



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB5310

by Rep. Daniel J. Burke

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-164

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

30 ILCS 805/8.38 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Beginning December 1, 2014, extends eligibility for the 3% annual increase in retirement annuity at age 55 to firemen born after December 31, 1954 who began service prior to January 1, 2011. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB098 18740 RPM 53883 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

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 he began service prior  
13 to January 1, 2011 ~~born before January 1, 1955~~) or over on that  
14 anniversary date, or upon the first of the month following his  
15 attainment of age 60 (age 55 if he began service prior to  
16 January 1, 2011 ~~born before January 1, 1955~~) if that occurs  
17 after the first anniversary of his retirement date, have his  
18 then fixed and payable monthly annuity increased by 1 1/2%, and  
19 such first fixed annuity as granted at retirement increased by  
20 an additional 1 1/2% in January of each year thereafter up to a  
21 maximum increase of 30%. Beginning July 1, 1982 for firemen  
22 born before January 1, 1930, and beginning January 1, 1990 for  
23 firemen born after December 31, 1929 and before January 1,

1 1940, and beginning January 1, 1996 for firemen born after  
2 December 31, 1939 but before January 1, 1945, and beginning  
3 January 1, 2004, for firemen born after December 31, 1944 but  
4 before January 1, 1955, and beginning December 1, 2014 for  
5 firemen born after December 31, 1954 who began service prior to  
6 January 1, 2011, such increases shall be 3% and such firemen  
7 shall not be subject to the 30% maximum increase.

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

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

1 regard to whether the fireman or annuitant terminated service  
2 before the effective date of this amendatory Act.

3 Any fireman who began service prior to January 1, 2011 and  
4 qualifies for a minimum annuity and retires after September 1,  
5 1967 but has not received the initial increase under this  
6 subsection before December 1, 2014 is entitled to receive the  
7 initial increase under this subsection on (1) December 1, 2014,  
8 (2) the first anniversary of the date of retirement, or (3)  
9 attainment of age 55, whichever occurs last. The changes to  
10 this Section made by this amendatory Act of the 98th General  
11 Assembly apply without regard to whether the fireman or  
12 annuitant terminated service before the effective date of this  
13 amendatory Act.

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

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

23 Each such additional 1/8 of 1% deduction from salary which  
24 shall, on September 1, 1963, result in a total increase of 3/8  
25 of 1% of salary, shall be credited to the Automatic Increase  
26 Reserve, to be used, together with city contributions as

1 provided in this Article, to defray the cost of the 1 1/2%  
2 annuity increments herein specified. Any balance in such  
3 reserve as of the beginning of each calendar year shall be  
4 credited with interest at the rate of 3% per annum.

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

13 (d) Notwithstanding any other provision of this Article,  
14 the monthly annuity of a person who first becomes a fireman  
15 under this Article on or after January 1, 2011 shall be  
16 increased on the January 1 occurring either on or after the  
17 attainment of age 60 or the first anniversary of the annuity  
18 start date, whichever is later. Each annual increase shall be  
19 calculated at 3% or one-half the annual unadjusted percentage  
20 increase (but not less than zero) in the consumer price index-u  
21 for the 12 months ending with the September preceding each  
22 November 1, whichever is less, of the originally granted  
23 retirement annuity. If the annual unadjusted percentage change  
24 in the consumer price index-u for a 12-month period ending in  
25 September is zero or, when compared with the preceding period,  
26 decreases, then the annuity shall not be increased.

1 For the purposes of this subsection (d), "consumer price  
2 index-u" means the index published by the Bureau of Labor  
3 Statistics of the United States Department of Labor that  
4 measures the average change in prices of goods and services  
5 purchased by all urban consumers, United States city average,  
6 all items, 1982-84 = 100. The new amount resulting from each  
7 annual adjustment shall be determined by the Public Pension  
8 Division of the Department of Insurance and made available to  
9 the boards of the pension funds.

10 (Source: P.A. 96-1495, eff. 1-1-11.)

11 Section 90. The State Mandates Act is amended by adding  
12 Section 8.38 as follows:

13 (30 ILCS 805/8.38 new)

14 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8  
15 of this Act, no reimbursement by the State is required for the  
16 implementation of any mandate created by this amendatory Act of  
17 the 98th General Assembly.

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