



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB5549

by Rep. Joseph M. Lyons

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-164

from Ch. 108 1/2, par. 6-164

30 ILCS 805/8.32 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Provides for an annual increase in a retirement annuity at age 55 if the fireman was born before January 1, 1965 (was, before January 1, 1955). Compounds the automatic annual increase in a retirement annuity at age 65. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 18200 AMC 44283 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 6-164 as follows:

6 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

7 Sec. 6-164. Automatic annual increase; retirement after  
8 September 1, 1959.

9 (a) A fireman qualifying for a minimum annuity who retires  
10 from service after September 1, 1959 shall, upon either the  
11 first of the month following the first anniversary of his date  
12 of retirement if he is age 60 (age 55 if born before January 1,  
13 1965 ~~1955~~) or over on that anniversary date, or upon the first  
14 of the month following his attainment of age 60 (age 55 if born  
15 before January 1, 1965 ~~1955~~) if that occurs after the first  
16 anniversary of his retirement date, have his then fixed and  
17 payable monthly annuity increased by 1 1/2%, and such first  
18 fixed annuity as granted at retirement increased by an  
19 additional 1 1/2% in January of each year thereafter up to a  
20 maximum increase of 30%. Beginning July 1, 1982 for firemen  
21 born before January 1, 1930, and beginning January 1, 1990 for  
22 firemen born after December 31, 1929 and before January 1,  
23 1940, and beginning January 1, 1996 for firemen born after

1 December 31, 1939 but before January 1, 1945, and beginning  
2 January 1, 2004, for firemen born after December 31, 1944 but  
3 before January 1, 1955, and beginning January 1, 2009 for  
4 firemen born after December 31, 1954 but before January 1,  
5 1965, such increases shall be 3% and such firemen shall not be  
6 subject to the 30% maximum increase.

7 Any fireman born before January 1, 1945 who qualifies for a  
8 minimum annuity and retires after September 1, 1967 but has not  
9 received the initial increase under this subsection before  
10 January 1, 1996 is entitled to receive the initial increase  
11 under this subsection on (1) January 1, 1996, (2) the first  
12 anniversary of the date of retirement, or (3) attainment of age  
13 55, whichever occurs last. The changes to this Section made by  
14 this amendatory Act of 1995 apply beginning January 1, 1996 and  
15 apply without regard to whether the fireman or annuitant  
16 terminated service before the effective date of this amendatory  
17 Act of 1995.

18 Any fireman born before January 1, 1955 who qualifies for a  
19 minimum annuity and retires after September 1, 1967 but has not  
20 received the initial increase under this subsection before  
21 January 1, 2004 is entitled to receive the initial increase  
22 under this subsection on (1) January 1, 2004, (2) the first  
23 anniversary of the date of retirement, or (3) attainment of age  
24 55, whichever occurs last. The changes to this Section made by  
25 this amendatory Act of the 93rd General Assembly apply without  
26 regard to whether the fireman or annuitant terminated service

1 before the effective date of this amendatory Act.

2 Any fireman born before January 1, 1965 who qualifies for a  
3 minimum annuity and retires after September 1, 1967 but has not  
4 received the initial increase under this subsection before  
5 January 1, 2009 is entitled to receive the initial increase  
6 under this subsection on (1) January 1, 2009, (2) the first  
7 anniversary of the date of retirement, or (3) attainment of age  
8 55, whichever occurs last. The changes to this Section made by  
9 this amendatory Act of the 95th General Assembly apply without  
10 regard to whether the fireman or annuitant terminated service  
11 before the effective date of this amendatory Act.

12 Beginning January 1, 2009, the increases provided under  
13 this subsection (a) for a fireman who is age 65 or older shall  
14 be 3% of the total amount of annuity payable at the time of the  
15 increase, including any previous increases granted under this  
16 Article.

17 (b) Subsection (a) of this Section is not applicable to an  
18 employee receiving a term annuity.

19 (c) To help defray the cost of such increases in annuity,  
20 there shall be deducted, beginning September 1, 1959, from each  
21 payment of salary to a fireman, 1/8 of 1% of each such salary  
22 payment and an additional 1/8 of 1% beginning on September 1,  
23 1961, and September 1, 1963, respectively, concurrently with  
24 and in addition to the salary deductions otherwise made for  
25 annuity purposes.

26 Each such additional 1/8 of 1% deduction from salary which

1 shall, on September 1, 1963, result in a total increase of 3/8  
2 of 1% of salary, shall be credited to the Automatic Increase  
3 Reserve, to be used, together with city contributions as  
4 provided in this Article, to defray the cost of the 1 1/2%  
5 annuity increments herein specified. Any balance in such  
6 reserve as of the beginning of each calendar year shall be  
7 credited with interest at the rate of 3% per annum.

8 The salary deductions provided in this Section are not  
9 subject to refund, except to the fireman himself, in any case  
10 in which a fireman withdraws prior to qualification for minimum  
11 annuity and applies for refund, or applies for annuity, and  
12 also where a term annuity becomes payable. In such cases, the  
13 total of such salary deductions shall be refunded to the  
14 fireman, without interest, and charged to the aforementioned  
15 reserve.

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

17 Section 90. The State Mandates Act is amended by adding  
18 Section 8.32 as follows:

19 (30 ILCS 805/8.32 new)

20 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8  
21 of this Act, no reimbursement by the State is required for the  
22 implementation of any mandate created by this amendatory Act of  
23 the 95th General Assembly.

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.