

AN ACT in relation to pensions.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Sections 5-129.1, 5-132, 5-167.2, 5-167.4, 5-168, 6-111, 6-128, 6-128.2, 6-128.4, 6-142, 6-143, 6-151.1, 6-160, 6-164, 6-165, 6-210.1, 6-211, 6-222, 8-137, 8-150.1, 8-167, 8-172, 8-174, 8-174.1, 8-192, 11-134.1, 11-145.1, 11-163, 11-167, 11-170.1, 11-178, 11-181, 12-133, and 12-149 and adding Sections 6-124.1, 6-141.2, 6-210.2, 6-210.3, 8-138.4, 8-138.5, 8-172.1, 11-133.3, 11-133.4, 12-133.6, and 12-133.7 as follows:

(40 ILCS 5/5-129.1)

Sec. 5-129.1. Withdrawal at mandatory retirement age - amount of annuity.

(a) In lieu of any annuity provided in the other provisions of this Article, a policeman who is required to withdraw from service on or after January 1, 2000 due to attainment of mandatory retirement age and has at least 10 but less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service plus 2% of average salary for each completed year of service or fraction thereof in excess of 10, but not to exceed a maximum of 48% of average salary.

(b) For the purpose of this Section, "average salary" means the average of the highest 4 consecutive years of salary within the last 10 years of service, or such shorter period as may be used to calculate a minimum retirement annuity under Section 5-132.

(c) For the purpose of qualifying for the annual increases provided in Section 5-167.1, a policeman whose retirement annuity is calculated under this Section shall be deemed to

qualify for a minimum annuity.

(d) A policeman with less than 20 years of service credit who was required to withdraw from service on or after January 1, 2000 but before June 28, 2002 due to attainment of mandatory retirement age is also entitled to have his or her retirement annuity calculated in accordance with this Section. If payment of the annuity has already begun, the annuity shall be recalculated. The resulting increase, if any, shall accrue from the starting date of the annuity; the amount of the increase relating to the period before the annuity is recalculated shall be paid to the annuitant in a lump sum, without interest.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)

Sec. 5-132. Minimum annuity. Any policeman who withdraws on or after July 8, 1957, or any policeman transferred to the police service of the city under the Exchange of Functions Act of 1957 who withdraws on or after July 17, 1959, after completing at least 20 years of service, for whom the annuity otherwise provided in this Article is less than that stated in this Section has a right to receive annuity as follows:

(a) If he is age 55 or more on withdrawal, his annuity after such withdrawal, shall be equal to 2% of the average salary for 4 consecutive years of highest salaries within the last 10 years of service before withdrawal, for each year of service, together with 1/6 of 1% of such average salary for each complete month of service of each fractional year, but not in excess of 75% of the average annual salary.

(b) If he is age 50 or more but less than age 55 on withdrawal, his annuity shall be equal to 2% of the average salary for the 4 highest consecutive years of the last 10 years of service for each year of service, together with 1/16 of 1% of such average salary for each month of each fractional year of service, reduced by 1/2 of 1% for each month that he is less than age 55.

(c) If he is less than age 50 on withdrawal, he may, upon

attainment of age 50 or over, become entitled to the annuity provided in this Section or, he may, upon application before age 50, receive a refund of the deductions from salary, plus interest at 1 1/2% per annum if he is entitled to refund under Section 5-163.

(d) In lieu of the annuity provided in the foregoing provisions of this Section 5-132 any policeman who withdraws from the service after December 31, 1973, after having attained age 53 in the service with 23 or more years of service credit shall be entitled to an annuity computed as follows if such annuity is greater than that provided in the foregoing paragraphs of this Section 5-132: An annuity equal to 50% of the average salary for the 4 highest consecutive years of the last 10 years of service plus additional annuity equal to 2% of such average salary for each completed year of service or fraction thereof rendered after his attainment of age 53 and the completion of 23 years of service.

Any policeman who has completed 23 years of service prior to his attainment of age 53 in the service and continues in the service until his attainment of age 53 shall have added to his annuity, computed as provided in the immediately preceding paragraph, an additional annuity equal to 1% of such average salary for each completed year of service or fraction thereof in excess of 23 years up to age 53.

(e) In lieu of the annuity provided in the foregoing provisions of this Section any policeman who withdraws from the service either (i) after December 31, 1983 with at least 22 years of service credit and having attained age 52 in the service, or (ii) after December 31, 1984 with at least 21 years of service credit and having attained age 51 in the service, or (iii) after December 31, 1985 with at least 20 years of service credit and having attained age 50 in the service, or (iv) after December 31, 1990, with at least 20 years of service credit regardless of age, shall be entitled to an annuity to begin not earlier than upon attainment of age 50 if under such age at withdrawal, computed as follows: an annuity equal to 50% of the

average salary for the 4 highest consecutive years of the last 10 years of service, plus additional annuity equal to 2% of such average salary for each completed year of service or fraction thereof rendered after his completion of the minimum number of years of service required for him to be eligible under this subsection (e). In lieu of any annuity provided in the foregoing provisions of this Section, any policeman who withdraws from the service after December 31, 2003, with at least 20 years of service credit regardless of age, shall be entitled to an annuity to begin not earlier than upon attainment of age 50, if under that age at withdrawal, equal to 2.5% of the average salary for the 4 highest consecutive years of the last 10 years of service for each completed year of service or fraction thereof. However, the annuity provided under this subsection (e) may not exceed 75% of such average salary.

(f) A policeman withdrawing after September 1, 1969, may, in addition, be entitled to the benefits provided by Section 5-167.1 of this Article if he so qualifies under that Section.

If, on withdrawal, total service is less than 20 years, the policeman shall not be entitled to an annuity under this Section but may receive an annuity under the other provisions of this Article or, if entitled thereto under Section 5--163, a refund of the deductions from salary, including, in the case of policemen transferred to the police service of the city under the Exchange of Functions Act of 1957, the additional contribution paid on salary received from August 1, 1957, to July 17, 1959, as provided in the Park Policemen's Annuity Act, together with interest at 1 1/2% per annum.

Moneys voluntarily contributed under the Policemen's Annuity and Benefit Fund Act of the Illinois Municipal Code, or the Park Policemen's Annuity Act, shall be refunded to the contributing policemen who were in service on January 1, 1954, or in the case of policemen transferred to the police service of the city under the Exchange of Functions Act of 1957, who were in service on July 17, 1959.

The age and service annuity formula in this Section shall not apply to any policeman who, having retired before July 8, 1957, or before July 17, 1959, in the case of a policeman transferred under the provisions of the Exchange of Functions Act of 1957, re-enters the police service after such dates, whichever are applicable.

(Source: P.A. 86-1488.)

(40 ILCS 5/5-167.2) (from Ch. 108 1/2, par. 5-167.2)

Sec. 5-167.2. Retirement before September 1, 1967. A retired policeman, qualifying for minimum annuity or who retired from service with 20 or more years of service, before September 1, 1967, shall, in January of the year following the year he attains the age of 65, or in January of the year 1970, if then more than 65 years of age, have his then fixed and payable monthly annuity increased by an amount equal to 2% of the original grant of annuity, for each year the policeman was in receipt of annuity payments after the year in which he attains, or did attain the age of 63. An additional 2% increase in such then fixed and payable original granted annuity shall accrue in each January thereafter. Beginning January 1, 1986, the rate of such increase shall be 3% instead of 2%.

The provisions of the preceding paragraph of this Section apply only to a retired policeman eligible for such increases in his annuity who contributes to the Fund a sum equal to \$5 for each full year of credited service upon which his annuity was computed. All such sums contributed shall be placed in a Supplementary Payment Reserve and shall be used for the purposes of such Fund account.

Beginning with the monthly annuity payment due in July, 1982, the fixed and granted monthly annuity payment for any policeman who retired from the service, before September 1, 1976, at age 50 or over with 20 or more years of service and entitled to an annuity on January 1, 1974, shall be not less than \$400. It is the intent of the General Assembly that the change made in this Section by this amendatory Act of 1982

shall apply retroactively to July 1, 1982.

Beginning with the monthly annuity payment due on January 1, 1986, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1986, at age 50 or over with 20 or more years of service, or any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1986, shall be not less than \$475.

Beginning with the monthly annuity payment due on January 1, 1992, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1992, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1992, shall be not less than \$650.

Beginning with the monthly annuity payment due on January 1, 1993, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1993, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1993, shall be not less than \$750.

Beginning with the monthly annuity payment due on January 1, 1994, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1994, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1994, shall be not less than \$850.

Beginning with the monthly annuity payment due on January 1, 2004, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 2004, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 2004, shall be not less than \$950.

Beginning with the monthly annuity payment due on January 1, 2005, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 2005, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 2005, shall be not less than \$1,050.

The difference in amount between the original fixed and granted monthly annuity of any such policeman on the date of his retirement from the service and the monthly annuity provided for in the immediately preceding paragraph shall be paid as a supplement in the manner set forth in the immediately following paragraph.

To defray the annual cost of the increases indicated in the preceding part of this Section, the annual interest income accruing from investments held by this Fund, exclusive of gains or losses on sales or exchanges of assets during the year, over and above 4% a year shall be used to the extent necessary and available to finance the cost of such increases for the following year and such amount shall be transferred as of the end of each year beginning with the year 1969 to a Fund account designated as the Supplementary Payment Reserve from the Interest and Investment Reserve set forth in Section 5-207.

In the event the funds in the Supplementary Payment Reserve in any year arising from: (1) the interest income accruing in the preceding year above 4% a year and (2) the contributions by retired persons are insufficient to make the total payments to all persons entitled to the annuity specified in this Section and (3) any interest earnings over 4% a year beginning with the year 1969 which were not previously used to finance such increases and which were transferred to the Prior Service Annuity Reserve, may be used to the extent necessary and available to provide sufficient funds to finance such increases for the current year and such sums shall be transferred from the Prior Service Annuity Reserve. In the event the total money available in the Supplementary Payment Reserve from such

sources are insufficient to make the total payments to all persons entitled to such increases for the year, a proportionate amount computed as the ratio of the money available to the total of the total payments specified for that year shall be paid to each person for that year.

The Fund shall be obligated for the payment of the increases in annuity as provided for in this Section only to the extent that the assets for such purpose are available.

(Source: P.A. 91-357, eff. 7-29-99.)

(40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

Sec. 5-167.4. Widow annuitant minimum annuity.

(a) Notwithstanding any other provision of this Article, beginning January 1, 1996, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$700 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1995.

Notwithstanding any other provision of this Article, beginning January 1, 1999, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$800 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1998.

Notwithstanding any other provision of this Article, beginning January 1, 2004, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$900 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

Notwithstanding any other provision of this Article, beginning January 1, 2005, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$1,000 per month, without regard to whether the deceased policeman is in service on or

after the effective date of this amendatory Act of the 93rd General Assembly.

(b) Effective January 1, 1994, the minimum amount of widow's annuity shall be \$700 per month for the following classes of widows, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1993: (1) the widow of a policeman who dies in service with at least 10 years of service credit, or who dies in service after June 30, 1981; and (2) the widow of a policeman who withdraws from service with 20 or more years of service credit and does not withdraw a refund, provided that the widow is married to the policeman before he withdraws from service.

(c) The city, in addition to the contributions otherwise made by it under the other provisions of this Article, shall make such contributions as are necessary for the minimum widow's annuities provided under this Section in the manner prescribed in Section 5-175.

(Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

Sec. 5-168. Financing.

(a) Except as expressly provided in this Section, the city shall levy a tax annually upon all taxable property therein for the purpose of providing revenue for the fund.

The tax shall be at a rate that will produce a sum which, when added to the amounts deducted from the policemen's salaries and the amounts deposited in accordance with subsection (g), is sufficient for the purposes of the fund.

For the years 1968 and 1969, the city council shall levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property that will produce, when extended, not to exceed \$9,700,000. Beginning with the year 1970 and each year thereafter the city council shall levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property that will produce when extended an amount not to

exceed the total amount of contributions by the policemen to the Fund made in the calendar year 2 years before the year for which the applicable annual tax is levied, multiplied by 1.40 for the tax levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981; by 2.00 for 1982 and for each year thereafter.

(b) The tax shall be levied and collected in like manner with the general taxes of the city, and is in addition to all other taxes which the city is now or may hereafter be authorized to levy upon all taxable property therein, and is exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any law which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under Section 8-3-1 of the Illinois Municipal Code, shall not consider the tax herein authorized as a part of the general tax levy for city purposes, and shall not include the tax in any limitation of the percent of the assessed valuation upon which taxes are required to be extended for the city.

(c) On or before January 10 of each year, the board shall notify the city council of the requirement that the tax herein authorized be levied by the city council for that current year. The board shall compute the amounts necessary for the purposes of this fund to be credited to the reserves established and maintained within the fund; shall make an annual determination of the amount of the required city contributions; and shall certify the results thereof to the city council.

As soon as any revenue derived from the tax is collected it shall be paid to the city treasurer of the city and shall be held by him for the benefit of the fund in accordance with this Article.

(d) If the funds available are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the tax levy for the current fiscal year.

(e) The various sums, including interest, to be contributed by the city, shall be taken from the revenue derived from such tax or otherwise as expressly provided in this Section. Any moneys of the city derived from any source other than the tax herein authorized shall not be used for any purpose of the fund nor the cost of administration thereof, unless applied to make the deposit expressly authorized in this Section or the additional city contributions required under subsection (h).

(f) If it is not possible or practicable for the city to make its contributions at the time that salary deductions are made, the city shall make such contributions as soon as possible thereafter, with interest thereon to the time it is made.

(g) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(h) In addition to the contributions required under the other provisions of this Article, by November 1 of the following specified years, the city shall deposit with the city treasurer for the benefit of the fund, to be held and used in accordance with this Article, the following specified amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;

~~\$5,040,000 in 2002; and \$4,620,000 in 2003; \$4,200,000 in 2004; \$3,780,000 in 2005; \$3,360,000 in 2006; \$2,940,000 in 2007; \$2,520,000 in 2008; \$2,100,000 in 2009; \$1,680,000 in 2010; \$1,260,000 in 2011; \$840,000 in 2012; and \$420,000 in 2013.~~

The additional city contributions required under this subsection are intended to decrease the unfunded liability of the fund and shall not decrease the amount of the city contributions required under the other provisions of this Article. The additional city contributions made under this subsection may be used by the fund for any of its lawful purposes.

(Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/6-111) (from Ch. 108 1/2, par. 6-111)

Sec. 6-111. Salary. "Salary": Subject to Section 6-211, the annual salary of a fireman, as follows:

(a) For age and service annuity, minimum annuity, and disability benefits, the actual amount of the annual salary, except as otherwise provided in this Article.

(b) For prior service annuity, widow's annuity, widow's prior service annuity and child's annuity to and including August 31, 1957, the amount of the annual salary up to a maximum of \$3,000.

(c) Except as otherwise provided in Section 6-141.1, for widow's annuity, beginning September 1, 1957, the amount of annual salary up to a maximum of \$6,000.

(d) "Salary" means the actual amount of the annual salary attached to the permanent career service rank held by the fireman, except as provided in subsection (e).

(e) In the case of a fireman who holds an exempt position above career service rank:

(1) For the purpose of computing employee and city contributions, "salary" means the actual salary attached to the exempt rank position held by the fireman.

(2) For the purpose of computing benefits: "salary" means the actual salary attached to the exempt rank

position held by the fireman, if (i) the contributions specified in Section 6-211 have been made, (ii) the fireman has held one or more exempt positions for at least 5 consecutive years and has held the rank of battalion chief or field officer for at least 5 years during the exempt period, and (iii) the fireman was born before 1955; otherwise, "salary" means the salary attached to the permanent career service rank held by the fireman, as provided in subsection (d).

(f) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, and for any prior periods for which contributions have been paid under subsection (g) of this Section, all salary payments made to any active or former fireman who holds or previously held the permanent assigned position or classified career service rank, grade, or position of ambulance commander shall be included as salary for all purposes under this Article.

(g) Any active or former fireman who held the permanent assigned position or classified career service rank, grade, or position of ambulance commander may elect to have the full amount of the salary attached to that permanent assigned position or classified career service rank, grade, or position included in the calculation of his or her salary for any period during which the fireman held the permanent assigned position or classified career service rank, grade, or position of ambulance commander by applying in writing and making all employee and employer contributions, without interest, related to the actual salary payments corresponding to the permanent assigned position or classified career service rank, grade, or position of ambulance commander for all periods beginning on or after January 1, 1995. All applicable contributions must be paid in full to the Fund before January 1, 2006 before the payment of any benefit under this subsection (g) will be made.

Any former fireman or widow of a fireman who (i) held the permanent assigned position or classified career service rank, grade, or position of ambulance commander, (ii) is in receipt

of annuity on the effective date of this amendatory Act of the 93rd General Assembly, and (iii) pays to the Fund contributions under this subsection (g) for salary payments at the permanent assigned position or classified career service rank, grade, or position of ambulance commander shall have his or her annuity recalculated to reflect the ambulance commander salary and the resulting increase shall become payable on the next annuity payment date following the date the contribution is received by the Fund.

In the case of an active or former fireman who (i) dies before January 1, 2006 without making an election under this subsection and (ii) was eligible to make an election under this subsection at the time of death (or would have been eligible had the death occurred after the effective date of this amendatory Act), any surviving spouse, child, or parent of the fireman who is eligible to receive a benefit under this Article based on the fireman's salary may make that election and pay the required contributions on behalf of the deceased fireman. If the death occurs within the 30 days immediately preceding January 1, 2006, the deadline for application and payment is extended to January 31, 2006.

Any portion of the compensation received for service as an ambulance commander for which the corresponding contributions have not been paid shall not be included in the calculation of salary.

(h) Beginning January 1, 1999, with respect to a fireman who is licensed by the State as an Emergency Medical Technician, references in this Article to the fireman's salary or the salary attached to or appropriated for the permanent assigned position or classified career service rank, grade, or position of the fireman shall be deemed to include any additional compensation payable to the fireman by virtue of being licensed as an Emergency Medical Technician, as provided under a collective bargaining agreement with the city.

(i) Beginning on the effective date of this amendatory Act of the 93rd General Assembly (and for any period prior to that

date for which contributions have been paid under subsection (j) of this Section), the salary of a fireman, as calculated for any purpose under this Article, shall include any duty availability pay received by the fireman (i) pursuant to a collective bargaining agreement or (ii) pursuant to an appropriation ordinance in an amount equivalent to the amount of duty availability pay received by other firemen pursuant to a collective bargaining agreement, and references in this Article to the salary attached to or appropriated for the permanent assigned position or classified career service rank, grade, or position of the fireman shall be deemed to include that duty availability pay.

(j) An active or former fireman who received duty availability pay at any time after December 31, 1994 and before the effective date of this amendatory Act of the 93rd General Assembly and who either (1) retired during that period or (2) had attained age 46 and at least 16 years of service by the effective date of this amendatory Act may elect to have that duty availability pay included in the calculation of his or her salary for any portion of that period for which the pay was received, by applying in writing and paying to the Fund, before January 1, 2006, the corresponding employee contribution, without interest.

In the case of an applicant who is receiving an annuity at the time the application and contribution are received by the Fund, the annuity shall be recalculated and the resulting increase shall become payable on the next annuity payment date following the date the contribution is received by the Fund.

In the case of an active or former fireman who (i) dies before January 1, 2006 without making an election under this subsection and (ii) was eligible to make an election under this subsection at the time of death (or would have been eligible had the death occurred after the effective date of this amendatory Act), any surviving spouse, child, or parent of the fireman who is eligible to receive a benefit under this Article based on the fireman's salary may make that election and pay

the required contribution on behalf of the deceased fireman. If the death occurs within the 30 days immediately preceding January 1, 2006, the deadline for application and payment is extended to January 31, 2006.

Any duty availability pay for which the corresponding employee contribution has not been paid shall not be included in the calculation of salary.

(k) The changes to this Section made by this amendatory Act of the 93rd General Assembly are not limited to firemen in service on or after the effective date of this amendatory Act.

(Source: P.A. 83-1362.)

(40 ILCS 5/6-124.1 new)

Sec. 6-124.1. Withdrawal at compulsory retirement age - amount of annuity.

(a) In lieu of any annuity provided in the other provisions of this Article, a fireman who is required to withdraw from service due to attainment of compulsory retirement age and has at least 10 but less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service plus 2% of average salary for each completed year of service or remaining fraction thereof in excess of 10, but not to exceed a maximum of 50% of average salary.

(b) For the purpose of this Section, "average salary" means the average of the fireman's highest 4 consecutive years of salary within the last 10 years of service.

(c) For the purpose of qualifying for the annual increases provided in Section 6-164, a fireman whose retirement annuity is calculated under this Section shall be deemed to qualify for a minimum annuity.

(40 ILCS 5/6-128) (from Ch. 108 1/2, par. 6-128)

Sec. 6-128. (a) A future entrant who withdraws on or after July 21, 1959, after completing at least 23 years of service, and for whom the annuity otherwise provided in this Article is

less than that stated in this Section, has a right to receive annuity as follows:

If he is age 53 or more on withdrawal, his annuity after withdrawal, shall be equal to 50% of his average salary ~~determined by striking an average of 4 consecutive highest years of salary within the last 10 years of service immediately preceding the date of withdrawal.~~

An employee who reaches compulsory retirement age and who has less than 23 years of service shall be entitled to a minimum annuity equal to an amount determined by the product of (1) his years of service and (2) 2% of his average salary ~~for the 4 consecutive highest years of salary within the last 10 years of service immediately prior to his reaching compulsory retirement age.~~

An employee who remains in service after qualifying for annuity under this Section shall have added to this annuity an additional 1% of average salary for each completed year of service or fraction thereof rendered until July 21, 1959, and an additional 1% for a total of 2% of average salary from July 21, 1959. Each future entrant who has completed 23 years of service before reaching age 53 shall have added to this annuity 1% of average salary for each completed year of service or fraction thereof in excess of 23 years up to age 53. ~~"Salary" as referred to in this paragraph shall be determined by striking an average of the 4 consecutive highest years of salary within the last 10 years of service immediately preceding withdrawal.~~

(b) In lieu of the annuity provided in the foregoing provisions of this Section any future entrant who withdraws from the service either (i) after December 31, 1983 with at least 22 years of service credit and having attained age 52 in the service, or (ii) after December 31, 1984 with at least 21 years of service credit and having attained age 51 in the service, or (iii) after December 31, 1985 with at least 20 years of service credit and having attained age 50 in the service, or (iv) after December 31, 1990 with at least 20 years

of service regardless of age, may elect to receive an annuity, to begin not earlier than upon attainment of age 50 if under that age at withdrawal, computed as follows: an annuity equal to 50% of ~~the average salary for the 4 highest consecutive years of the last 10 years of service~~, plus additional annuity equal to 2% of ~~such~~ average salary for each completed year of service or fraction thereof rendered after his completion of the minimum number of years of service required for him to be eligible under this subsection (b). However, the annuity provided under this subsection (b) may not exceed 75% of ~~such~~ average salary.

(c) In lieu of the annuity provided in any other provision of this Section, a future entrant who withdraws from service after the effective date of this amendatory Act of the 93rd General Assembly with at least 20 years of service may elect to receive an annuity, to begin no earlier than upon attainment of age 50 if under that age at withdrawal, equal to 50% of average salary plus 2.5% of average salary for each completed year of service or fraction thereof over 20, but not to exceed 75% of average salary.

(d) For the purpose of this Section, "average salary" means the average of the highest 4 consecutive years of salary within the last 10 years of service.

(Source: P.A. 86-1488.)

(40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

Sec. 6-128.2. Minimum retirement annuities.

(a) Beginning with the monthly payment due in January, 1988, the monthly annuity payment for any person who is entitled to receive a retirement annuity under this Article in January, 1990 and has retired from service at age 50 or over with 20 or more years of service, and for any person who retires from service on or after January 24, 1990 at age 50 or over with 20 or more years of service, shall not be less than \$475 per month. The \$475 minimum annuity is exclusive of any automatic annual increases provided by Sections 6-164 and

6-164.1, but not exclusive of previous raises in the minimum annuity as provided by any Section of this Article.

Beginning January 1, 1992, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be \$650 per month.

Beginning January 1, 1993, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be \$750 per month.

Beginning January 1, 1994, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be \$850 per month.

Beginning January 1, 2004, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be \$950 per month.

Beginning January 1, 2005, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be \$1,050 per month.

The minimum annuities established by this subsection (a) do include previous raises in the minimum annuity as provided by any Section of this Article, but do not include any sums which have been added or will be added to annuity payments by the

automatic annual increases provided by Sections 6-164 and 6-164.1. Such annual increases shall be paid in addition to the minimum amounts specified in this subsection.

(b) Notwithstanding any other provision of this Article, beginning January 1, 1990, the minimum retirement annuity payable to any person who is entitled to receive a retirement annuity under this Article on that date shall be \$475 per month.

(c) The changes made to this Section by this amendatory Act of the 93rd General Assembly ~~shall~~ apply to all persons receiving a retirement annuity under this Article, without regard to whether the retirement of the fireman occurred prior to the effective date of this amendatory Act ~~of 1993~~.

(Source: P.A. 86-273; 86-1027; 86-1028; 86-1475; 87-849; 87-1265.)

(40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)

Sec. 6-128.4. Minimum widow's annuities.

(a) Notwithstanding any other provision of this Article, beginning January 1, 1996, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is \$700 per month, without regard to whether the deceased fireman is in service on or after the effective date of this amendatory Act of 1995.

(b) Notwithstanding Section 6-128.3, beginning January 1, 1994, the minimum widow's annuity under this Article shall be \$700 per month for (1) all persons receiving widow's annuities on that date who are survivors of employees who retired at age 50 or over with at least 20 years of service, and (2) persons who become eligible for widow's annuities and are survivors of employees who retired at age 50 or over with at least 20 years of service.

(c) Notwithstanding Section 6-128.3, beginning January 1, 1999, the minimum widow's annuity under this Article shall be \$800 per month for (1) all persons receiving widow's annuities on that date who are survivors of employees who retired at age

50 or over with at least 20 years of service, and (2) persons who become eligible for widow's annuities and are survivors of employees who retired at age 50 or over with at least 20 years of service.

(d) Notwithstanding Section 6-128.3, beginning January 1, 2004, the minimum widow's annuity under this Article shall be \$900 per month for all persons receiving widow's annuities on or after that date, without regard to whether the deceased fireman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(e) Notwithstanding Section 6-128.3, beginning January 1, 2005, the minimum widow's annuity under this Article shall be \$1,000 per month for all persons receiving widow's annuities on or after that date, without regard to whether the deceased fireman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/6-141.2 new)

Sec. 6-141.2. Minimum annuity for certain widows. Notwithstanding the other provisions of this Article, the widow's annuity payable to the widow of a fireman who dies on or after July 1, 1997 while an active fireman with at least 10 years of creditable service shall be no less than 50% of the retirement annuity that the deceased fireman would have been eligible to receive if he had attained age 50 and 20 years of service on the day before his death and retired on that day. In the case of a widow's annuity that is payable on the effective date of this amendatory Act of the 93rd General Assembly, the increase provided by this Section, if any, shall begin to accrue on the first annuity payment date following that effective date.

(40 ILCS 5/6-142) (from Ch. 108 1/2, par. 6-142)

Sec. 6-142. Wives and widows not entitled to annuities.

(A) Except as provided in subsection (B), the following

wives or widows have no right to annuity from the fund:

(a) A wife or widow married subsequent to the effective date of a fireman who dies in service if she was not married to him before he attained age 63;

(b) A wife or widow of a fireman who withdraws, whether or not he enters upon annuity, and dies while out of service, if the marriage occurred after the effective date and she was not his wife while he was in service and before he attained age 63;

(c) A wife or widow of a fireman who (1) has served 10 or more years, (2) dies out of service after he has withdrawn from service, and (3) has withdrawn or applied for refund of the sums to his credit for annuity to which he had a right to refund;

(d) A wife or widow of a fireman who dies out of service after he has withdrawn before age 63, and who has not served at least 10 years;

(e) A wife whose marriage was dissolved or widow of a fireman whose judgment of dissolution of marriage from her fireman husband is annulled, vacated or set aside by proceedings in court subsequent to the death of the fireman, unless (1) such proceedings are filed within 5 years after the date of the dissolution of marriage and within one year after the death of the fireman and (2) the board is made a party to the proceedings;

(f) A wife or widow who married the fireman while he was in receipt of disability benefit or disability pension from this fund, unless he returned to the service subsequent to the marriage and remained therein for a period or periods aggregating one year, or died while in service.

(B) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, the limitation on marriage after withdrawal under subdivision (A)(b) and the limitation on marriage during disability under subdivision (A)(f) no longer apply to a widow who was married to the deceased fireman before the fireman begins to receive a retirement annuity and for at least one year immediately preceding the date of death,

regardless of whether the deceased fireman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly; except that this subsection (B) does not apply to the widow of a fireman who received a refund of contributions for widow's annuity under Section 6-160, unless the refund is repaid to the Fund, with interest at the rate of 4% per year, compounded annually, from the date of the refund to the date of repayment. If the widow of a fireman who died before the effective date of this amendatory Act becomes eligible for a widow's annuity because of this amendatory Act, the annuity shall begin to accrue on the date of application for the annuity, but in no event sooner than the effective date of this amendatory Act.

(Source: P.A. 81-230.)

(40 ILCS 5/6-143) (from Ch. 108 1/2, par. 6-143)

Sec. 6-143. Widow's remarriage.

(a) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, a widow's annuity shall no longer be subject to termination or suspension under this Section due to remarriage. Any widow's annuity that was previously terminated or suspended under this Section by reason of remarriage shall, upon application, be resumed as of the date of the application, but in no event sooner than the effective date of this amendatory Act. The resumption shall not be retroactive. This subsection (a) applies regardless of whether or not the deceased fireman was in service on or after the effective date of this amendatory Act.

(b) This subsection (b) does not apply on or after the effective date of this amendatory Act of the 93rd General Assembly.

Any annuity granted to a widow who remarries on or after December 31, 1989 shall be suspended when she remarries, unless (i) she remarries after attaining the age of 60 regardless of whether or not the deceased fireman was in service on or after the effective date of this amendatory Act of 1995 or (ii) she

has been granted a Section 6-140 annuity as the widow of a fireman killed in performance of duty. An annuity suspended under this Section shall, upon application, be resumed if the subsequent marriage ends by dissolution of marriage, declaration of invalidity of marriage, or the death of the husband; this resumption shall not be retroactive.

If a widow remarries after attaining age 60 or after she has been granted an annuity under Section 6-140 and the remarriage takes place after December 31, 1989, regardless of whether or not the deceased fireman was in service on or after the effective date of this amendatory Act of 1995, the widow's annuity shall continue without interruption.

Any widow's annuity that was previously terminated by reason of remarriage prior to December 31, 1989 or suspended shall, upon application, be resumed, as of the date of the application, if the subsequent marriage ended by dissolution of marriage, declaration of invalidity of marriage, or the death of the husband, regardless of whether or not the deceased fireman was in service on the effective date of this amendatory Act of 1995; this resumption shall not be retroactive.

When a widow dies, if she has not received, in the form of an annuity, an amount equal to the accumulated employee contributions for widow's annuity, the difference between such accumulated contributions and the sum received by her, along with any part of the accumulated contributions for age and service annuity remaining in the fund at her death, shall be refunded to the fireman's children, in equal parts to each; except that if a child is less than age 18, the part of any such amount that is required to pay an annuity to the child shall be transferred to the child's annuity reserve. If no children or descendants thereof survive the fireman, the refund shall be paid to the estate of the fireman. In making refunds under this Section, no interest shall be considered upon either the total of annuity payments made or the amounts subject to refund.

(Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-151.1) (from Ch. 108 1/2, par. 6-151.1)

Sec. 6-151.1. The General Assembly finds and declares that service in the Fire Department requires that firemen, in times of stress and danger, must perform unusual tasks; that by reason of their occupation, firemen are subject to exposure to great heat and to extreme cold in certain seasons while in performance of their duties; that by reason of their employment firemen are required to work in the midst of and are subject to heavy smoke fumes, and carcinogenic, poisonous, toxic or chemical gases from fires; and that in the course of their rescue and paramedic duties firemen are exposed to disabling infectious diseases, including AIDS, hepatitis C, and stroke. The General Assembly further finds and declares that all the aforementioned conditions exist and arise out of or in the course of such employment.

Any active fireman who has completed 7 ~~ten~~ or more years of service and is unable to perform his duties in the Fire Department by reason of heart disease, tuberculosis, ~~or~~ any disease of the lungs or respiratory tract, AIDS, hepatitis C, or stroke resulting ~~solely~~ from his service as a fireman, shall be entitled to receive an occupational disease disability benefit during any period of such disability for which he does not have a right to receive salary.

Any active fireman who has completed 7 ~~ten~~ or more years of service and is unable to perform his duties in the fire department by reason of a disabling cancer, which develops or manifests itself during a period while the fireman is in the service of the department, shall be entitled to receive an occupational disease disability benefit during any period of such disability for which he does not have a right to receive salary. In order to receive this occupational disease disability benefit, the type of cancer involved must be a type which may be caused by exposure to heat, radiation or a known carcinogen as defined by the International Agency for Research on Cancer.

Any fireman who shall enter the service after the effective

date of this amendatory Act shall be examined by one or more practicing physicians appointed by the Board, and if that said examination discloses impairment of the heart, lungs, or respiratory tract, or the existence of AIDS, hepatitis C, stroke, or any cancer, then the such fireman shall not be entitled to receive an occupational disease disability benefit unless and until a subsequent examination reveals no such impairment, AIDS, hepatitis C, stroke, or cancer.

The occupational disease disability benefit shall be 65% of the fireman's salary at the time of his removal from the Department payroll. However, beginning January 1, 1994, no occupational disease disability benefit that has been payable under this Section for at least 10 years shall be less than 50% of the current salary attached from time to time to the rank and grade held by the fireman at the time of his removal from the Department payroll, regardless of whether that removal occurred before the effective date of this amendatory Act of 1993.

Such fireman also shall have a right to receive child's disability benefit of \$30 per month on account of each unmarried child who is less than 18 years of age or handicapped, dependent upon the fireman for support, and either the issue of the fireman or legally adopted by him. The total amount of child's disability benefit payable to the fireman, when added to his occupational disease disability benefit, shall not exceed 75% of the amount of salary which he was receiving at the time of the grant of occupational disease disability benefit.

The first payment of occupational disease disability benefit or child's disability benefit shall be made not later than one month after the benefit is granted. Each subsequent payment shall be made not later than one month after the date of the latest payment.

Occupational disease disability benefit shall be payable during the period of the disability until the fireman reaches the age of compulsory retirement. Child's disability benefit

shall be paid to such a fireman during the period of disability until such child or children attain age 18 or marry, whichever event occurs first; except that attainment of age 18 by a child who is so physically or mentally handicapped as to be dependent upon the fireman for support, shall not render the child ineligible for child's disability benefit. The fireman thereafter shall receive such annuity or annuities as are provided for him in accordance with other provisions of this Article.

(Source: P.A. 88-528.)

(40 ILCS 5/6-160) (from Ch. 108 1/2, par. 6-160)

Sec. 6-160. Refund - Widow's annuity contributions. When a fireman attains age 63 in service and is not then married, or when an unmarried fireman withdraws before age 63 and enters upon annuity, his contributions for widow's annuity shall then be refunded to him, upon request. A refund under this Section may be repaid as provided in Section 6-142(B).

(Source: P.A. 81-1536.)

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

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

(a) A fireman qualifying for a minimum annuity who retires from service after September 1, 1959 shall, upon either the first of the month following the first anniversary of his date of retirement if he is age 60 (age 55 if born before January 1, 1955 ~~1945~~) or over on that anniversary date, or upon the first of the month following his attainment of age 60 (age 55 if born before January 1, 1955 ~~1945~~) if that occurs after the first anniversary of his retirement date, have his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by an additional 1 1/2% in January of each year thereafter up to a maximum increase of 30%. Beginning July 1, 1982 for firemen born before January 1, 1930, and beginning January 1, 1990 for

firemen born after December 31, 1929 and before January 1, 1940, and beginning January 1, 1996 for firemen born after December 31, 1939 but before January 1, 1945, and beginning January 1, 2004, for firemen born after December 31, 1944 but before January 1, 1955, such increases shall be 3% and such firemen shall not be subject to the 30% maximum increase.

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

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

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

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

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

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

(Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

Sec. 6-165. Financing; tax.

(a) Except as expressly provided in this Section, each city shall levy a tax annually upon all taxable property therein for the purpose of providing revenue for the fund. For the years prior to the year 1960, the tax rate shall be as provided for in the "Firemen's Annuity and Benefit Fund of the Illinois Municipal Code". The tax, from and after January 1, 1968 to and including the year 1971, shall not exceed .0863% of the value, as equalized or assessed by the Department of Revenue, of all taxable property in the city. Beginning with the year 1972 and each year thereafter the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within such city that will produce, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by

2.23 through the calendar year 1981, and by 2.26 for the year 1982 and for each year thereafter.

To provide revenue for the ordinary death benefit established by Section 6-150 of this Article, in addition to the contributions by the firemen for this purpose, the city council shall for the year 1962 and each year thereafter annually levy a tax, which shall be in addition to and exclusive of the taxes authorized to be levied under the foregoing provisions of this Section, upon all taxable property in the city, as equalized or assessed by the Department of Revenue, at such rate per cent of the value of such property as shall be sufficient to produce for each year the sum of \$142,000.

The amounts produced by the taxes levied annually, together with the deposit expressly authorized in this Section, shall be sufficient, when added to the amounts deducted from the salaries of firemen and applied to the fund, to provide for the purposes of the fund.

(b) The taxes shall be levied and collected in like manner with the general taxes of the city, and shall be in addition to all other taxes which the city may levy upon all taxable property therein and shall be exclusive of and in addition to the amount of tax the city may levy for general purposes under Section 8-3-1 of the Illinois Municipal Code, approved May 29, 1961, as amended, or under any other law or laws which may limit the amount of tax which the city may levy for general purposes.

(c) The amounts of the taxes to be levied in each year shall be certified to the city council by the board.

(d) As soon as any revenue derived from such taxes is collected, it shall be paid to the city treasurer and held for the benefit of the fund, and all such revenue shall be paid into the fund in accordance with the provisions of this Article.

(e) If the funds available are insufficient during any year to meet the requirements of this Article, the city may issue

tax anticipation warrants, against the tax levies herein authorized for the current fiscal year.

(f) The various sums, hereinafter stated, including interest, to be contributed by the city, shall be taken from the revenue derived from the taxes or otherwise as expressly provided in this Section. Except for defraying the cost of administration of the fund during the calendar year in which a city first attains a population of 500,000 and comes under the provisions of this Article and the first calendar year thereafter, any money of the city derived from any source other than these taxes or the sale of tax anticipation warrants shall not be used to provide revenue for the fund, nor to pay any part of the cost of administration thereof, unless applied to make the deposit expressly authorized in this Section or the additional city contributions required under subsection (h).

(g) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the taxes levied under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of those taxes.

(h) In addition to the contributions required under the other provisions of this Article, by November 1 of the following specified years, the city shall deposit with the city treasurer for the benefit of the fund, to be held and used in

accordance with this Article, the following specified amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001; \$5,040,000 in 2002; and \$4,620,000 in 2003; ~~\$4,200,000 in 2004;~~ ~~\$3,780,000 in 2005;~~ ~~\$3,360,000 in 2006;~~ ~~\$2,940,000 in 2007;~~ ~~\$2,520,000 in 2008;~~ ~~\$2,100,000 in 2009;~~ ~~\$1,680,000 in 2010;~~ ~~\$1,260,000 in 2011;~~ ~~\$840,000 in 2012;~~ and ~~\$420,000 in 2013.~~

The additional city contributions required under this subsection are intended to decrease the unfunded liability of the fund and shall not decrease the amount of the city contributions required under the other provisions of this Article. The additional city contributions made under this subsection may be used by the fund for any of its lawful purposes.

(Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/6-210.1) (from Ch. 108 1/2, par. 6-210.1)

Sec. 6-210.1. Credit for former employment with the fire department.

(a) Any fireman who (1) accumulated service credit in the Article 8 fund for service as an employee of the Chicago Fire Department and (2) has terminated that Article 8 service credit and received a refund of contributions therefor, may establish service credit in this Fund for all or any part of that period of service under the Article 8 fund by making written application to the Board by January 1, 2000 and paying to this Fund (i) employee contributions based upon the actual salary received and the rates in effect for members of this Fund at the time of such service, plus (ii) interest thereon calculated as follows:

(1) For applications received by the Board before July 14, ~~the effective date of this amendatory Act of 1995~~, interest shall be calculated on the amount of employee contributions determined under item (i) above, at the rate of 4% per annum, compounded annually, from the date of termination of such service to the date of payment.

(2) For applications received by the Board on or after

July 14, the effective date of this amendatory Act of 1995, interest shall be calculated on the amount of employee contributions determined under item (i) above, at the rate of 4% per annum, compounded annually, from the first date of the period for which credit is being established under this subsection (a) to the date of payment.

(b) A fireman who, at any time during the period 1970 through 1983, was an employee of the Chicago Fire Department but did not participate in any pension fund subject to this Code with respect to that employment may establish service credit in this Fund for all or any part of that employment by making written application to the Board by January 1, 2005 ~~2000~~ and paying to this Fund (i) employee contributions based upon the actual salary received and the rates in effect for members of this Fund at the time of that employment, plus (ii) interest thereon calculated at the rate of 4% per annum, compounded annually, from the first date of the employment for which credit is being established under this subsection (b) to the date of payment.

(c) A fireman may pay the contributions required for service credit under this Section established on or after July 14, the effective date of this amendatory Act of 1995 in the form of payroll deductions, in accordance with such procedures and limitations as may be established by Board rule and any applicable rules or ordinances of the employer.

(d) Employer contributions shall be transferred as provided in Sections 6-210.2 and 8-172.1. The employer shall not be responsible for making any additional employer contributions for any credit established under this Section.

(Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-210.2 new)

Sec. 6-210.2. City contributions for paramedics. Municipality credits computed and credited under Article 8 for all firemen who (1) accumulated service credit in the Article 8 fund for service as a paramedic, (2) have terminated that

Article 8 service credit and received a refund of contributions, and (3) are participants in this Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be transferred by the Article 8 fund to this Fund, together with interest at the rate of 11% per annum, compounded annually, to the date of the transfer, as provided in Section 8-172.1 of this Code. These city contributions shall be credited to the individual fireman only if he or she pays for prior service as a paramedic in full to this Fund.

(40 ILCS 5/6-210.3 new)

Sec. 6-210.3. Payments and rollovers.

(a) The Board may adopt rules prescribing the manner of repaying refunds and purchasing any other credits permitted under this Article. The rules may prescribe the manner of calculating interest when payments or repayments are made in installments.

(b) Rollover contributions from other retirement plans qualified under the Internal Revenue Code of 1986 may be used to purchase any optional credit or repay any refund permitted under this Article.

(40 ILCS 5/6-211) (from Ch. 108 1/2, par. 6-211)

Sec. 6-211. Permanent and temporary positions; ~~exempt positions above career service rank.~~

(a) Except as specified in subsection (b), no annuity, pension or other benefit shall be paid to a fireman or widow, under this Article, based upon any salary paid by virtue of a temporary appointment, and all contributions, annuities and benefits shall be related to the salary which attaches to the permanent position of the fireman.

Any fireman temporarily serving in a position or rank other than that to which he has received permanent appointment shall be considered, while so serving, as though he were in his permanent position or rank, except that no increase in any pension, annuity or other benefit hereunder shall accrue to him

by virtue of any service performed by him subsequent to attaining the compulsory retirement age provided by law or ordinance.

This Section does ~~shall~~ not apply to any person certified to the fire department by the civil service commission of the city, during the period of probationary service.

A fireman who holds a position at the will of the Fire Commissioner or other appointing authority, whether or not such position is an "exempt" position, shall be deemed to hold a temporary position, ~~and such employee's contributions and benefits shall be based upon the employee's permanent career service salary. The provisions of this paragraph shall be retroactive to January 1, 1976.~~

(b) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, for service in an exempt position above career service rank, employee contributions shall be based on the actual full salary attached to the exempt rank position held by the fireman.

For service in an exempt position above career service rank, benefit computations under this Article shall be based on the actual full salary attached to the exempt rank position held by the fireman if and only if:

(1) employee contributions have been paid on the actual full salary attached to the exempt rank position held by the fireman for all service on or after January 1, 1994 in an exempt position above career service rank;

(2) the fireman has held one or more exempt positions for at least 5 consecutive years (or, in the case of a fireman who retired due to attainment of compulsory retirement age before December 1, 2003, held one or more exempt positions for a consecutive period of at least 3 years and 9 months and made the payment required under subsection (c) for a period of at least 5 years) and has held the rank of battalion chief or field officer for at least 5 years (at least 3 years and 9 months in the case of a fireman who retired due to attainment of compulsory

retirement age before December 1, 2003) during the exempt period; and

(3) the fireman was born before 1955.

(c) For service prior to the effective date of this amendatory Act of the 93rd General Assembly in an exempt position above career service rank for which contributions have been paid only on the salary attached to the fireman's permanent career service rank, a fireman may make the contributions required under subsection (b) by paying to the Fund before the later of the date of retirement or 6 months after the effective date of this amendatory Act, but in no event later than July 1, 2005, an amount equal to the difference between the employee contributions actually made for that service and the employee contributions that would have been made based on the actual full salary attached to the exempt rank position held by the fireman on or after January 1, 1994, plus interest thereon at the rate of 4% per year, compounded annually, from the date of the service to the date of payment (or to the date of retirement if retirement is before the effective date of this amendatory Act). In the case of a fireman who retired in an exempt rank position after January 1, 1994 and before January 1, 1999 and in the case of a fireman who retired due to attaining compulsory retirement age before December 1, 2003, the payment under this subsection (c) shall be for a period of at least 5 years.

If a fireman dies while eligible to make the contributions required under subsection (b) but before the contributions are paid, the fireman's widow may elect to make the contributions.

(d) Subsection (e) of Section 6-111 and the changes made to this Section by this amendatory Act of the 93rd General Assembly apply to a fireman who retires (or becomes disabled) on or after January 1, 1994. In the case of a benefit payable on the effective date of this amendatory Act, the resulting increase in benefit shall begin to accrue with the first benefit payment period commencing after the required contributions are paid.

(e) If a fireman or his survivors do not qualify to have benefits computed on the full amount of salary received for service in an exempt position as provided in subsection (b), benefits shall be computed on the basis of the salary attached to the permanent career service rank, and a refund of any employee contributions paid on the difference between the actual salary and the salary attached to the permanent career service rank shall be payable to the fireman upon termination of service, or to the fireman's widow or estate upon the fireman's death.

(f) The tax levy computed under Section 6-165 shall be based on employee contributions, including the payments of employee contributions under subsections (a), (b), and (c) of this Section 6-211.

(g) The city shall pay to the Fund on an annual basis, in addition to the usual city contributions, an amount at least equal to the sum of (1) the increase in normal cost resulting from subsection (e) of Section 6-111 and the changes made to this Section by this amendatory Act of the 93rd General Assembly, plus (2) amortization (over a period of 30 years from the effective date of this amendatory Act) of the initial unfunded liability resulting from subsection (e) of Section 6-111 and the changes made to this Section by this amendatory Act of the 93rd General Assembly. The payment required under this subsection shall be no less than \$400,000 per year. Payment shall begin with the first calendar year commencing after the effective date of this amendatory Act and shall be in addition to the tax levy otherwise calculated under Section 6-165. The city may increase that tax levy by the amount of the payment required under this subsection, or it may utilize any funds appropriated for this purpose.

(Source: P.A. 83-16.)

(40 ILCS 5/6-222) (from Ch. 108 1/2, par. 6-222)

Sec. 6-222. Administrative review.

(a) The provisions of the Administrative Review Law, and

all amendments and modifications thereof and the rules adopted pursuant thereto shall apply to and govern all proceedings for the judicial review of final administrative decisions of the retirement board hereunder. The term "administrative decision" is as defined in Section 3-101 of the Code of Civil Procedure.

(b) If any fireman whose application for either a duty disability benefit under Section 6-151 or for an occupational disease disability benefit under Section 6-151.1 has been denied by the Retirement Board brings an action for administrative review challenging the denial of disability benefits and the fireman prevails in the action in administrative review, then the prevailing fireman shall be entitled to recover from the Fund court costs and litigation expenses, including reasonable attorney's fees, as part of the costs of the action.

(Source: P.A. 82-783.)

(40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

Sec. 8-137. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1959 and before January 1, 1987, having attained age 60 or more, shall, in January of the year after the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%, and beginning with January of the year 1984 such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1959 and before January 1, 1987, but before age 60, shall receive such increases beginning in January of the year after the year in which he attains age 60.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) January 1, 2002, ~~the date 60 days after the effective date of this amendatory Act of the 92nd General Assembly,~~ whichever occurs latest, the monthly annuity of an employee who retires on annuity prior to the attainment of age 60 and ~~who~~ has not received an increase under subsection (a) shall be increased by 3%, and the ~~such~~ annuity shall be increased by an additional 3% of the current payable monthly annuity, including any ~~such~~ increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(a-6) Notwithstanding the provisions of subsections (a) and (a-5), for all calendar years following the year in which this amendatory Act of the 93rd General Assembly takes effect, an increase in annuity under this Section that would otherwise take effect at any time during the year shall instead take effect in January of that year.

(b) Subsections (a), ~~and~~ (a-5), and (a-6) are not applicable to an employee retiring and receiving a term annuity, as herein defined, nor to any otherwise qualified employee who retires before he makes employee contributions (at the 1/2 of 1% rate as provided in this Act) for this additional

annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with January, 1960, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance in such account at the beginning of each calendar year shall be credited with interest at the rate of 3% per annum.

Such additional employee contributions are not refundable, except to an employee who withdraws and applies for refund under this Article, and in cases where a term annuity becomes payable. In such cases his contributions shall be refunded, without interest, and charged to such account in the prior service annuity reserve.

(Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02; revised 8-26-02.)

(40 ILCS 5/8-138.4 new)

Sec. 8-138.4. Early retirement incentive.

(a) To be eligible for the benefits provided in this Section, an employee must:

(1) have been a contributor to the Fund who (i) on October 15, 2003, was in active payroll status as an employee; (ii) returns to active payroll status from an approved leave of absence prior to December 15, 2003; (iii) on October 15, 2003, is receiving ordinary or duty disability benefits under Section 8-160 or 8-161; or (iv) has been subjected to an involuntary termination or layoff

by the employer and restored to service by his or her employer prior to January 31, 2004;

(2) have not previously retired under this Article;

(3) file with the Board on or before January 30, 2004, a written election requesting the benefits provided in this Section;

(4) withdraw from service on or after January 31, 2004 and on or before February 29, 2004 (or the date established under subsection (a-5), if applicable); and

(5) by the date of withdrawal or by February 29, 2004, whichever is earlier, have attained age 50 with at least 10 years of creditable service in this Fund, without including any creditable service established under this Section, and a total of at least 70 combined years of age and creditable service, without including any creditable service established under this Section, in one or more of the participating systems under the Retirement Systems Reciprocal Act.

A person is not eligible for the benefits provided in this Section if the person (i) elects to receive the alternative annuity for city officers under Section 8-243.2, or (ii) elects to receive a retirement annuity calculated under the alternative formula formerly set forth in Section 20-122.

(a-5) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the February 29, 2004 deadline for terminating employment under this Article established in subdivision (a) (4) of this Section to a date not later than May 31, 2004 by so notifying the Fund by January 31, 2004.

(b) An eligible employee may establish up to 5 years of creditable service under this Section, in increments of one month, by making the contributions specified in subsection (d). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be

deemed to be one month older than it actually is, except for determination of eligibility for automatic annual increases under Sections 8-137 and 8-137.1. Furthermore, an eligible employee must establish at least the amount of age and creditable service necessary to bring his or her age and total creditable service, including service in this Fund, service established under this Section, and service in any of the other participating systems under the Retirement Systems Reciprocal Act, to a minimum that will satisfy the requirements of Section 8-138.

The creditable service under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of average annual salary and the determination of salary, earnings, or compensation under this or any other Article of this Code.

(c) An eligible employee shall be entitled to have his or her retirement annuity calculated in accordance with the formula provided in Section 8-138, except that the annuity shall not be subject to reduction because of withdrawal or commencement of the annuity before attainment of age 60.

(d) For each month of creditable service established under this Section, the employee must pay to the Fund an employee contribution, to be calculated by the Fund, equal to 4.25% of the member's monthly salary rate on October 15, 2003. The employee may elect to pay the entire contribution before the retirement annuity commences, or to have it deducted from the annuity over a period not longer than 24 months. If the retired employee dies before the contribution has been paid in full, the unpaid installments may be deducted from any annuity or other benefit payable to the employee's survivors.

All employee contributions paid under this Section shall not be deemed contributions made by employees for annuity purposes under Section 8-173, and shall be made and credited to a special reserve, without interest. Employee contributions paid under this Section may be refunded under the same terms and conditions as are applicable to other employee

contributions for retirement annuity.

(e) Notwithstanding Section 8-165, an annuitant who reenters service under this Article after receiving a retirement annuity based on benefits provided under this Section thereby forfeits the right to continue to receive those benefits, and shall have his or her retirement annuity recalculated at the appropriate time without the benefits provided in this Section.

(f) No employer action in declaring an employee to be a critical employee pursuant to subsection (a-5) shall be construed as an impairment of any pension benefit or entitlement. No early retirement option or resultant benefit conferred under this Section shall, in any manner, vest for any employee until the earlier date of the employer's decision to release the employee from service or May 31, 2004.

(40 ILCS 5/8-138.5 new)

Sec. 8-138.5. Early retirement incentive for employees who have earned maximum pension benefits.

(a) A person who is eligible for the benefits provided under Section 8-138.4 and who, if he or she had retired on or before February 29, 2004, would have been entitled to a pension equal to 80% of his or her highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding February 29, 2004 without receiving the benefits provided in Section 8-138.4, may elect, by filing written election with the Fund by January 30, 2004, to receive a lump sum from the Fund equal to 100% of his or her salary on February 29, 2004 or the date of withdrawal, whichever is earlier. To be eligible to receive the benefit provided under this Section, the person must withdraw from service on or after January 31, 2004 and on or before February 29, 2004 (or the date established under subsection (b), if applicable). If a person elects to receive the benefit provided under this Section, his or her retirement annuity otherwise payable under Section 8-138 shall be reduced by an amount equal to the

actuarial equivalent of the lump sum.

(b) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the February 29, 2004 deadline for terminating employment under this Article established in subdivision (a) of this Section to a date not later than May 31, 2004 by so notifying the Fund by January 31, 2004.

(40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

Sec. 8-150.1. Minimum annuities for widows. The widow (otherwise eligible for widow's annuity under other Sections of this Article 8) of an employee hereinafter described, who retires from service or dies while in the service subsequent to the effective date of this amendatory provision, and for which widow the amount of widow's annuity and widow's prior service annuity combined, fixed or provided for such widow under other provisions of this Article is less than the amount provided in this Section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow of any employee who dies while in service on or after the date on which he attains age 60 if the death occurs before July 1, 1990, or on or after the date on which he attains age 55 if the death occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attains age 50 if the death occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained the age of 60 or more years on such date if the death occurs before July 1,

1990, or age 55 or more if the death occurs on or after July 1, 1990, or age 50 or more if the death occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (k), this widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death in service occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death in service occurs on or after January 23, 1987.

If the employee dies in service before July 1, 1990, and if such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 0.25% for each month that her then attained age is less than 60 years if the employee was born before January 1, 1936 or dies in service on or after January 1, 1988, or by 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after July 1, 1936 and dies in service before January 1, 1988.

If the employee dies in service on or after July 1, 1990, and if the widow of the employee has not attained age 55 on or before the employee's date of death, the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee dies in service on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(b) The widow of any employee who dies subsequent to the

date of his retirement on annuity, and who so retired on or after the date on which he attained the age of 60 or more years if retirement occurs before July 1, 1990, or on or after the date on which he attained age 55 if retirement occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attained age 50 if the retirement occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity, conditional upon such widow having attained the age of 60 or more years on the date of her husband's retirement on annuity if retirement occurs before July 1, 1990, or age 55 or more if retirement occurs on or after July 1, 1990, or age 50 or more if the retirement on annuity occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (k), this widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death occurs on or after January 23, 1987, regardless of the date of retirement; provided that, if retirement was before January 23, 1987, the employee or eligible spouse repays the excess spouse refund with interest at the effective rate from the date of refund to the date of repayment.

If the date of the employee's retirement on annuity is before July 1, 1990, and if such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 0.25% for each month that her then attained age was less than 60 years if the employee was born before January 1,

1936 or withdraws from service on or after January 1, 1988, or by 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after January 1, 1936 and withdraws from service before January 1, 1988.

If the date of the employee's retirement on annuity is on or after July 1, 1990, and if the widow of the employee has not attained age 55 by the date of the employee's retirement on annuity, the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee retires on annuity on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former municipal employee receiving an annuity from the fund on August 9, 1965 or on the effective date of this amendatory provision, who re-enters service as a municipal employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) In computing the amount of annuity which the husband specified in the foregoing paragraphs (a) and (b) of this Section would have been entitled to receive, or received, such amount shall be the annuity to which such husband would have been, or was entitled, before reduction in the amount of his annuity for the purposes of the voluntary optional reversionary annuity provided for in Section 8-139 of this Article, if such option was elected.

(e) (Blank).

(f) (Blank).

(g) The amendatory provisions of this amendatory Act of 1985 relating to annuity discount because of age for widows of employees born before January 1, 1936, shall apply only to qualifying widows of employees withdrawing or dying in service on or after July 18, 1985.

(h) Beginning on January 1, 1999, the minimum amount of widow's annuity shall be \$800 per month for life for the following classes of widows, without regard to the fact that the death of the employee occurred prior to the effective date of this amendatory Act of 1998:

(1) any widow annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any widow annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any widow annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose employee spouse's service in this fund was at least 5 years;

(4) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if the retirement occurred prior to the effective date of this amendatory Act of 1998;

(5) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if withdrawal occurs on or after the effective date of this amendatory Act of 1998;

(6) the widow of an employee who dies in service with at least 5 years of service in this fund, if the death in service occurs on or after the effective date of this amendatory Act of 1998.

The increases granted under items (1), (2), (3) and (4) of this subsection (h) shall not be limited by any other Section of this Act.

(i) The widow of an employee who retired or died in service

on or after January 1, 1985 and before July 1, 1990, at age 55 or older, and with at least 35 years of service credit, shall be entitled to have her widow's annuity increased, effective January 1, 1991, to an amount equal to 50% of the retirement annuity that the deceased employee received on the date of retirement, or would have been eligible to receive if he had retired on the day preceding the date of his death in service, provided that if the widow had not attained age 60 by the date of the employee's retirement or death in service, the amount of the annuity shall be reduced by 0.25% for each month that her then attained age was less than age 60 if the employee's retirement or death in service occurred on or after January 1, 1988, or by 0.5% for each month that her attained age is less than age 60 if the employee's retirement or death in service occurred prior to January 1, 1988. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the increase in benefit provided by this subsection (i) shall be contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(j) If a deceased employee is receiving a retirement annuity at the time of death and that death occurs on or after June 27, 1997, the widow may elect to receive, in lieu of any other annuity provided under this Article, 50% of the deceased employee's retirement annuity at the time of death reduced by 0.25% for each month that the widow's age on the date of death is less than 55; except that if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (j) shall be reduced by 0.25% for each month that her age on the date of death is less than 50 years. However, in cases where a

refund of excess contributions for widow's annuity has been paid by the Fund, the benefit provided by this subsection (j) is contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(k) For widows of employees who died before January 23, 1987 after retirement on annuity or in service, the maximum dollar amount limitation on widow's annuity shall cease to apply, beginning with the first annuity payment after the effective date of this amendatory Act of 1997; except that if a refund of excess contributions for widow's annuity has been paid by the Fund, the increase resulting from this subsection (k) shall not begin before the refund has been repaid to the Fund, together with interest at the effective rate from the date of the refund to the date of repayment.

(l) In lieu of any other annuity provided in this Article, an eligible spouse of an employee who dies in service on or after January 1, 2002 (regardless of whether that death in service occurs prior to ~~at least 60 days after~~ the effective date of this amendatory Act of the 93rd ~~92nd~~ General Assembly) with at least 10 years of service shall be entitled to an annuity of 50% of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this subsection, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40% for each year of service of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80% of the highest average annual salary. This annuity shall not be reduced due to the age of the employee or spouse. In addition to any other eligibility requirements under this Article, the spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more.

(Source: P.A. 92-599, eff. 6-28-02.)

Sec. 8-167. Restoration of rights. An employee who has withdrawn as a refund the amounts credited for annuity purposes, and who (i) re-enters service of the employer and serves for periods comprising at least 90 days ~~2 years~~ after the date of the last refund paid to him or (ii) has completed at least 2 years of service under a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund after the date of the last refund, shall have his annuity rights restored by compliance with the following provisions:

(a) After that 90 day or ~~such~~ 2 year period, whichever applies, he shall repay in full to the fund, while in service, ~~in full~~ all refunds received, together with interest at the effective rate from the dates of refund to the date of repayment. ~~or~~

(b) If payment is not made in a single sum, the repayment may be made in installments by deductions from salary or otherwise in such manner and amounts and manner as the board, by rule, may prescribe, with interest at the effective rate accruing on unpaid balances. ~~or~~

(c) If the employee withdraws from service or dies in service before full repayment is made, service credit shall be restored in accordance with Section 8-230.3(b).

(d) If the employee repays the refund while participating in a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund, the service credit restored must be used for a proportional annuity calculated in accordance with the Retirement Systems Reciprocal Act. If not so used, the restored service credit shall be forfeited and the amount of the repayment shall be refunded, without interest. ~~or such rights shall not be restored, but the amount, including interest, repaid by him, but without any further interest otherwise normally credited, shall be refunded to him or to his widow, or in the manner provided by the refund provisions of this Article if no widow survives.~~

This Section applies also to any person who received a

refund from any annuity and benefit fund or pension fund which was merged into and superseded by the annuity and benefit fund provided for in this Article on or after December 31, 1959. Upon repayment such person shall receive credit for all annuity purposes in the annuity and benefit fund provided for in this Article for the period of service covered by the repayment ~~such refund~~.

The amount of refund repayment is considered as salary deductions for age and service annuity and widow's annuity purposes in the case of a male person. In the latter case the amount of refund repayment is allocated in the applicable proportion for age and service and widow's annuity purposes. Such person shall also be credited with city contributions for age and service annuity, and widow's annuity if a male employee, in the amount which would have been credited and accrued if such person had been a participant in and contributor to the annuity and benefit fund provided for in this Article during the period of such service on the basis of his salary during such period.

(Source: P.A. 81-1536.)

(40 ILCS 5/8-172) (from Ch. 108 1/2, par. 8-172)

Sec. 8-172. Refunds - Transfer of city contributions. Whenever any amount is refunded as provided in Sections 8-168 and 8-169, except in the case of a male employee who becomes a widower while in service after he becomes age 65, the amounts to the credit of the male employee from contributions by the city⁷ shall be transferred to the prior service annuity reserve. Thereafter, except as otherwise provided in Section 8-172.1, any such amounts shall become a credit to the city and, with interest thereon at the effective rate, be used to reduce the amount which the city would otherwise pay during a succeeding year.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/8-172.1 new)

Sec. 8-172.1. Transfer of city contributions for paramedics.

(a) Municipality credits computed and credited under this Article 8 for all persons who (1) accumulated service credit in this Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are participants in the Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be transferred by this Article 8 fund to the Article 6 fund together with interest at the rate of 11% per annum, compounded annually, to the date of transfer. The city shall not be responsible for making any additional employer contributions to the Fund to replace the amounts transferred under this Section.

(b) Municipality credits computed and credited under this Article 8 for all persons who (1) accumulated service credit in this Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are not participants in the Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be used as provided in Section 8-172.

(40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

Sec. 8-174. Contributions for age and service annuities for present employees and future entrants. (a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953, and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each payment of the salary of each present employee and future entrant shall be contributed to the fund as a deduction from salary for age and service annuity.

Such deductions beginning on the effective date and prior to July 1, 1947 shall be made for a future entrant while he is in the service until he attains age 65 and for a present employee while he is in the service until the amount so deducted from his salary with the amount deducted from his

salary or paid by him according to law to any municipal pension fund in force on the effective date with interest on both such amounts at 4% per annum equals the sum that would have been to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

(b) Concurrently with each employee contribution beginning on the effective date and prior to July 1, 1947 the city shall contribute 5 3/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65. Notwithstanding any provision of this subsection (b) to the contrary, the city shall not make a contribution for any credit established by an employee under subsection (b) of Section 8-138.4.

(c) Each employee contribution made prior to the date the age and service annuity for an employee is fixed and each corresponding city contribution shall be credited to the employee and allocated to the account of the employee for whose benefit it is made.

(Source: P.A. 81-1536.)

(40 ILCS 5/8-174.1) (from Ch. 108 1/2, par. 8-174.1)

Sec. 8-174.1. Employer contributions on behalf of employees.

(a) The employer may make and may incur an obligation to make contributions on behalf of its employees in an amount not to exceed the employee contributions required by Sections 8-137, 8-161, 8-174, 8-182 and 8-182.1 for all salary earned after December 31, 1981. If such employee contributions are not made or an obligation to make such contributions is not incurred by the employer on behalf of its employees, the amount that could have been contributed shall continue to be deducted

from salary. If employee contributions are made by the employer on behalf of its employees, they shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code; however, each city shall continue to withhold Federal and State income taxes based upon these contributions until the Internal Revenue Service or the Federal courts rule that pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The employer may make these contributions on behalf of its employees by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. The employer shall pay these employee contributions from the same source of funds used in paying salary to the employee or, if the employer is a Board of Education, it may also or alternatively pay such contributions in whole or in part from the proceeds of the pension contribution liability tax authorized by Section 34-60.1 of the School Code, as amended. If such a tax is levied with respect to any fiscal year of a Board of Education, that portion of the contributions to be paid by the Board of Education on behalf of its employees for that fiscal year from the proceeds of such a tax shall not be due and payable into the Fund until the collection, in the calendar year following the calendar year in which such levy was made, of the actual tax bills extending the second installment of real estate taxes for the Board of Education for that calendar year, pursuant to Section 21-30 of the Property Tax Code, and such Board of Education shall not be required to pay those contributions to be paid from the proceeds of such a tax into the Fund except as collected from the extension of the actual tax bills. If employee contributions are made by the employer on behalf of its employees, they shall be treated for all purposes of this Article 8, including Section 8-173, in the same manner and to the same extent as employee contributions

made by employees and deducted from salary; provided, however, that contributions which are made by a Board of Education on behalf of its employees shall not be treated as a pension or retirement obligation of the Board of Education for purposes of Section 12 of "An Act in relation to State revenue sharing with local governmental entities", approved July 31, 1969, as amended. For purposes of Section 8-173, contributions made by a Board of Education on behalf of its employees shall be treated as contributions made by or on behalf of employees to the Fund for the fiscal year for which the Board of Education incurred the obligation to make such contributions.

(b) Subject to the requirements of federal law and the rules of the Board, the Fund may allow the employee to elect to have the employer make on behalf of the employee the optional contributions that the employee has elected to pay to the Fund, and the contributions so made on the employee's behalf shall be treated as employer contributions for the purpose of determining federal tax treatment. The employer shall make contributions on behalf of an employee by a reduction in the cash salary of the employee and shall pay contributions from the same source of funds that is used to pay earnings of the employee. The election to have the contributions made on the employee's behalf is irrevocable, and the optional contributions may not thereafter be prepaid, by direct payment or otherwise.

If the provision authorizing the optional contribution requires payment by a stated date (rather than the date of withdrawal or retirement), the requirement will be deemed to have been satisfied if (i) on or before the stated date the employee executes a valid irrevocable election to have the contributions made on his or her behalf under this subsection, and (ii) the contributions made on his or her behalf are in fact paid to the Fund as provided in the election.

If employee contributions are made by the employer on the employee's behalf under this subsection, they shall be treated for all purposes of this Article 8, including Section 8-173, in

the same manner and to the same extent as optional employee contributions made prior to the date made on the employee's behalf.

(Source: P.A. 88-670, eff. 12-2-94.)

(40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

Sec. 8-192. Board created. A board of 5 members shall constitute a Board of Trustees authorized to carry out the provisions of this Article. The board shall be known as the Retirement Board of the Municipal Employees', Officers', and Officials' Annuity and Benefit Fund of the city, or for the sake of brevity may also be known and referred to as the Retirement Board of the Municipal Employees' Annuity and Benefit Fund of such city. The board shall consist of the city comptroller, the city treasurer, and 3 members who shall be employees, to be elected as follows:

Within 30 days after the effective date, the mayor of the city shall arrange for and hold an election.

One employee shall be elected for a term ending on the first day in the month of December of the first year next following the effective date; one for a term ending December 1st of the following year; and one for a term ending on December 1st of the second following year.

The city comptroller, with the approval of the board, may appoint a designee from among employees of the city who are versed in the affairs of the comptroller's office to act in the absence of the comptroller on all matters pertaining to administering the provisions of this Article.

The members of a Retirement Board of a municipal employees', officers', and officials' annuity and benefit fund holding office in a city at the time this Article becomes effective, including elective and ex-officio members, shall continue in office until the expiration of their terms and until their respective successors are elected or appointed and have qualified.

An employee member who takes advantage of the early

retirement incentives provided under this amendatory Act of the 93rd General Assembly may continue as a member until the end of his or her term.

(Source: P.A. 85-964.)

(40 ILCS 5/11-133.3 new)

Sec. 11-133.3. Early retirement incentive.

(a) To be eligible for the benefits provided in this Section, an employee must:

(1) have been a contributor to the Fund who (i) on October 15, 2003, was in active payroll status as an employee; (ii) returns to active payroll status from an approved leave of absence prior to December 15, 2003; (iii) on October 15, 2003, is receiving ordinary or duty disability benefits under Section 11-155 or 11-156 or (iv) has been subjected to an involuntary termination or layoff by the employer and restored to service by his or her employer prior to January 31, 2004;

(2) have not previously retired under this Article;

(3) file with the Board on or before January 30, 2004, a written election requesting the benefits provided in this Section;

(4) withdraw from service on or after January 31, 2004 and on or before February 29, 2004 (or the date established under subsection (a-5), if applicable); and

(5) by the date of withdrawal or by January 31, 2004, whichever is earlier, have attained age 50 with at least 10 years of creditable service in this Fund, without including any creditable service established under this Section, and a total of at least 70 combined years of age and creditable service, without including any creditable service established under this Section, in one or more of the participating systems under the Retirement Systems Reciprocal Act.

A person is not eligible for the benefits provided in this Section if the person elects to receive a retirement annuity

calculated under the alternative formula formerly set forth in Section 20-122.

(a-5) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the February 29, 2004 deadline for terminating employment under this Article established in subdivision (a) (4) of this Section to a date not later than May 31, 2004 by so notifying the Fund by January 31, 2004.

(b) An eligible employee may establish up to 5 years of creditable service under this Section, in increments of one month, by making the contributions specified in subsection (d). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is, except for determination of eligibility for automatic annual increases under Sections 11-134.1 and 11-134.3. Furthermore, an eligible employee must establish at least the amount of age and creditable service necessary to bring his or her age and total creditable service, including service in this Fund, service established under this Section, and service in any of the other participating systems under the Retirement Systems Reciprocal Act, to a minimum that will satisfy the requirements of Section 11-134.

The creditable service under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of average annual salary and the determination of salary, earnings, or compensation under this or any other Article of this Code.

(c) An eligible employee shall be entitled to have his or her retirement annuity calculated in accordance with the formula provided in Section 11-134, except that the annuity shall not be subject to reduction because of withdrawal or commencement of the annuity before attainment of age 60.

(d) For each month of creditable service established under

this Section, the employee must pay to the Fund an employee contribution, to be calculated by the Fund, equal to 4.25% of the member's monthly salary rate on October 15, 2003. The employee may elect to pay the entire contribution before the retirement annuity commences, or to have it deducted from the annuity over a period not longer than 24 months. If the retired employee dies before the contribution has been paid in full, the unpaid installments may be deducted from any annuity or other benefit payable to the employee's survivors.

All employee contributions paid under this Section shall not be deemed contributions made by employees for annuity purposes under Section 11-169, and shall be made and credited to a special reserve, without interest. Employee contributions paid under this Section may be refunded under the same terms and conditions as are applicable to other employee contributions for retirement annuity.

(e) Notwithstanding Section 11-161, an annuitant who reenters service under this Article after receiving a retirement annuity based on benefits provided under this Section thereby forfeits the right to continue to receive those benefits, and shall have his or her retirement annuity recalculated at the appropriate time without the benefits provided in this Section.

(f) No employer action in declaring an employee to be a critical employee pursuant to subsection (a-5) shall be construed as an impairment of any pension benefit or entitlement. No early retirement option or resultant benefit conferred under this Section shall, in any manner, vest for any employee until the earlier date of the employer's decision to release the employee from service or May 31, 2004.

(40 ILCS 5/11-133.4 new)

Sec. 11-133.4. Early retirement incentive for employees who have earned maximum pension benefits.

(a) A person who is eligible for the benefits provided under Section 11-133.3 and who, if he or she had retired on or

before February 29, 2004, would have been entitled to a pension equal to 80% of his or her highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding February 29, 2004 without receiving the benefits provided in Section 11-133.3, may elect, by filing a written election with the Fund by January 30, 2004, to receive a lump sum from the Fund equal to 100% of his or her salary on February 29, 2004 or the date of withdrawal, whichever is earlier. To be eligible to receive the benefit provided under this Section, the person must withdraw from service on or after January 31, 2004 and on or before February 29, 2004 (or the date established under subsection (b), if applicable). If a person elects to receive the benefit provided under this Section, his or her retirement annuity otherwise payable under Section 11-134 shall be reduced by an amount equal to the actuarial equivalent of the lump sum.

(b) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the February 29, 2004 deadline for terminating employment under this Article established in subdivision (a) of this Section to a date not later than May 31, 2004 by so notifying the Fund by January 31, 2004.

(40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

Sec. 11-134.1. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1963, and before January 1, 1987, having attained age 60 or more, shall, in the month of January of the year following the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the

aforesaid specified 1 1/2%. Beginning January, 1984, such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1963 and before January 1, 1987, but prior to age 60, shall receive such increases beginning with January of the year immediately following the year in which he attains the age of 60 years.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) January 1, 2002, ~~the date 60 days after the effective date of this amendatory Act of the 92nd General Assembly,~~ whichever occurs latest, the monthly annuity of an employee who retires on annuity prior to the attainment of age 60 and ~~who~~ has not received an increase under subsection (a) shall be increased by 3%, and the ~~such~~ annuity shall be increased by an additional 3% of the current payable monthly annuity, including any ~~such~~ increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(a-6) Notwithstanding the provisions of subsections (a) and (a-5), for all calendar years following the year in which

this amendatory Act of the 93rd General Assembly takes effect, an increase in annuity under this Section that would otherwise take effect at any time during the year shall instead take effect in January of that year.

(b) Subsections (a), ~~and~~ (a-5), ~~and~~ (a-6) are not applicable to an employee retiring and receiving a term annuity, as defined in this Article, nor to any otherwise qualified employee who retires before he shall have made employee contributions (at the 1/2 of 1% rate as hereinafter provided) for the purposes of this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with the month of January, 1964, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional employee contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance as of the beginning of each calendar year existing in such account shall be credited with interest at the rate of 3% per annum.

Such employee contributions shall not be subject to refund, except to an employee who resigns or is discharged and applies for refund under this Article, and also in cases where a term annuity becomes payable.

In such cases the employee contributions shall be refunded him, without interest, and charged to the aforementioned account in the prior service annuity reserve.

(Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02; revised 8-26-02.)

(40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

Sec. 11-145.1. Minimum annuities for widows.

The widow otherwise eligible for widow's annuity under other Sections of this Article 11, of an employee hereinafter described, who retires from service or dies while in the service subsequent to the effective date of this amendatory provision, and for which widow the amount of widow's annuity and widow's prior service annuity combined, fixed or provided for such widow under other provisions of said Article 11 is less than the amount hereinafter provided in this section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow of any employee who dies while in service on or after the date on which he attains age 60 if the death occurs before July 1, 1990, or on or after the date on which he attains age 55 if the death occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attains age 50 if the death occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained age 60 on or before such date if the death occurs before July 1, 1990, or age 55 if the death occurs on or after July 1, 1990, or age 50 if the death occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (j), the widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death in service occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death in service occurs on or after January 23, 1987.

If the employee dies in service before July 1, 1990, and if such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 0.25% for each month that her then attained age is less than 60 years if the employee was born before January 1, 1936, or dies in service on or after January 1, 1988, or 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after January 1, 1936 and dies in service before January 1, 1988.

If the employee dies in service on or after July 1, 1990, and if the widow of the employee has not attained age 55 on or before the employee's date of death, the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee dies in service on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(b) The widow of any employee who dies subsequent to the date of his retirement on annuity, and who so retired on or after the date on which he attained age 60 if retirement occurs before July 1, 1990, or on or after the date on which he attained age 55 if retirement occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attained age 50 if the retirement occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity,

conditional upon such widow having attained age 60 on or before the date of her husband's retirement on annuity if retirement occurs before July 1, 1990, or age 55 if retirement occurs on or after July 1, 1990, or age 50 if the retirement on annuity occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (j), this widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death occurs on or after January 23, 1987, regardless of the date of retirement; provided that, if retirement was before January 23, 1987, the employee or eligible spouse repays the excess spouse refund with interest at the effective rate from the date of refund to the date of repayment.

If the date of the employee's retirement on annuity is before July 1, 1990, and if such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 0.25% for each month that her then attained age was less than 60 years if the employee was born before January 1, 1936, or withdraws from service on or after January 1, 1988, or 0.5% for each month that her then attained age was less than 60 years if the employee was born on or after January 1, 1936 and withdraws from service before January 1, 1988.

If the date of the employee's retirement on annuity is on or after July 1, 1990, and if the widow of the employee has not attained age 55 by the date of the employee's retirement on annuity, the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee retires on annuity on or after January 1, 1998 at age 50 or over with at

least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former employee receiving an annuity from the fund on August 2, 1965 or on the effective date of this amendatory provision, who re-enters service as a former employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) (Blank).

(e) (Blank).

(f) The amendments to this Section by this amendatory Act of 1985, relating to changing the discount because of age from 1/2 of 1% to 0.25% per month for widows of employees born before January 1, 1936, shall apply only to qualifying widows whose husbands die while in the service on or after August 16, 1985 or withdraw and enter on annuity on or after August 16, 1985.

(g) Beginning on January 1, 1999, the minimum amount of widow's annuity shall be \$800 per month for life for the following classes of widows, without regard to the fact that the death of the employee occurred prior to the effective date of this amendatory Act of 1998:

(1) any widow annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any widow annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any widow annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory

Act of 1998, whose employee spouse's service in this fund was at least 5 years;

(4) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if the retirement occurred prior to the effective date of this amendatory Act of 1998;

(5) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if withdrawal occurs on or after the effective date of this amendatory Act of 1998;

(6) the widow of an employee who dies in service with at least 5 years of service in this fund, if the death in service occurs on or after the effective date of this amendatory Act of 1998.

The increases granted under items (1), (2), (3) and (4) of this subsection (g) shall not be limited by any other Section of this Act.

(h) The widow of an employee who retired or died in service on or after January 1, 1985 and before July 1, 1990, at age 55 or older, and with at least 35 years of service credit, shall be entitled to have her widow's annuity increased, effective January 1, 1991, to an amount equal to 50% of the retirement annuity that the deceased employee received on the date of retirement, or would have been eligible to receive if he had retired on the day preceding the date of his death in service, provided that if the widow had not attained age 60 by the date of the employee's retirement or death in service, the amount of the annuity shall be reduced by 0.25% for each month that her then attained age was less than age 60 if the employee's retirement or death in service occurred on or after January 1, 1988, or by 0.5% for each month that her attained age is less than age 60 if the employee's retirement or death in service occurred prior to January 1, 1988. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the increase in benefit provided by this subsection (h) shall be contingent upon repayment of the refund

to the Fund with interest at the effective rate from the date of refund to the date of payment.

(i) If a deceased employee is receiving a retirement annuity at the time of death and that death occurs on or after June 27, 1997, the widow may elect to receive, in lieu of any other annuity provided under this Article, 50% of the deceased employee's retirement annuity at the time of death reduced by 0.25% for each month that the widow's age on the date of death is less than 55; except that if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (i) shall be reduced by 0.25% for each month that her age on the date of death is less than 50 years. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the benefit provided by this subsection (i) is contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(j) For widows of employees who died before January 23, 1987 after retirement on annuity or in service, the maximum dollar amount limitation on widow's annuity shall cease to apply, beginning with the first annuity payment after the effective date of this amendatory Act of 1997; except that if a refund of excess contributions for widow's annuity has been paid by the Fund, the increase resulting from this subsection (j) shall not begin before the refund has been repaid to the Fund, together with interest at the effective rate from the date of the refund to the date of repayment.

(k) In lieu of any other annuity provided in this Article, an eligible spouse of an employee who dies in service on or after January 1, 2002 (regardless of whether that death in

service occurs prior to ~~at least 60 days after~~ the effective date of this amendatory Act of the 93rd ~~92nd~~ General Assembly) with at least 10 years of service shall be entitled to an annuity of 50% of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this subsection, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40% for each year of service of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80% of the highest average annual salary. This annuity shall not be reduced due to the age of the employee or spouse. In addition to any other eligibility requirements under this Article, the spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

Sec. 11-163. Restoration of rights. An employee who has withdrawn as a refund the amounts credited for annuity purposes, and who (i) re-enters service of the employer and serves for periods comprising at least 90 days ~~2 years~~ after the date of the last refund paid to him or (ii) has completed at least 2 years of service under a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund after the date of the last refund, shall have his annuity rights restored by making application to the board in writing for the privilege of re-instating such rights and by compliance with the following provisions:

(a) After that 90 day or 2 year period, whichever applies, he shall repay in full to the Fund, while in service, ~~in full~~ all refunds received, together with interest at the effective rate from the application dates of such refund or refunds to the date of repayment. ~~†~~

(b) If payment is not made in a single sum, repayment may be made in installments by deductions from salary or

otherwise, in such manner and amounts as the board, by rule, may prescribe, with interest at the effective rate accruing on the unpaid balance ~~employee may elect~~. The employee shall be credited with interest at the effective rate from the date of each installment until full repayment is made.

(c) If the employee withdraws from service or dies in service before full repayment is made, service credit shall be restored in accordance with Section 11-221.2(b).

(d) If the employee withdraws from service or dies in service ~~or~~ during the required 90 day or 2 year period, any repayments made shall be refunded, without interest thereon and in accordance with the refund provisions of this Article.

(e) If the employee repays the refund while participating in a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund, the service credit restored must be used for a proportional annuity calculated in accordance with the Retirement Systems Reciprocal Act. If not so used, the restored service credit shall be forfeited and the amount of the repayment shall be refunded, without interest.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

Sec. 11-167. Refunds in lieu of annuity. In lieu of an annuity, an employee who withdraws, and whose annuity would amount to less than \$800 a month for life may elect to receive a refund of the total sum accumulated to his credit from employee contributions for annuity purposes.

The widow of any employee, eligible for annuity upon the death of her husband, whose annuity would amount to less than \$800 a month for life, may, in lieu of a widow's annuity, elect to receive a refund of the accumulated contributions for annuity purposes, based on the amounts contributed by her deceased employee husband, but reduced by any amounts

theretofore paid to him in the form of an annuity or refund out of such accumulated contributions.

Accumulated contributions shall mean the amounts including interest credited thereon contributed by the employee for age and service and widow's annuity to the date of his withdrawal or death, whichever first occurs, and including the accumulations from any amounts contributed for him as salary deductions while receiving duty disability benefits; provided that such amounts contributed by the city after December 31, 1983 while the employee is receiving duty disability benefits and amounts credited to the employee for annuity purposes by the fund after December 31, 2000 while the employee is receiving ordinary disability benefits shall not be included.

The acceptance of such refund in lieu of widow's annuity, on the part of a widow, shall not deprive a child or children of the right to receive a child's annuity as provided for in Sections 11-153 and 11-154 of this Article, and neither shall the payment of a child's annuity in the case of such refund to a widow reduce the amount herein set forth as refundable to such widow electing a refund in lieu of widow's annuity.

(Source: P.A. 91-887, eff. 7-6-00; 92-599, eff. 6-28-02.)

(40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)

Sec. 11-170.1. Pickup of employee contributions.

(a) The employer may pick up the employee contributions required by Sections 11-156, 11-170, 11-174 and 11-175.1 for salary earned after December 31, 1981. If employee contributions are not picked up, the amount that would have been picked up under this amendatory Act of 1980 shall continue to be deducted from salary. If contributions are picked up they shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code; however, the employer shall continue to withhold Federal and state income taxes based upon these contributions until the Internal Revenue Service or the Federal courts rule that pursuant to Section 414(h) of the United States Internal

Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The employer shall pay these employee contributions from the same source of funds which is used in paying salary to the employee. The employer may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up they shall be treated for all purposes of this Article 11, including Section 11-169, in the same manner and to the same extent as employee contributions made prior to the date picked up.

(b) Subject to the requirements of federal law and the rules of the Board, the Fund may allow the employee to elect to have the employer pick up the optional contributions that the employee has elected to pay to the Fund, and the contributions so picked up shall be treated as employer contributions for the purpose of determining federal tax treatment. The employer shall pick up the contributions by a reduction in the cash salary of the employee and shall pay contributions from the same source of funds that is used to pay earnings of the employee. The election to have the contributions picked up is irrevocable, and the optional contributions may not thereafter be prepaid, by direct payment or otherwise.

If the provision authorizing the optional contribution requires payment by a stated date (rather than the date of withdrawal or retirement), the requirement will be deemed to have been satisfied if (i) on or before the stated date the employee executes a valid irrevocable election to have the contributions picked up under this subsection, and (ii) the picked-up contributions are in fact paid to the Fund as provided in the election.

If employee contributions are picked up under this subsection, they shall be treated for all purposes of this Article 11, including Section 11-169, in the same manner and to

the same extent as optional employee contributions made prior to the date picked up.

(Source: P.A. 81-1536.)

(40 ILCS 5/11-178) (from Ch. 108 1/2, par. 11-178)

Sec. 11-178. Contributions by city for prior service annuities and other benefits.

The city shall make contributions to provide prior service and widow's prior service annuities, and other annuities and benefits, as follows:

1. To credit to the city contribution reserve such amounts required from the city but not contributed by it for age and service and prior service annuities, and widow's annuities and widows' prior service annuities;

2. To meet such part of any minimum annuity as shall be in excess of the age and service annuity and prior service annuity, and to meet such part of any minimum widow's annuity in excess of the amount of widow's annuity and widow's prior service annuity;

3. To provide a sufficient balance in the investment and interest reserve to permit a transfer from that reserve to other reserves of the fund. Whenever the balance of the investment and interest reserve is not sufficient to permit a transfer from that reserve to any other reserve, the city shall contribute sums sufficient to make possible such transfer;

4. An amount equal to the difference between (1) the sum produced by the tax levy stated in Section 11--169 and (2) all sums required for the purposes of this Article 11 in accordance with the provisions of this Article 11 except those stated in this Section, shall be applied for purposes of this Section.

Provided that if in any year such total sums together with all other sums required during such year for the other purposes of the fund, are in excess of the total amount contributed by the city during such year, the sums required for purposes other than those stated in this section shall first be provided for. The balance shall then be applied for the purposes stated in

this section.

All such contributions shall be credited to the prior service annuity reserve. When the balance of this reserve equals its liabilities (including in addition to all other liabilities, the present values of all annuities, present or prospective, according to the applicable mortality tables and rates of interest, but excluding any liabilities arising under Sections 11-133.3 and 11-133.4), the city shall cease to contribute the sum stated in this section.

If annexation of territory and the employment by the city of any person employed as a city laborer in any such territory at the time of annexation, after the city has ceased to contribute as herein provided, results in additional liabilities for prior service annuity and widow's prior service annuity for any such employee, contributions by the city for such purposes shall be resumed.

Notwithstanding any provision in this Section to the contrary, the city shall not make a contribution for credit established by an employee under subsection (b) of Section 11-133.3.

(Source: Laws 1965, p. 2292.)

(40 ILCS 5/11-181) (from Ch. 108 1/2, par. 11-181)

Sec. 11-181. Board created. A board of 8 members shall constitute the board of trustees authorized to carry out the provisions of this Article. The board shall be known as the Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of the city. The board shall consist of 5 persons appointed and 2 employees and one annuitant elected in the manner hereinafter prescribed.

The appointed members of the board shall be appointed as follows:

One member shall be appointed by the comptroller of the city, who may be himself or anyone chosen from among employees of the city who are versed in the affairs of the comptroller's office; one member shall be appointed by the City Treasurer of

the city, who may be himself or a person chosen from among employees of the city who are versed in the affairs of the City Treasurer's office; one member shall be an employee of the city appointed by the president of the local labor organization representing a majority of the employees participating in the Fund; and 2 members shall be appointed by the civil service commission or the Department of Personnel of the city from among employees of the city who are versed in the affairs of the civil service commission's office or the Department of Personnel.

The member appointed by the comptroller shall hold office for a term ending on December 1st of the first year following the year of appointment. The member appointed by the City Treasurer shall hold office for a term ending on December 1st of the second year following the year of appointment. The member appointed by the civil service commission shall hold office for a term ending on the first day in the month of December of the third year following the year of appointment. The additional member appointed by the civil service commission under this amendatory Act of 1998 shall hold office for an initial term ending on December 1, 2000, and the member appointed by the labor organization president shall hold office for an initial term ending on December 1, 2001. Thereafter each appointive member shall be appointed by the officer or body that appointed his predecessor, for a term of 3 years.

The 2 employee members of the board shall be elected as follows:

Within 30 days from and after the appointive members have been appointed and have qualified, the appointive members shall arrange for and hold an election.

One employee shall be elected for a term ending on December 1st of the first year next following the effective date; one for a term ending on December 1st of the following year.

An employee member who takes advantage of the early retirement incentives provided under this amendatory Act of the 93rd General Assembly may continue as a member until the end of

his or her term.

The initial annuitant member shall be appointed by the other members of the board for an initial term ending on December 1, 1999. The annuitant member elected in 1999 shall be deemed to have been elected for a 3-year term ending on December 1, 2002. Thereafter, the annuitant member shall be elected for a 3-year term ending on December 1st of the third year following the election.

(Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

(40 ILCS 5/12-133) (from Ch. 108 1/2, par. 12-133)

Sec. 12-133. Fixed benefit retirement annuity.

(a) Subject to the provisions of paragraph (b) of this Section, the retirement annuity for any employee who withdraws from service on or after January 1, 1983 and before January 1, 1990, at age 60 or over, having at least 4 years of service, shall be 1.70% for each of the first 10 years of service; 2.00% for each of the next 10 years of service; 2.40% for each year of service in excess of 20 but not exceeding 30; and 2.80% for each year of service in excess of 30, with a pro-rated amount for service of less than a full year, based upon the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, provided that: (1) if retirement of the employee occurs below age 60, such annuity shall be reduced 1/2 of 1% for each month or fraction thereof that the employee's age is less than 60, except that an employee retiring at age 55 or over but less than age 60, having at least 35 years of service, shall not be subject to the reduction in his retirement annuity because of retirement below age 60; (2) the annuity shall not exceed 75% of such average annual salary; (3) the actual salary shall be considered in the computation of this annuity.

The retirement annuity for any employee who withdraws from service on or after January 1, 1990 and prior to December 31, 2003 at age 50 or over with at least 10 years of service, or at age 60 or over with at least 4 years of service, shall be 1.90%

for each of the first 10 years of service, 2.20% for each of the next 10 years of service, 2.40% for each of the next 10 years of service, and 2.80% for each year of service in excess of 30, with a pro-rated amount for service of less than a full year, based upon the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, provided that:

(1) if retirement of the employee occurs below age 60, such annuity shall be reduced 1/4 of 1% (1/2 of 1% in the case of withdrawal from service before January 1, 1991) for each month or fraction thereof that the employee's age is less than 60, except that an employee retiring at age 50 or over having at least 30 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60;

(2) the annuity shall not exceed 80% of such average annual salary; and

(3) the actual salary shall be considered in the computation of this annuity.

An employee who withdraws from service on or after December 31, 2003, at age 50 or over with at least 10 years of service or at age 60 or over with at least 4 years of service, shall receive, in lieu of any other retirement annuity provided for in this Section, a retirement annuity calculated as follows: for each year of service immediately preceding the date of withdrawal, 2.40% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, with a prorated amount for service of less than a full year, provided that:

(1) if retirement of the employee occurs below age 60, such annuity shall be reduced 1/4 of 1% for each month or fraction thereof that the employee's age is less than 60, except that an employee retiring at age 50 or over having at least 30 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60;

(2) the annuity shall not exceed 80% of such average annual salary; and

(3) the actual salary shall be considered in the computation of this annuity.

Notwithstanding any other formula, the annuity for employees retiring on or after January 31, 2004 and on or before February 29, 2004 with at least 30 years of service shall be 80% of average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

(b) In lieu of the retirement annuity provided as an actuarial equivalent of the total accumulations from contributions by the employee, contributions by the employer, and prior service annuity plus regular interest, an employee in service prior to July 1, 1971 shall be entitled to the largest applicable retirement annuity provided in this Section if the same is larger than the annuity provided in other Sections of this Article.

(c) The following schedule shall govern the computation of service for the fixed benefit annuities provided by this Section: Service during 9 months or more during any fiscal year shall constitute a year of service; 6 to 8 months, inclusive, 3/4 of a year; 3 to 5 months, inclusive, 1/2 year; less than 3 months, 1/4 of a year; 15 days or more in any month, a month of service.

(d) The other provisions of this Section shall not apply in the case of any former employee who is receiving a retirement annuity from the fund and who re-enters service as an employee, unless the employee renders from and after the date of re-entry, at least 3 years of additional service.

(Source: P.A. 86-272; 86-1488; 87-794.)

(40 ILCS 5/12-133.6 new)

Section 12-133.6. Early retirement incentive.

(a) To be eligible for the benefits provided in this Section, a person must:

(1) have been, on November 1, 2003, an employee (i) contributing to the Fund in active payroll status in a position of employment under this Article, (ii) returning to active payroll status from an approved leave of absence prior to December 1, 2003, (iii) receiving ordinary or duty disability benefits under Section 12-140, 12-142, or 12-143 or (iv) or have been subjected to an involuntary termination or layoff by the employer and restored to service by his or her employer prior to January 31, 2004;

(2) have not previously retired under this Article;

(3) file with the Board before January 31, 2004 a written election requesting the benefits provided in this Section;

(4) withdraw from service on or after January 31, 2004 and on or before February 29, 2004 (or the date established under subsection (a-5), if applicable); and

(5) have, by the date of withdrawal or by February 29, 2004, whichever is earlier, attained age 50 with at least 10 years of creditable service in one or more participating systems under the Retirement Systems Reciprocal Act, without including any creditable service established under this Section.

(a-5) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the February 29, 2004 deadline for terminating employment under this Article established in subdivision (a) (4) of this Section to a date not later than May 31, 2004 by so notifying the Fund by January 31, 2004.

(b) An eligible person may establish up to 5 years of creditable service under this Section, in increments of one month, by making the contributions specified in subsection (c). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is, except for

purposes of determining age under item (5) of subsection (a).

The creditable service established under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of highest average annual salary under Section 12-133 or the determination of salary under this or any other Article of this Code.

(c) For each month of creditable service established under this Section, the person must pay to the Fund an employee contribution to be determined by the Fund, equal to 4.50% of the person's monthly salary rate on the date of withdrawal from service. Subject to the requirements of subsection (d), the person may elect to pay the required employee contribution before the retirement annuity commences or through deductions from the retirement annuity over a period not longer than 24 months.

If a person who retires dies before all payments of the employee contribution have been made, the remaining payments shall be deducted from any survivor or death benefits payable to the employee's surviving spouse or beneficiary.

Notwithstanding any provision in this Article to the contrary, all employee contributions paid under this Section shall not be deemed employee contributions for the purpose of determining the tax levy under Section 12-149. Notwithstanding any provision in this Article to the contrary, the employer shall not make a contribution for any credit established by an employee under subsection (b) of this Section. Employee contributions made under this Section may be refunded under the same terms and conditions as other employee contributions under this Article.

(d) A person who retires under the provisions of this Section shall be entitled to have his or her retirement annuity calculated under the provisions of Section 12-133, except that the retirement annuity shall not be subject to reduction for retirement under age 60.

(e) Notwithstanding Section 12-146 of this Article, an annuitant who reenters service under this Article after

receiving a retirement annuity based on additional benefits provided under this Section thereby forfeits the right to continue to receive those benefits, and upon again retiring shall have his or her retirement annuity recalculated at the appropriate time without the additional benefits provided in this Section.

(f) No employer action in declaring an employee to be a critical employee pursuant to subsection (a-5) shall be construed as an impairment of any pension benefit or entitlement. No early retirement option or resultant benefit conferred under this Section shall, in any manner, vest for any employee until the earlier date of the employer's decision to release the employee from service or May 31, 2004.

(40 ILCS 5/12-133.7 new)

Sec. 12-133.7. Early retirement incentive for employees who have earned maximum pension benefits. A person who is eligible for the benefits provided under Section 12-133.6 and who, if he or she had retired on or before February 29, 2004, would have been entitled to a pension equal to 80% of his or her highest average salary for any 4 consecutive years within the last 10 years of service immediately preceding February 29, 2004 without receiving the benefits provided in Section 12-133.6 may elect, by filing a written election with the Fund by January 30, 2004, to receive a lump sum from the Fund on his or her last day of employment equal to 100% of his or her salary for the year ending on February 29, 2004 or the date of withdrawal, whichever is earlier. To be eligible to receive the benefit provided under this Section, the person must withdraw from service on or after January 31, 2004 and on or before February 29, 2004. If a person elects to receive the benefit provided under this Section, his or her retirement annuity otherwise payable under Section 12-133 shall be reduced by an amount equal to the actuarial equivalent of the lump sum. If a person elects to receive the benefit provided under this Section, the resulting reduction in retirement annuity under

this Section shall not affect the amount of any widow's service annuity or widow's prior service annuity under Section 12-135 or any optional reversionary annuity for a surviving spouse under Section 12-136.1.

(40 ILCS 5/12-149) (from Ch. 108 1/2, par. 12-149)

Sec. 12-149. Financing. The board of park commissioners of any such park district shall annually levy a tax (in addition to the taxes now authorized by law) upon all taxable property embraced in the district, at the rate which, when added to the employee contributions under this Article and applied to the fund created hereunder, shall be sufficient to provide for the purposes of this Article in accordance with the provisions thereof. Such tax shall be levied and collected with and in like manner as the general taxes of such district, and shall not in any event be included within any limitations of rate for general park purposes as now or hereafter provided by law, but shall be excluded therefrom and be in addition thereto. The amount of such annual tax to and including the year 1977 shall not exceed .0275% of the value, as equalized or assessed by the Department of Revenue, of all taxable property embraced within the park district, provided that for the year 1978, and for each year thereafter, the amount of such annual tax shall be at a rate on the dollar of assessed valuation of all taxable property that will produce, when extended, for the year 1978 the following sum: 0.825 times the amount of employee contributions during the fiscal year 1976; for the year 1979, 0.85 times the amount of employee contributions during the fiscal year 1977; for the year 1980, 0.90 times the amount of employee contributions during the fiscal year 1978; for the year 1981, 0.95 times the amount of employee contributions during the fiscal year 1979; for the year 1982, 1.00 times the amount of employee contributions during the fiscal year 1980; for the year 1983, 1.05 times the amount of contributions made on behalf of employees during the fiscal year 1981; and for the year 1984 and each year thereafter, an amount equal to 1.10

times the employee contributions during the fiscal year 2-years prior to the year for which the applicable tax is levied. As used in this Section, the term "employee contributions" means contributions by employees for retirement annuity, spouse's annuity, automatic increase in retirement annuity, and death benefit.

In respect to park district employees, other than policemen, who are transferred to the employment of a city by virtue of the "Exchange of Functions Act of 1957", the corporate authorities of the city shall annually levy a tax upon all taxable property embraced in the city, as equalized or assessed by the Department of Revenue, at such rate per cent of the value of such property as shall be sufficient, when added to the amounts deducted from the salary or wages of such employees, to provide the benefits to which such employees, their dependents and beneficiaries are entitled under the provisions of this Article. The park district shall not levy a tax hereunder in respect to such employees. The tax levied by the city under authority of this Article shall be in addition to and exclusive of all other taxes authorized by law to be levied by the city for corporate, annuity fund or other purposes.

All moneys accruing from the levy and collection of taxes, pursuant to this section, shall be remitted to the board by the employers as soon as they are received. Where a city has levied a tax pursuant to this Section in respect to park district employees transferred to the employment of a city, the treasurer of such city or other authorized officer shall remit the moneys accruing from the levy and collection of such tax as soon as they are received. Such remittances shall be made upon a pro rata share basis, whereby each employer shall pay to the board such employer's proportionate percentage of each payment of taxes received by it, according to the ratio which its tax levy for this fund bears to the total tax levy of such employer.

Should any board of park commissioners included under the

provisions of this Article be without authority to levy the tax provided in this Section the corporation authorities (meaning the supervisor, clerk and assessor) of the town or towns for which such board shall be the board of park commissioners shall levy such tax.

Employer contributions to the Fund may be reduced by \$5,000,000 for calendar years 2004 and 2005.

(Source: P.A. 81-1536.)

Section 90. The State Mandates Act is amended by adding Section 8.28 as follows:

(30 ILCS 805/8.28 new)

Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 93rd General Assembly.

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