



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

SB3074

Introduced 2/6/2004, by Antonio Munoz

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-132

from Ch. 108 1/2, par. 5-132

30 ILCS 805/8.28 new

Amends the Chicago Police Article of the Illinois Pension Code to base benefits on the salary on the last day of service or during the last year of service, whichever is greater, rather than on the average of the 4 highest years of service during the last 10 for persons retiring after December 31, 2004. Increases the maximum pension for persons who retire after December 31, 2004 from 75% to 80% of salary. Amends the State Mandates Act to require implementations without reimbursement.

LRB093 18946 LRD 44681 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 Section 5-132 as follows:

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

7 Sec. 5-132. Minimum annuity. Any policeman who withdraws on
8 or after July 8, 1957, or any policeman transferred to the
9 police service of the city under the Exchange of Functions Act
10 of 1957 who withdraws on or after July 17, 1959, after
11 completing at least 20 years of service, for whom the annuity
12 otherwise provided in this Article is less than that stated in
13 this Section has a right to receive annuity as follows:

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

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

28 (c) If he is less than age 50 on withdrawal, he may, upon
29 attainment of age 50 or over, become entitled to the annuity
30 provided in this Section or, he may, upon application before
31 age 50, receive a refund of the deductions from salary, plus
32 interest at 1 1/2% per annum if he is entitled to refund under

1 Section 5-163.

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

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

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

1 number of years of service required for him to be eligible
2 under this subsection (e). However, the annuity provided under
3 this subsection (e) may not exceed 75% of such average salary.

4 (e-1) In lieu of the annuity provided in the foregoing
5 provisions of this Section, any policeman who withdraws from
6 the service after December 31, 2004 with at least 20 years of
7 service credit, regardless of age, shall be entitled to an
8 annuity to begin not earlier than upon attainment of age 50 if
9 under that age at withdrawal, computed as follows: an annuity
10 equal to 50% of the salary attached to the rank held on the
11 last day of service or for one year prior to the last day,
12 whichever is greater, plus additional annuity equal to 5% of
13 that salary for each completed year of service or fraction
14 thereof rendered after his completion of the minimum number of
15 years of service required for him to be eligible under this
16 subsection (e-1). However, the annuity provided under this
17 subsection (e-1) may not exceed 80% of the salary used to
18 calculate the annuity provided under this subsection (e-1).

19 (f) A policeman withdrawing after September 1, 1969, may,
20 in addition, be entitled to the benefits provided by Section
21 5-167.1 of this Article if he so qualifies under that Section.

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

32 Moneys voluntarily contributed under the Policemen's
33 Annuity and Benefit Fund Act of the Illinois Municipal Code, or
34 the Park Policemen's Annuity Act, shall be refunded to the
35 contributing policemen who were in service on January 1, 1954,
36 or in the case of policemen transferred to the police service

1 of the city under the Exchange of Functions Act of 1957, who
2 were in service on July 17, 1959.

3 The age and service annuity formula in this Section shall
4 not apply to any policeman who, having retired before July 8,
5 1957, or before July 17, 1959, in the case of a policeman
6 transferred under the provisions of the Exchange of Functions
7 Act of 1957, re-enters the police service after such dates,
8 whichever are applicable.

9 (Source: P.A. 86-1488.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.28 as follows:

12 (30 ILCS 805/8.28 new)

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

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