



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB5205

Introduced 2/5/2004, by Ralph C. Capparelli

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-132	from Ch. 108 1/2, par. 5-132
40 ILCS 5/5-228	from Ch. 108 1/2, par. 5-228
30 ILCS 805/8.28 new	

Amends the Chicago Police Article of the Illinois Pension Code. Bases retirement benefits on the highest 36 months, rather than 4 years, of salary within the last 10 years of service, for persons retiring after December 31, 2004. Provides that if any policeman whose application for either a duty disability benefit or an occupational disease disability benefit has been denied by the Retirement Board brings an action for administrative review challenging the denial of disability benefits and the policeman prevails in the action in administrative review, then the prevailing policeman shall be entitled to recover from the Fund court costs and litigation expenses, including reasonable attorney's fees, as part of the costs of the action. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 18368 LRD 46978 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 changing
5 Sections 5-132 and 5-228 as follows:

6 (40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)
7 Sec. 5-132. Minimum annuity.

8 (A) Any policeman who withdraws on or after July 8, 1957,
9 or any policeman transferred to the police service of the city
10 under the Exchange of Functions Act of 1957 who withdraws on or
11 after July 17, 1959, after completing at least 20 years of
12 service, for whom the annuity otherwise provided in this
13 Article is less than that stated in this Section has a right to
14 receive annuity as follows:

15 (a) If he is age 55 or more on withdrawal, his annuity
16 after ~~such~~ withdrawal, shall be equal to 2% of ~~the~~ average
17 salary ~~for 4 consecutive years of highest salaries within the~~
18 ~~last 10 years of service before withdrawal,~~ for each year of
19 service, together with 1/6 of 1% of ~~such~~ average salary for
20 each complete month of service of each fractional year, but not
21 in excess of 75% of the average annual salary.

22 (b) If he is age 50 or more but less than age 55 on
23 withdrawal, his annuity shall be equal to 2% of ~~the~~ average
24 salary ~~for the 4 highest consecutive years of the last 10 years~~
25 ~~of service~~ for each year of service, together with 1/16 of 1%
26 of ~~such~~ average salary for each month of each fractional year
27 of service, reduced by 1/2 of 1% for each month that he is less
28 than age 55.

29 (c) If he is less than age 50 on withdrawal, he may, upon
30 attainment of age 50 or over, become entitled to the annuity
31 provided in this Section or, he may, upon application before
32 age 50, receive a refund of the deductions from salary, plus

1 interest at 1 1/2% per annum if he is entitled to refund under
2 Section 5-163.

3 (d) In lieu of the annuity provided in the foregoing
4 provisions of this Section 5-132 any policeman who withdraws
5 from the service after December 31, 1973, after having attained
6 age 53 in the service with 23 or more years of service credit
7 shall be entitled to an annuity computed as follows if such
8 annuity is greater than that provided in the foregoing
9 paragraphs of this Section 5-132: An annuity equal to 50% of
10 ~~the average salary for the 4 highest consecutive years of the~~
11 ~~last 10 years of service~~ plus additional annuity equal to 2% of
12 ~~such~~ average salary for each completed year of service or
13 fraction thereof rendered after his attainment of age 53 and
14 the completion of 23 years of service.

15 Any policeman who has completed 23 years of service prior
16 to his attainment of age 53 in the service and continues in the
17 service until his attainment of age 53 shall have added to his
18 annuity, computed as provided in the immediately preceding
19 paragraph, an additional annuity equal to 1% of ~~such~~ average
20 salary for each completed year of service or fraction thereof
21 in excess of 23 years up to age 53.

22 (e) In lieu of the annuity provided in the foregoing
23 provisions of this Section any policeman who withdraws from the
24 service either (i) after December 31, 1983 with at least 22
25 years of service credit and having attained age 52 in the
26 service, or (ii) after December 31, 1984 with at least 21 years
27 of service credit and having attained age 51 in the service, or
28 (iii) after December 31, 1985 with at least 20 years of service
29 credit and having attained age 50 in the service, or (iv) after
30 December 31, 1990, with at least 20 years of service credit
31 regardless of age, shall be entitled to an annuity to begin not
32 earlier than upon attainment of age 50 if under such age at
33 withdrawal, computed as follows: an annuity equal to 50% of ~~the~~
34 ~~average salary for the 4 highest consecutive years of the last~~
35 ~~10 years of service~~, plus additional annuity equal to 2% of
36 ~~such~~ average salary for each completed year of service or

1 fraction thereof rendered after his completion of the minimum
2 number of years of service required for him to be eligible
3 under this subsection (e). In lieu of any annuity provided in
4 the foregoing provisions of this Section, any policeman who
5 withdraws from the service after December 31, 2003, with at
6 least 20 years of service credit regardless of age, shall be
7 entitled to an annuity to begin not earlier than upon
8 attainment of age 50, if under that age at withdrawal, equal to
9 2.5% of ~~the average salary for the 4 highest consecutive years~~
10 ~~of the last 10 years of service~~ for each completed year of
11 service or fraction thereof. However, the annuity provided
12 under this subsection (e) may not exceed 75% of ~~such~~ average
13 salary.

14 (B) ~~(f)~~ A policeman withdrawing after September 1, 1969,
15 may, in addition, be entitled to the benefits provided by
16 Section 5-167.1 of this Article if he so qualifies under that
17 Section.

18 (C) If, on withdrawal, total service is less than 20 years,
19 the policeman shall not be entitled to an annuity under this
20 Section but may receive an annuity under the other provisions
21 of this Article or, if entitled thereto under Section 5--163, a
22 refund of the deductions from salary, including, in the case of
23 policemen transferred to the police service of the city under
24 the Exchange of Functions Act of 1957, the additional
25 contribution paid on salary received from August 1, 1957, to
26 July 17, 1959, as provided in the Park Policemen's Annuity Act,
27 together with interest at 1 1/2% per annum.

28 Moneys voluntarily contributed under the Policemen's
29 Annuity and Benefit Fund Act of the Illinois Municipal Code, or
30 the Park Policemen's Annuity Act, shall be refunded to the
31 contributing policemen who were in service on January 1, 1954,
32 or in the case of policemen transferred to the police service
33 of the city under the Exchange of Functions Act of 1957, who
34 were in service on July 17, 1959.

35 The age and service annuity formula in this Section shall
36 not apply to any policeman who, having retired before July 8,

1 1957, or before July 17, 1959, in the case of a policeman
2 transferred under the provisions of the Exchange of Functions
3 Act of 1957, re-enters the police service after such dates,
4 whichever are applicable.

5 (D) For the purpose of this Section, "average salary"
6 means:

7 (1) for a policeman withdrawing from service before
8 January 1, 2005, the average of the highest 4 consecutive
9 years of salary within the last 10 years of service;

10 (2) for a policeman withdrawing from service on or
11 after January 1, 2005, the average of the highest 36
12 consecutive months of salary within the last 10 years of
13 service.

14 (Source: P.A. 93-654, eff. 1-16-04.)

15 (40 ILCS 5/5-228) (from Ch. 108 1/2, par. 5-228)

16 Sec. 5-228. Administrative review.

17 (a) The provisions of the Administrative Review Law, and
18 all amendments and modifications thereof and the rules adopted
19 pursuant thereto, shall apply to and govern all proceedings for
20 the judicial review of final administrative decisions of the
21 retirement board provided for under this Article. The term
22 "administrative decision" is as defined in Section 3-101 of the
23 Code of Civil Procedure.

24 (b) If any policeman whose application for either a duty
25 disability benefit under Section 5-154 or for an occupational
26 disease disability benefit under Section 5-154.1 has been
27 denied by the Retirement Board brings an action for
28 administrative review challenging the denial of disability
29 benefits and the policeman prevails in the action in
30 administrative review, then the prevailing policeman shall be
31 entitled to recover from the Fund court costs and litigation
32 expenses, including reasonable attorney's fees, as part of the
33 costs of the action.

34 (Source: P.A. 82-783.)

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.28 as follows:

3 (30 ILCS 805/8.28 new)

4 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 93rd General Assembly.

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