



Rep. Michael J. Madigan

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09800HB1154ham002

LRB098 08482 EFG 41387 a

1 AMENDMENT TO HOUSE BILL 1154

2 AMENDMENT NO. _____. Amend House Bill 1154 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by adding
5 Sections 2-105.1, 2-105.2, 2-119.2, 14-103.40, 14-103.41,
6 14-114.1, 15-107.1, 15-107.2, 15-135.5, 16-106.4, 16-106.5,
7 and 16-133.6 as follows:

8 (40 ILCS 5/2-105.1 new)

9 Sec. 2-105.1. Tier I participant. "Tier I participant": A
10 participant who first became a participant before January 1,
11 2011.

12 (40 ILCS 5/2-105.2 new)

13 Sec. 2-105.2. Tier I retiree. "Tier I retiree": a former
14 Tier I participant who is receiving a retirement annuity.

1 (40 ILCS 5/2-119.2 new)

2 Sec. 2-119.2. Termination of annual increases.
3 Notwithstanding any other provision of this Article, no
4 automatic annual increase in annuity shall be granted in any
5 year in which the System is less than 80% funded as of the last
6 preceding valuation date to (i) any Tier I retiree or (ii) any
7 person receiving a survivor's annuity based on the death of a
8 current or former Tier I participant or Tier I retiree. Annual
9 increases granted before that effective date shall continue in
10 force.

11 For purposes of Section 1-103.1, this Section applies
12 without regard to whether the Tier I participant or Tier I
13 retiree was in service on or after the effective date of this
14 Section.

15 (40 ILCS 5/14-103.40 new)

16 Sec. 14-103.40. Tier I member. "Tier I member": A member of
17 this System who first became a member or participant before
18 January 1, 2011 under any reciprocal retirement system or
19 pension fund established under this Code other than a
20 retirement system or pension fund established under Article 2,
21 3, 4, 5, 6, or 18 of this Code.

22 (40 ILCS 5/14-103.41 new)

23 Sec. 14-103.41. Tier I retiree. "Tier I retiree": A former
24 Tier I member who is receiving a retirement annuity.

1 (40 ILCS 5/14-114.1 new)

2 Sec. 14-114.1. Termination of Tier I annual increases.
3 Notwithstanding any other provision of this Article, no
4 automatic annual increase in annuity shall be granted in any
5 year in which the System is less than 80% funded as of the last
6 preceding valuation date to (i) any Tier I retiree, (ii) any
7 current or former Tier I member receiving a disability benefit,
8 or (iii) any person receiving a reversionary annuity or a
9 widow's or survivor's annuity based on the death of a current
10 or former Tier I member or Tier I retiree. Annual increases
11 granted before that effective date shall continue in force.

12 This Section does not apply to any annuity payable to a
13 person subject to Section 1-160 with respect to service under
14 this Article, nor to any annuity payable under this Article to
15 the eligible survivor of such a person. For purposes of Section
16 1-103.1, this Section applies without regard to whether the
17 Tier I member or Tier I retiree was in service on or after the
18 effective date of this Section.

19 (40 ILCS 5/15-107.1 new)

20 Sec. 15-107.1. Tier I participant. "Tier I participant": A
21 participant under this Article, other than a participant in the
22 self-managed plan under Section 15-158.2, who first became a
23 member or participant before January 1, 2011 under any
24 reciprocal retirement system or pension fund established under

1 this Code other than a retirement system or pension fund
2 established under Article 2, 3, 4, 5, 6, or 18 of this Code.

3 (40 ILCS 5/15-107.2 new)

4 Sec. 15-107.2. Tier I retiree. "Tier I retiree": A former
5 Tier I participant who is receiving a retirement annuity.

6 A person does not become a Tier I retiree by virtue of
7 receiving a reversionary, survivors, beneficiary, or
8 disability annuity.

9 (40 ILCS 5/15-135.5 new)

10 Sec. 15-135.5. Termination of Tier I annual increases.
11 Notwithstanding any other provision of this Article, no
12 automatic annual increase in annuity shall be granted in any
13 year in which the System is less than 80% funded as of the last
14 preceding valuation date to (i) any Tier I retiree, (ii) any
15 current or former Tier I participant receiving a disability
16 benefit, or (iii) any person receiving a survivors insurance
17 benefit, reversionary annuity, or other type of annuity based
18 on the death of a current or former Tier I participant or Tier
19 I retiree. Annual increases granted before that effective date
20 shall continue in force.

21 This Section does not apply to any annuity payable to a
22 person subject to Section 1-160 with respect to service under
23 this Article, nor to any annuity payable under this Article to
24 the eligible survivor of such a person. This Section does not

1 apply to benefits, including disability benefits, payable
2 under the self-managed plan. For purposes of Section 1-103.1,
3 this Section applies without regard to whether the Tier I
4 participant or Tier I retiree was in service on or after the
5 effective date of this Section.

6 (40 ILCS 5/16-106.4 new)

7 Sec. 16-106.4. Tier I member. "Tier I member": A member
8 under this Article who first became a member or participant
9 before January 1, 2011 under any reciprocal retirement system
10 or pension fund established under this Code other than a
11 retirement system or pension fund established under Article 2,
12 3, 4, 5, 6, or 18 of this Code.

13 (40 ILCS 5/16-106.5 new)

14 Sec. 16-106.5. Tier I retiree. "Tier I retiree": A former
15 Tier I member who is receiving a retirement annuity.

16 (40 ILCS 5/16-133.6 new)

17 Sec. 16-133.6. Termination of Tier I annual increases.
18 Notwithstanding any other provision of this Article, no
19 automatic annual increase in annuity shall be granted in any
20 year in which the System is less than 80% funded as of the last
21 preceding valuation date to (i) any Tier I retiree, (ii) any
22 current or former Tier I member receiving a disability benefit,
23 or (iii) any person receiving a reversionary annuity or

1 survivor's benefit based on the death of a current or former
2 Tier I member or Tier I retiree. Annual increases granted
3 before that effective date shall continue in force.

4 This Section does not apply to any annuity payable to a
5 person subject to Section 1-160 with respect to service under
6 this Article, nor to any annuity payable under this Article to
7 the eligible survivor of such a person. For purposes of Section
8 1-103.1, this Section applies without regard to whether the
9 Tier I member or Tier I retiree was in service on or after the
10 effective date of this Section.

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