96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5684

Introduced 2/9/2010, by Rep. John A. Fritchey

SYNOPSIS AS INTRODUCED:

from Ch. 108 1/2, par. 3-112

40 ILCS 5/3-112 40 ILCS 5/5-132.3 new 40 ILCS 5/8-150.2 new 30 ILCS 805/8.34 new

Amends the Downstate Police, the Chicago Police, and the Chicago Municipal Articles of the Illinois Pension Code. Provides for automatic annual increases in widow's annuities or surviving spouse pensions payable to the surviving spouses of police officers. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

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FISCAL NOTE ACT MAY APPLY PENSION IMPACT NOTE ACT MAY APPLY STATE MANDATES ACT MAY REQUIRE REIMBURSEMENT HB5684

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:

Section 5. The Illinois Pension Code is amended by changing
Sections 3-112, 5-132.3, and 8-150.2 as follows:

6 (40 ILCS 5/3-112) (from Ch. 108 1/2, par. 3-112)

7 Sec. 3-112. Pension to survivors.

(a) Upon the death of a police officer entitled to a 8 9 pension under Section 3-111, the surviving spouse shall be entitled to the pension to which the police officer was then 10 entitled. Upon the death of the surviving spouse, or upon the 11 12 remarriage of the surviving spouse if that remarriage terminates the surviving spouse's eligibility under Section 13 14 3-121, the police officer's unmarried children who are under age 18 or who are dependent because of physical or mental 15 16 disability shall be entitled to equal shares of such pension. If there is no eligible surviving spouse and no eligible child, 17 the dependent parent or parents of the officer shall be 18 19 entitled to receive or share such pension until their death or 20 marriage or remarriage after the death of the police officer.

(b) Upon the death of a police officer while in service, having at least 20 years of creditable service, or upon the death of a police officer who retired from service with at least 20 years of creditable service, whether death occurs before or after attainment of age 50, the pension earned by the police officer as of the date of death as provided in Section 3-111 shall be paid to the survivors in the sequence provided in subsection (a) of this Section.

6 (c) Upon the death of a police officer while in service, 7 having at least 10 but less than 20 years of service, a pension 8 of 1/2 of the salary attached to the rank or ranks held by the 9 officer for one year immediately prior to death shall be 10 payable to the survivors in the sequence provided in subsection 11 (a) of this Section. If death occurs as a result of the 12 performance of duty, the 10 year requirement shall not apply 13 and the pension to survivors shall be payable after any period 14 of service.

(d) Beginning July 1, 1987, a minimum pension of \$400 per month shall be paid to all surviving spouses, without regard to the fact that the death of the police officer occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

(e) The pension of the surviving spouse of a police officer who dies (i) on or after January 1, 2001, (ii) without having begun to receive either a retirement pension payable under Section 3-111 or a disability pension payable under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6, and (iii) as a result of sickness, accident, or injury incurred in or resulting from the

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performance of an act of duty shall not be less than 100% of the salary attached to the rank held by the deceased police officer on the last day of service, notwithstanding any provision in this Article to the contrary.

5 (f) The pension of a surviving spouse payable on January 1, 6 2010 shall be recalculated and increased to reflect the amount 7 that the surviving spouse would have received in January 2010 had the surviving spouse been receiving an increase of 3% of 8 9 the originally granted pension for each year he or she received pension payments. The pension of a surviving spouse that begins 10 11 after January 1, 2010 shall be increased on the January 1 next 12 occurring after the pension begins, by an amount equal to 3% of 13 the originally granted pension.

14 <u>On each January 1 after the date of the initial increase</u> 15 <u>under this subsection (f), each surviving spouse annuity shall</u> 16 <u>be increased by 3% of the pension payable at the time of the</u> 17 <u>increase, including any increases previously granted under</u> 18 <u>this Article.</u>

19 (Source: P.A. 91-939, eff. 2-1-01.)

20 (40 ILCS 5/5-132.3 new)

21Sec. 5-132.3. Automatic annual increase in widow's22annuity.

(a) A widow's annuity payable on January 1, 2010 shall be
 recalculated and increased to reflect the amount that the widow
 would have received in January 2010 had the widow been

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receiving an increase of 3% of the originally granted annuity
for each year he or she received a widow's annuity. A widow's
annuity that begins after January 1, 2010 shall be increased on
the January 1 next occurring after the annuity begins, by an
amount equal to 3% of the originally granted annuity.

6 <u>On each January 1 after the date of the initial increase</u> 7 <u>under this Section, the widow's annuity shall be increased by</u> 8 <u>an amount equal to 3% of the amount of the widow's annuity</u> 9 <u>payable at the time of the increase, including any increases</u> 10 <u>previously granted under this Article.</u>

11 (b) Limitations on the maximum amount of the widow's 12 annuity imposed under Section 5-148 do not apply to the annual 13 increases provided under this Section.

14 (c) The increases provided under this Section also apply to 15 compensation annuities and supplemental annuities payable 16 under Section 5-144. The increases provided under this Section 17 do not apply to term annuities.

18 (40 ILCS 5/8-150.2 new)

19 <u>Sec. 8-150.2. Automatic annual increase in widow's</u>
20 <u>annuity.</u>
21 <u>(a) A widow's annuity payable to the widow of a police</u>
22 <u>officer on January 1, 2010 shall be recalculated and increased</u>

23 to reflect the amount that the widow would have received in

24 January 2010 had the widow been receiving an increase of 3% of

25 the originally granted annuity for each year he or she received

a widow's annuity. A widow's annuity payable to the widow of a 1 2 police officer that begins after January 1, 2010 shall be 3 increased on the January 1 next occurring after the annuity 4 begins, by an amount equal to 3% of the originally granted 5 annuity. 6 On each January 1 after the date of the initial increase 7 under this Section, the widow's annuity shall be increased by an amount equal to 3% of the amount of the widow's annuity 8 9 payable at the time of the increase, including any increases 10 previously granted under this Article. 11 (b) Limitations on the maximum amount of widow's annuity 12 imposed under Section 8-154 do not apply to the annual 13 increases provided under this Section. 14 (c) The increases provided under this Section also apply to

15 <u>compensation annuities and supplemental annuities payable</u> 16 <u>under Section 8-151. The increases provided under this Section</u> 17 do not apply to term annuities.

Section 90. The State Mandates Act is amended by adding Section 8.34 as follows:

20	(30 ILCS 805/8.34 new)
21	Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8
22	of this Act, no reimbursement by the State is required for the
23	implementation of any mandate created by this amendatory Act of
24	the 96th General Assembly.

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