the annual unadjusted percentage change in the
6 consumer price index-w for the 12 months ending with the
7 September preceding each November 1 is zero or there is a
8 decrease, then the annuity shall not be increased.

9 For the purposes of this subsection, "consumer price
10 index-w" means the index published by the Bureau of Labor
11 Statistics of the United States Department of Labor that
12 measures the average change in prices of goods and services
13 purchased by Urban Wage Earners and Clerical Workers, United
14 States city average, all items, 1982-84 = 100. The new amount
15 resulting from each annual adjustment shall be determined by
16 the Public Pension Division of the Department of Insurance and
17 made available to the boards of the retirement systems and
18 pension funds by November 1 of each year.

19 (e) If an annuitant who has received an accelerated pension
20 benefit payment returns to participation under this Article,
21 then any change in the amount of retirement annuity shall be
22 calculated in accordance with subsection (c) and the
23 calculation of any future automatic annual increase in
24 retirement annuity shall be calculated in accordance with the
25 formula provided in subsection (d).

26 (f) The accelerated pension benefit payment may not be

1 repaid to the System.

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

13 (h) Upon receipt of a member's irrevocable election to
14 receive an accelerated pension benefit payment under this
15 Section, the System shall submit a voucher to the Comptroller
16 for payment of the member's accelerated pension benefit
17 payment. The Comptroller shall transfer the amount of the
18 voucher to the System, and the System shall transfer the amount
19 into a member's eligible retirement plan or qualified account.

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

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

1 Sec. 15-198. Application and expiration of new benefit
2 increases.

3 (a) As used in this Section, "new benefit increase" means
4 an increase in the amount of any benefit provided under this
5 Article, or an expansion of the conditions of eligibility for
6 any benefit under this Article, that results from an amendment
7 to this Code that takes effect after the effective date of this
8 amendatory Act of the 94th General Assembly. "New benefit
9 increase", however, does not include any benefit increase
10 resulting from the changes made to Article 1 or this Article by
11 Public Act 100-23, Public Act 100-587, Public Act 100-769, or
12 this amendatory Act of the 101st General Assembly ~~or this~~
13 ~~amendatory Act of the 100th General Assembly.~~

14 (b) Notwithstanding any other provision of this Code or any
15 subsequent amendment to this Code, every new benefit increase
16 is subject to this Section and shall be deemed to be granted
17 only in conformance with and contingent upon compliance with
18 the provisions of this Section.

19 (c) The Public Act enacting a new benefit increase must
20 identify and provide for payment to the System of additional
21 funding at least sufficient to fund the resulting annual
22 increase in cost to the System as it accrues.

23 Every new benefit increase is contingent upon the General
24 Assembly providing the additional funding required under this
25 subsection. The Commission on Government Forecasting and
26 Accountability shall analyze whether adequate additional

1 funding has been provided for the new benefit increase and
2 shall report its analysis to the Public Pension Division of the
3 Department of Insurance. A new benefit increase created by a
4 Public Act that does not include the additional funding
5 required under this subsection is null and void. If the Public
6 Pension Division determines that the additional funding
7 provided for a new benefit increase under this subsection is or
8 has become inadequate, it may so certify to the Governor and
9 the State Comptroller and, in the absence of corrective action
10 by the General Assembly, the new benefit increase shall expire
11 at the end of the fiscal year in which the certification is
12 made.

13 (d) Every new benefit increase shall expire 5 years after
14 its effective date or on such earlier date as may be specified
15 in the language enacting the new benefit increase or provided
16 under subsection (c). This does not prevent the General
17 Assembly from extending or re-creating a new benefit increase
18 by law.

19 (e) Except as otherwise provided in the language creating
20 the new benefit increase, a new benefit increase that expires
21 under this Section continues to apply to persons who applied
22 and qualified for the affected benefit while the new benefit
23 increase was in effect and to the affected beneficiaries and
24 alternate payees of such persons, but does not apply to any
25 other person, including without limitation a person who
26 continues in service after the expiration date and did not

1 apply and qualify for the affected benefit while the new
2 benefit increase was in effect.

3 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
4 100-769, eff. 8-10-18; revised 9-26-18.)

5 (40 ILCS 5/16-190.5)

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

8 (a) As used in this Section:

9 "Eligible person" means a person who:

10 (1) has terminated service;

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

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

16 (4) has not made the election under Section 16-190.6 or
17 16-190.7.

18 "Pension benefit" means the benefits under this Article, or
19 Article 1 as it relates to those benefits, including any
20 anticipated annual increases, that an eligible person is
21 entitled to upon attainment of the applicable retirement age.

22 "Pension benefit" also includes applicable survivor's or
23 disability benefits.

24 (b) As soon as practical after the effective date of this
25 amendatory Act of the 100th General Assembly, the System shall

1 calculate, using actuarial tables and other assumptions
2 adopted by the Board, the present value of pension benefits for
3 each eligible person who requests that information and shall
4 offer each eligible person the opportunity to irrevocably elect
5 to receive an amount determined by the System to be equal to
6 60% of the present value of his or her pension benefits in lieu
7 of receiving any pension benefit. The offer shall specify the
8 dollar amount that the eligible person will receive if he or
9 she so elects and shall expire when a subsequent offer is made
10 to an eligible person. The System shall make a good faith
11 effort to contact every eligible person to notify him or her of
12 the election.

13 Until June 30, 2021, an eligible person may irrevocably
14 elect to receive an accelerated pension benefit payment in the
15 amount that the System offers under this subsection in lieu of
16 receiving any pension benefit. A person who elects to receive
17 an accelerated pension benefit payment under this Section may
18 not elect to proceed under the Retirement Systems Reciprocal
19 Act with respect to service under this Article.

20 (c) A person's creditable service under this Article shall
21 be terminated upon the person's receipt of an accelerated
22 pension benefit payment under this Section, and no other
23 benefit shall be paid under this Article based on the
24 terminated creditable service, including any retirement,
25 survivor, or other benefit; except that to the extent that
26 participation, benefits, or premiums under the State Employees

1 Group Insurance Act of 1971 are based on the amount of service
2 credit, the terminated service credit shall be used for that
3 purpose.

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

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

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

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

24 (f) Upon receipt of a member's irrevocable election to
25 receive an accelerated pension benefit payment under this
26 Section, the System shall submit a voucher to the Comptroller

1 for payment of the member's accelerated pension benefit
2 payment. The Comptroller shall transfer the amount of the
3 voucher from the State Pension Obligation Acceleration Bond
4 Fund to the System, and the System shall transfer the amount
5 into the member's eligible retirement plan or qualified
6 account.

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

9 (h) No provision of this amendatory Act of the 100th
10 General Assembly shall be interpreted in a way that would cause
11 the applicable System to cease to be a qualified plan under the
12 Internal Revenue Code of 1986.

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

14 (40 ILCS 5/16-190.6)

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

18 (a) As used in this Section:

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

1 annuity using the formula provided under subsection (b-6).

2 "Eligible person" means a person who:

3 (1) is a Tier 1 member;

4 (2) has submitted an application for a retirement
5 annuity under this Article;

6 (3) meets the age and service requirements for
7 receiving a retirement annuity under this Article;

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

10 (5) has not made the election under Section 16-190.5 or
11 16-190.7.

12 (b) As soon as practical after the effective date of this
13 amendatory Act of the 100th General Assembly and until June 30,
14 2021, the System shall implement an accelerated pension benefit
15 payment option for eligible persons. Upon the request of an
16 eligible person, the System shall calculate, using actuarial
17 tables and other assumptions adopted by the Board, an
18 accelerated pension benefit payment amount and shall offer that
19 eligible person the opportunity to irrevocably elect to have
20 his or her automatic annual increases in retirement annuity
21 calculated in accordance with the formula provided under
22 subsection (b-5) and any increases in survivor's annuity
23 payable to his or her survivor's annuity beneficiary calculated
24 in accordance with the formula provided under subsection (b-6)
25 in exchange for the accelerated pension benefit payment. The
26 election under this subsection must be made before the eligible

1 person receives the first payment of a retirement annuity
2 otherwise payable under this Article.

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

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

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

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

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

26 (d) As a condition of receiving an accelerated pension

1 benefit payment, the accelerated pension benefit payment must
2 be transferred into a tax qualified retirement plan or account.
3 The accelerated pension benefit payment under this Section may
4 be subject to withholding or payment of applicable taxes, but
5 to the extent permitted by federal law, a person who receives
6 an accelerated pension benefit payment under this Section must
7 direct the System to pay all of that payment as a rollover into
8 another retirement plan or account qualified under the Internal
9 Revenue Code of 1986, as amended.

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

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

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

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

25 (40 ILCS 5/16-190.7 new)

1 Sec. 16-190.7. Accelerated pension benefit payment for a
2 reduction in retirement annuity.

3 (a) As used in this Section:

4 "Accelerated pension benefit payment" means a lump sum
5 payment equal to 50% of the difference of the net present value
6 of the Tier 1 member's retirement annuity, including the value
7 of the annual increases to that retirement annuity, and the
8 amount of the old-age insurance payments under the federal
9 Old-Age, Survivors, and Disability Insurance program
10 administered by the Social Security Administration, including
11 the value of the annual increases under subsection (d), that he
12 or she would have been entitled to, as determined by the Board,
13 if he or she had been eligible for Social Security coverage
14 with respect to his or her position.

15 "Eligible person" means a person who:

16 (1) is a Tier 1 member;

17 (2) does not have a Qualified Illinois Domestic
18 Relations Order in effect against him or her;

19 (4) has submitted an application for a retirement
20 annuity under this Article;

21 (5) meets the age and service requirements for
22 receiving a retirement annuity under this Article;

23 (6) has not received any retirement annuity under this
24 Article; and

25 (7) has not made the election under Section 16-190.5 or
26 16-190.6.

1 "Implementation date" means the earliest date upon which
2 the Board authorizes eligible persons to begin irrevocably
3 electing the accelerated pension benefit payment option under
4 this Section. The Board shall endeavor to make such
5 participation available as soon as possible after the effective
6 date of this amendatory Act of the 101st General Assembly and
7 shall establish an implementation date by Board resolution.

8 (b) Beginning on the implementation date, the System shall
9 implement an accelerated pension benefit payment option for
10 eligible persons. Upon the request of an eligible person, the
11 System shall calculate, using actuarial tables and other
12 assumptions adopted by the Board, an accelerated pension
13 benefit payment amount and shall offer that eligible person the
14 opportunity to irrevocably elect to have his or her retirement
15 annuity reduced in accordance with the formula provided under
16 subsection (c) and his or her automatic annual increases in
17 retirement annuity calculated in accordance with the formula
18 provided under subsection (d) in exchange for the accelerated
19 pension benefit payment. In determining the amount of the
20 accelerated pension benefit payment, the System may use any
21 necessary assumptions about what the amounts of the old-age
22 insurance payments under the federal Old-Age, Survivors, and
23 Disability Insurance program would be for that eligible person.
24 The election under this subsection must be made before the
25 eligible person receives the first payment of a retirement
26 annuity otherwise payable under this Article.

1 (c) Notwithstanding any other provision of law, the
2 retirement annuity of a person who made the election under
3 subsection (b) shall be equal to the amount of the old-age
4 insurance payment under the federal Old-Age, Survivors, and
5 Disability Insurance program that he or she would have been
6 entitled to, as determined by the Board, had he or she been
7 participating in Social Security with respect to his or her
8 employment under this Article.

9 (d) Notwithstanding any other provision of law, the
10 retirement annuity of a person who made the election under
11 subsection (b) shall be subject to annual increases on the
12 January 1 occurring either on or after the attainment of age 67
13 or the first anniversary of the annuity start date, whichever
14 is later. Each annual increase shall be the annual unadjusted
15 percentage increase (but not less than zero) in the consumer
16 price index-w for the 12 months ending with the September
17 preceding each November 1 of the originally granted retirement
18 annuity. If the annual unadjusted percentage change in the
19 consumer price index-w for the 12 months ending with the
20 September preceding each November 1 is zero or there is a
21 decrease, then the annuity shall not be increased.

22 For the purposes of this subsection, "consumer price
23 index-w" means the index published by the Bureau of Labor
24 Statistics of the United States Department of Labor that
25 measures the average change in prices of goods and services
26 purchased by Urban Wage Earners and Clerical Workers, United

1 States city average, all items, 1982-84 = 100. The new amount
2 resulting from each annual adjustment shall be determined by
3 the Public Pension Division of the Department of Insurance and
4 made available to the boards of the retirement systems and
5 pension funds by November 1 of each year.

6 (e) If a person who has received an accelerated pension
7 benefit payment returns to active service under this Article,
8 then any change in the amount of retirement annuity shall be
9 calculated in accordance with subsection (c) and any future
10 automatic annual increase in retirement annuity shall be
11 calculated in accordance with the formula provided under
12 subsection (d).

13 (f) The accelerated pension benefit payment may not be
14 repaid to the System.

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

25 (h) Upon receipt of a member's irrevocable election to
26 receive an accelerated pension benefit payment under this

1 Section, the System shall submit a voucher to the Comptroller
2 for payment of the member's accelerated pension benefit
3 payment. The Comptroller shall transfer the amount of the
4 voucher to the System, and the System shall transfer the amount
5 into a member's eligible retirement plan or qualified account.

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

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

11 (40 ILCS 5/16-203)

12 Sec. 16-203. Application and expiration of new benefit
13 increases.

14 (a) As used in this Section, "new benefit increase" means
15 an increase in the amount of any benefit provided under this
16 Article, or an expansion of the conditions of eligibility for
17 any benefit under this Article, that results from an amendment
18 to this Code that takes effect after June 1, 2005 (the
19 effective date of Public Act 94-4). "New benefit increase",
20 however, does not include any benefit increase resulting from
21 the changes made to Article 1 or this Article by Public Act
22 95-910, Public Act 100-23, Public Act 100-587, Public Act
23 100-743, Public Act 100-769, or this amendatory Act of the
24 101st General Assembly ~~or by this amendatory Act of the 100th~~
25 ~~General Assembly.~~

1 (b) Notwithstanding any other provision of this Code or any
2 subsequent amendment to this Code, every new benefit increase
3 is subject to this Section and shall be deemed to be granted
4 only in conformance with and contingent upon compliance with
5 the provisions of this Section.

6 (c) The Public Act enacting a new benefit increase must
7 identify and provide for payment to the System of additional
8 funding at least sufficient to fund the resulting annual
9 increase in cost to the System as it accrues.

10 Every new benefit increase is contingent upon the General
11 Assembly providing the additional funding required under this
12 subsection. The Commission on Government Forecasting and
13 Accountability shall analyze whether adequate additional
14 funding has been provided for the new benefit increase and
15 shall report its analysis to the Public Pension Division of the
16 Department of Insurance. A new benefit increase created by a
17 Public Act that does not include the additional funding
18 required under this subsection is null and void. If the Public
19 Pension Division determines that the additional funding
20 provided for a new benefit increase under this subsection is or
21 has become inadequate, it may so certify to the Governor and
22 the State Comptroller and, in the absence of corrective action
23 by the General Assembly, the new benefit increase shall expire
24 at the end of the fiscal year in which the certification is
25 made.

26 (d) Every new benefit increase shall expire 5 years after

1 its effective date or on such earlier date as may be specified
2 in the language enacting the new benefit increase or provided
3 under subsection (c). This does not prevent the General
4 Assembly from extending or re-creating a new benefit increase
5 by law.

6 (e) Except as otherwise provided in the language creating
7 the new benefit increase, a new benefit increase that expires
8 under this Section continues to apply to persons who applied
9 and qualified for the affected benefit while the new benefit
10 increase was in effect and to the affected beneficiaries and
11 alternate payees of such persons, but does not apply to any
12 other person, including without limitation a person who
13 continues in service after the expiration date and did not
14 apply and qualify for the affected benefit while the new
15 benefit increase was in effect.

16 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
17 100-743, eff. 8-10-18; 100-769, eff. 8-10-18; revised
18 10-15-18.)

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

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/14-147.5

4 40 ILCS 5/14-147.6

5 40 ILCS 5/14-147.7 new

6 40 ILCS 5/14-152.1

7 40 ILCS 5/15-185.5

8 40 ILCS 5/15-185.6

9 40 ILCS 5/15-185.7 new

10 40 ILCS 5/15-198

11 40 ILCS 5/16-190.5

12 40 ILCS 5/16-190.6

13 40 ILCS 5/16-190.7 new

14 40 ILCS 5/16-203