



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2142

Introduced 5/30/2015, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-167.1	from Ch. 108 1/2, par. 5-167.1
40 ILCS 5/6-164	from Ch. 108 1/2, par. 6-164
30 ILCS 805/8.39 new	

Amends the Chicago Police and Chicago Firefighter Articles of the Illinois Pension Code. Provides that any policeman or fireman born after December 31, 1954 but before January 1, 1970 shall be entitled to receive a 3% automatic annual increase to the originally granted annuity. Provides that the automatic annual increase is not subject to the 30% maximum increase. Provides that the initial increase shall be in an amount equal to 3% for each year following the date of retirement or attainment of age 55, whichever occurs later. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB099 12687 RPS 36442 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 Sections 5-167.1 and 6-164 as follows:

6 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

7 Sec. 5-167.1. Automatic increase in annuity; retirement
8 from service after September 1, 1967.

9 (a) A policeman who retires from service after September 1,
10 1967 with at least 20 years of service credit shall, upon
11 either the first of the month following the first anniversary
12 of his date of retirement if he is ~~age 60 (age 55 if born before~~
13 ~~January 1, 1955)~~ or over on that anniversary date, or upon the
14 first of the month following his attainment of ~~age 60 (age 55~~
15 ~~if born before January 1, 1955)~~ if it 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 January 1, 1983 for
21 policemen born before January 1, 1930, and beginning January 1,
22 1988 for policemen born on or after January 1, 1930 but before
23 January 1, 1940, and beginning January 1, 1996 for policemen

1 born on or after January 1, 1940 but before January 1, 1945,
2 and beginning January 1, 2000 for policemen born on or after
3 January 1, 1945 but before January 1, 1950, and beginning
4 January 1, 2005 for policemen born on or after January 1, 1950
5 but before January 1, 1955, and beginning January 1, 2016 for
6 policemen born on or after January 1, 1955 but before January
7 1, 1970, such increases shall be 3% and such policemen shall
8 not be subject to the 30% maximum increase.

9 Any policeman born before January 1, 1945 who qualifies for
10 a minimum annuity and retires after September 1, 1967 but has
11 not received the initial increase under this subsection before
12 January 1, 1996 is entitled to receive the initial increase
13 under this subsection on (1) January 1, 1996, (2) the first
14 anniversary of the date of retirement, or (3) attainment of age
15 55, whichever occurs last. The changes to this Section made by
16 Public Act 89-12 apply beginning January 1, 1996 and without
17 regard to whether the policeman or annuitant terminated service
18 before the effective date of that Act.

19 Any policeman born before January 1, 1950 who qualifies for
20 a minimum annuity and retires after September 1, 1967 but has
21 not received the initial increase under this subsection before
22 January 1, 2000 is entitled to receive the initial increase
23 under this subsection on (1) January 1, 2000, (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 92nd General Assembly apply without

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

3 Any policeman born before January 1, 1955 who qualifies for
4 a minimum annuity and retires after September 1, 1967 but has
5 not received the initial increase under this subsection before
6 January 1, 2005 is entitled to receive the initial increase
7 under this subsection on (1) January 1, 2005, (2) the first
8 anniversary of the date of retirement, or (3) attainment of age
9 55, whichever occurs last. The changes to this Section made by
10 this amendatory Act of the 94th General Assembly apply without
11 regard to whether the policeman or annuitant terminated service
12 before the effective date of this amendatory Act.

13 Any policeman born before January 1, 1970 who qualifies for
14 a minimum annuity and retires after September 1, 1967 but has
15 not received the initial increase under this subsection before
16 January 1, 2016 is entitled to receive the initial increase
17 under this subsection on (1) January 1, 2016, (2) the first
18 anniversary of the date of retirement, or (3) attainment of age
19 55, whichever occurs last, in an amount equal to 3% for each
20 year following the date of retirement or attainment of age 55,
21 whichever occurs later. The changes to this Section made by
22 this amendatory Act of the 99th General Assembly apply without
23 regard to whether the policeman or annuitant terminated service
24 before the effective date of this amendatory Act.

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

1 (c) To help defray the cost of such increases in annuity,
2 there shall be deducted, beginning September 1, 1967, from each
3 payment of salary to a policeman, 1/2 of 1% of each salary
4 payment concurrently with and in addition to the salary
5 deductions otherwise made for annuity purposes.

6 The city, in addition to the contributions otherwise made
7 by it for annuity purposes under other provisions of this
8 Article, shall make matching contributions concurrently with
9 such salary deductions.

10 Each such 1/2 of 1% deduction from salary and each such
11 contribution by the city of 1/2 of 1% of salary shall be
12 credited to the Automatic Increase Reserve, to be used to
13 defray the cost of the 1 1/2% annuity increase provided by this
14 Section. Any balance in such reserve as of the beginning of
15 each calendar year shall be credited with interest at the rate
16 of 3% per annum.

17 Such deductions from salary and city contributions shall
18 continue while the policeman is in service.

19 The salary deductions provided in this Section are not
20 subject to refund, except to the policeman himself, in any case
21 in which a policeman withdraws prior to qualification for
22 minimum annuity and applies for refund or applies for annuity,
23 and also where a term annuity becomes payable. In such cases,
24 the total of such salary deductions shall be refunded to the
25 policeman, without interest, and charged to the Automatic
26 Increase Reserve.

1 (d) Notwithstanding any other provision of this Article,
2 the monthly annuity of a person who first becomes a policeman
3 under this Article on or after August 12, 2011 (the effective
4 date of Public Act 97-344) ~~this amendatory Act of the 97th~~
5 ~~General Assembly~~ shall be increased on the January 1 occurring
6 either on or after the attainment of age 60 or the first
7 anniversary of the annuity start date, whichever is later. Each
8 annual increase shall be calculated at 3% or one-half the
9 annual unadjusted percentage increase (but not less than zero)
10 in the consumer price index-u for the 12 months ending with the
11 September preceding each November 1, whichever is less, of the
12 originally granted retirement annuity. If the annual
13 unadjusted percentage change in the consumer price index-u for
14 a 12-month period ending in September is zero or, when compared
15 with the preceding period, decreases, then the annuity shall
16 not be increased.

17 For the purposes of this subsection (d), "consumer price
18 index-u" means the index published by the Bureau of Labor
19 Statistics of the United States Department of Labor that
20 measures the average change in prices of goods and services
21 purchased by all urban consumers, United States city average,
22 all items, 1982-84 = 100. The new amount resulting from each
23 annual adjustment shall be determined by the Public Pension
24 Division of the Department of Insurance and made available to
25 the boards of the pension funds.

26 (Source: P.A. 96-1495, eff. 1-1-11; 97-344, eff. 8-12-11.)

1 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)
2 Sec. 6-164. Automatic annual increase; retirement after
3 September 1, 1959.

4 (a) A fireman qualifying for a minimum annuity who retires
5 from service after September 1, 1959 shall, upon either the
6 first of the month following the first anniversary of his date
7 of retirement if he is age 55 ~~60 (age 55 if born before January~~
8 ~~1, 1955)~~ or over on that anniversary date, or upon the first of
9 the month following his attainment of age 55 ~~60 (age 55 if born~~
10 ~~before January 1, 1955)~~ if that occurs after the first
11 anniversary of his retirement date, have his then fixed and
12 payable monthly annuity increased by 1 1/2%, and such first
13 fixed annuity as granted at retirement increased by an
14 additional 1 1/2% in January of each year thereafter up to a
15 maximum increase of 30%. Beginning July 1, 1982 for firemen
16 born before January 1, 1930, and beginning January 1, 1990 for
17 firemen born after December 31, 1929 and before January 1,
18 1940, and beginning January 1, 1996 for firemen born after
19 December 31, 1939 but before January 1, 1945, and beginning
20 January 1, 2004, for firemen born after December 31, 1944 but
21 before January 1, 1955, and beginning January 1, 2016, for
22 firemen born after December 31, 1954 but before January 1,
23 1970, such increases shall be 3% and such firemen shall not be
24 subject to the 30% maximum increase.

25 Any fireman born before January 1, 1945 who qualifies for a

1 minimum annuity and retires after September 1, 1967 but has not
2 received the initial increase under this subsection before
3 January 1, 1996 is entitled to receive the initial increase
4 under this subsection on (1) January 1, 1996, (2) the first
5 anniversary of the date of retirement, or (3) attainment of age
6 55, whichever occurs last. The changes to this Section made by
7 this amendatory Act of 1995 apply beginning January 1, 1996 and
8 apply without regard to whether the fireman or annuitant
9 terminated service before the effective date of this amendatory
10 Act of 1995.

11 Any fireman born before January 1, 1955 who qualifies for a
12 minimum annuity and retires after September 1, 1967 but has not
13 received the initial increase under this subsection before
14 January 1, 2004 is entitled to receive the initial increase
15 under this subsection on (1) January 1, 2004, (2) the first
16 anniversary of the date of retirement, or (3) attainment of age
17 55, whichever occurs last. The changes to this Section made by
18 this amendatory Act of the 93rd General Assembly apply without
19 regard to whether the fireman or annuitant terminated service
20 before the effective date of this amendatory Act.

21 Any fireman born before January 1, 1970 who qualifies for a
22 minimum annuity and retires after September 1, 1967 but has not
23 received the initial increase under this subsection before
24 January 1, 2016 is entitled to receive an initial increase
25 under this subsection on (1) January 1, 2016, (2) the first
26 anniversary of the date of retirement, or (3) attainment of age

1 55, whichever occurs last, in an amount equal to 3% for each
2 year following the date of retirement or attainment of age 55,
3 whichever occurs later. The changes to this Section made by
4 this amendatory Act of the 99th General Assembly apply without
5 regard to whether the fireman or annuitant terminated service
6 before the effective date of this amendatory Act.

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

9 (c) To help defray the cost of such increases in annuity,
10 there shall be deducted, beginning September 1, 1959, from each
11 payment of salary to a fireman, 1/8 of 1% of each such salary
12 payment and an additional 1/8 of 1% beginning on September 1,
13 1961, and September 1, 1963, respectively, concurrently with
14 and in addition to the salary deductions otherwise made for
15 annuity purposes.

16 Each such additional 1/8 of 1% deduction from salary which
17 shall, on September 1, 1963, result in a total increase of 3/8
18 of 1% of salary, shall be credited to the Automatic Increase
19 Reserve, to be used, together with city contributions as
20 provided in this Article, to defray the cost of the 1 1/2%
21 annuity increments herein specified. Any balance in such
22 reserve as of the beginning of each calendar year shall be
23 credited with interest at the rate of 3% per annum.

24 The salary deductions provided in this Section are not
25 subject to refund, except to the fireman himself, in any case
26 in which a fireman withdraws prior to qualification for minimum

1 annuity and applies for refund, or applies for annuity, and
2 also where a term annuity becomes payable. In such cases, the
3 total of such salary deductions shall be refunded to the
4 fireman, without interest, and charged to the aforementioned
5 reserve.

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

20 For the purposes of this subsection (d), "consumer price
21 index-u" means the index published by the Bureau of Labor
22 Statistics of the United States Department of Labor that
23 measures the average change in prices of goods and services
24 purchased by all urban consumers, United States city average,
25 all items, 1982-84 = 100. The new amount resulting from each
26 annual adjustment shall be determined by the Public Pension

1 Division of the Department of Insurance and made available to
2 the boards of the pension funds.

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

4 Section 90. The State Mandates Act is amended by adding
5 Section 8.39 as follows:

6 (30 ILCS 805/8.39 new)

7 Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8
8 of this Act, no reimbursement by the State is required for the
9 implementation of any mandate created by this amendatory Act of
10 the 99th General Assembly.

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