



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB1046

Introduced 1/9/2025, by Rep. John M. Cabello

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the General Provisions, Downstate Police, Downstate Firefighter, Chicago Police, Chicago Firefighter, Illinois Municipal Retirement Fund (IMRF), State Employees, and State Universities Articles of the Illinois Pension Code. With regard to police officers, firefighters, and similar public safety employees, removes Tier 2 limitations on the amount of salary for annuity purposes; provides that the automatic annual increases to a retirement pension or survivor pension are calculated under the Tier 1 formulas; and provides that the amount of and eligibility for a retirement annuity are calculated under the Tier 1 provisions. Amends the State Finance Act. Provides that, each fiscal year, the Comptroller shall pay to each unit of local government that makes a certification of certain employer costs under the Illinois Pension Code or under a specified provision of the Public Safety Employee Benefits Act an amount equal to 40% of the total amount certified by the unit of local government. Creates a continuing appropriation of that amount. Amends the Public Safety Employee Benefits Act. Provides that a unit of local government that provides health insurance to police officers and firefighters shall maintain the health insurance plans of these employees after retirement and shall contribute toward the cost of the annuitant's coverage under the unit of local government's health insurance plan an amount equal to 4% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based. Makes other and conforming changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 03166 RPS 13187 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The State Finance Act is amended by adding  
5 Sections 5.1030 and 6z-144 as follows:

6 (30 ILCS 105/5.1030 new)

7 Sec. 5.1030. The Local Government Retirement Fund.

8 (30 ILCS 105/6z-144 new)

9 Sec. 6z-144. The Local Government Retirement Fund.

10 (a) There is created in the State treasury a special fund  
11 known as the Local Government Retirement Fund for the purpose  
12 of receiving funds from any source for the purposes of making  
13 payments toward public safety employee health insurance costs  
14 and retirement contributions as provided in this Section.

15 (b) Each fiscal year beginning with fiscal year 2026, the  
16 State Treasurer shall direct the State Comptroller to pay to  
17 each unit of local government that makes a certification under  
18 Sections 3-125, 4-118, 5-168, 6-165, and 7-172 of the Illinois  
19 Pension Code or under Section 11 of the Public Safety Employee  
20 Benefits Act an amount equal to 40% of the total amount  
21 certified by that unit of local government under all of the  
22 applicable Sections.

1       (c) If, for any reason, the aggregate appropriations made  
2       available are insufficient to meet the amount required in  
3       subsection (b), this Section shall constitute a continuing  
4       appropriation of the amount required under subsection (b).

5       Section 10. The Illinois Pension Code is amended by  
6       changing Sections 1-160, 3-111, 3-111.1, 3-112, 3-125, 4-109,  
7       4-109.1, 4-114, 4-118, 5-155, 5-167.1, 5-168, 5-169, 6-165,  
8       6-210, 7-142.1, 7-171, 7-172, 14-152.1, 15-108.1, 15-108.2,  
9       15-135, 15-136, and 15-198 and by adding Sections 3-148.5,  
10       4-138.15, 5-239, 6-231, and 15-203 as follows:

11       (40 ILCS 5/1-160)

12       (Text of Section from P.A. 102-719)

13       Sec. 1-160. Provisions applicable to new hires.

14       (a) The provisions of this Section apply to a person who,  
15       on or after January 1, 2011, first becomes a member or a  
16       participant under any reciprocal retirement system or pension  
17       fund established under this Code, other than a retirement  
18       system or pension fund established under Article 2, 3, 4, 5, 6,  
19       7, 15, or 18 of this Code, notwithstanding any other provision  
20       of this Code to the contrary, but do not apply to any  
21       self-managed plan established under this Code or to any  
22       participant of the retirement plan established under Section  
23       22-101; except that this Section applies to a person who  
24       elected to establish alternative credits by electing in

1 writing after January 1, 2011, but before August 8, 2011,  
2 under Section 7-145.1 of this Code. Notwithstanding anything  
3 to the contrary in this Section, for purposes of this Section,  
4 a person who is a Tier 1 regular employee as defined in Section  
5 7-109.4 of this Code or who participated in a retirement  
6 system under Article 15 prior to January 1, 2011 shall be  
7 deemed a person who first became a member or participant prior  
8 to January 1, 2011 under any retirement system or pension fund  
9 subject to this Section. The changes made to this Section by  
10 Public Act 98-596 are a clarification of existing law and are  
11 intended to be retroactive to January 1, 2011 (the effective  
12 date of Public Act 96-889), notwithstanding the provisions of  
13 Section 1-103.1 of this Code.

14 This Section does not apply to a person who first becomes a  
15 noncovered employee under Article 14 on or after the  
16 implementation date of the plan created under Section 1-161  
17 for that Article, unless that person elects under subsection  
18 (b) of Section 1-161 to instead receive the benefits provided  
19 under this Section and the applicable provisions of that  
20 Article.

21 This Section does not apply to a person who first becomes a  
22 member or participant under Article 16 on or after the  
23 implementation date of the plan created under Section 1-161  
24 for that Article, unless that person elects under subsection  
25 (b) of Section 1-161 to instead receive the benefits provided  
26 under this Section and the applicable provisions of that

1 Article.

2 This Section does not apply to a person who elects under  
3 subsection (c-5) of Section 1-161 to receive the benefits  
4 under Section 1-161.

5 This Section does not apply to a person who first becomes a  
6 member or participant of an affected pension fund on or after 6  
7 months after the resolution or ordinance date, as defined in  
8 Section 1-162, unless that person elects under subsection (c)  
9 of Section 1-162 to receive the benefits provided under this  
10 Section and the applicable provisions of the Article under  
11 which he or she is a member or participant.

12 (b) "Final average salary" means, except as otherwise  
13 provided in this subsection, the average monthly (or annual)  
14 salary obtained by dividing the total salary or earnings  
15 calculated under the Article applicable to the member or  
16 participant during the 96 consecutive months (or 8 consecutive  
17 years) of service within the last 120 months (or 10 years) of  
18 service in which the total salary or earnings calculated under  
19 the applicable Article was the highest by the number of months  
20 (or years) of service in that period. For the purposes of a  
21 person who first becomes a member or participant of any  
22 retirement system or pension fund to which this Section  
23 applies on or after January 1, 2011, in this Code, "final  
24 average salary" shall be substituted for the following:

25 (1) (Blank).

26 (2) In Articles 8, 9, 10, 11, and 12, "highest average

1 annual salary for any 4 consecutive years within the last  
2 10 years of service immediately preceding the date of  
3 withdrawal".

4 (3) In Article 13, "average final salary".

5 (4) In Article 14, "final average compensation".

6 (5) In Article 17, "average salary".

7 (6) In Section 22-207, "wages or salary received by  
8 him at the date of retirement or discharge".

9 A member of the Teachers' Retirement System of the State  
10 of Illinois who retires on or after June 1, 2021 and for whom  
11 the 2020-2021 school year is used in the calculation of the  
12 member's final average salary shall use the higher of the  
13 following for the purpose of determining the member's final  
14 average salary:

15 (A) the amount otherwise calculated under the first  
16 paragraph of this subsection; or

17 (B) an amount calculated by the Teachers' Retirement  
18 System of the State of Illinois using the average of the  
19 monthly (or annual) salary obtained by dividing the total  
20 salary or earnings calculated under Article 16 applicable  
21 to the member or participant during the 96 months (or 8  
22 years) of service within the last 120 months (or 10 years)  
23 of service in which the total salary or earnings  
24 calculated under the Article was the highest by the number  
25 of months (or years) of service in that period.

26 (b-5) Beginning on January 1, 2011, for all purposes under

1 this Code (including without limitation the calculation of  
2 benefits and employee contributions), the annual earnings,  
3 salary, or wages (based on the plan year) of a member or  
4 participant to whom this Section applies shall not exceed  
5 \$106,800; however, that amount shall annually thereafter be  
6 increased by the lesser of (i) 3% of that amount, including all  
7 previous adjustments, or (ii) one-half the annual unadjusted  
8 percentage increase (but not less than zero) in the consumer  
9 price index-u for the 12 months ending with the September  
10 preceding each November 1, including all previous adjustments.

11 For the purposes of this Section, "consumer price index-u"  
12 means the index published by the Bureau of Labor Statistics of  
13 the United States Department of Labor that measures the  
14 average change in prices of goods and services purchased by  
15 all urban consumers, United States city average, all items,  
16 1982-84 = 100. The new amount resulting from each annual  
17 adjustment shall be determined by the Public Pension Division  
18 of the Department of Insurance and made available to the  
19 boards of the retirement systems and pension funds by November  
20 1 of each year.

21 (b-10) Beginning on January 1, 2024, for all purposes  
22 under this Code (including, without limitation, the  
23 calculation of benefits and employee contributions), the  
24 annual earnings, salary, or wages (based on the plan year) of a  
25 member or participant under Article 9 to whom this Section  
26 applies shall include an annual earnings, salary, or wage cap

1 that tracks the Social Security wage base. Maximum annual  
2 earnings, wages, or salary shall be the annual contribution  
3 and benefit base established for the applicable year by the  
4 Commissioner of the Social Security Administration under the  
5 federal Social Security Act.

6 However, in no event shall the annual earnings, salary, or  
7 wages for the purposes of this Article and Article 9 exceed any  
8 limitation imposed on annual earnings, salary, or wages under  
9 Section 1-117. Under no circumstances shall the maximum amount  
10 of annual earnings, salary, or wages be greater than the  
11 amount set forth in this subsection (b-10) as a result of  
12 reciprocal service or any provisions regarding reciprocal  
13 services, nor shall the Fund under Article 9 be required to pay  
14 any refund as a result of the application of this maximum  
15 annual earnings, salary, and wage cap.

16 Nothing in this subsection (b-10) shall cause or otherwise  
17 result in any retroactive adjustment of any employee  
18 contributions. Nothing in this subsection (b-10) shall cause  
19 or otherwise result in any retroactive adjustment of  
20 disability or other payments made between January 1, 2011 and  
21 January 1, 2024.

22 (c) A member or participant is entitled to a retirement  
23 annuity upon written application if he or she has attained age  
24 67 (age 65, with respect to service under Article 12 that is  
25 subject to this Section, for a member or participant under  
26 Article 12 who first becomes a member or participant under

1 Article 12 on or after January 1, 2022 or who makes the  
2 election under item (i) of subsection (d-15) of this Section)  
3 and has at least 10 years of service credit and is otherwise  
4 eligible under the requirements of the applicable Article.

5 A member or participant who has attained age 62 (age 60,  
6 with respect to service under Article 12 that is subject to  
7 this Section, for a member or participant under Article 12 who  
8 first becomes a member or participant under Article 12 on or  
9 after January 1, 2022 or who makes the election under item (i)  
10 of subsection (d-15) of this Section) and has at least 10 years  
11 of service credit and is otherwise eligible under the  
12 requirements of the applicable Article may elect to receive  
13 the lower retirement annuity provided in subsection (d) of  
14 this Section.

15 (c-5) A person who first becomes a member or a participant  
16 subject to this Section on or after July 6, 2017 (the effective  
17 date of Public Act 100-23), notwithstanding any other  
18 provision of this Code to the contrary, is entitled to a  
19 retirement annuity under Article 8 or Article 11 upon written  
20 application if he or she has attained age 65 and has at least  
21 10 years of service credit and is otherwise eligible under the  
22 requirements of Article 8 or Article 11 of this Code,  
23 whichever is applicable.

24 (d) The retirement annuity of a member or participant who  
25 is retiring after attaining age 62 (age 60, with respect to  
26 service under Article 12 that is subject to this Section, for a

1 member or participant under Article 12 who first becomes a  
2 member or participant under Article 12 on or after January 1,  
3 2022 or who makes the election under item (i) of subsection  
4 (d-15) of this Section) with at least 10 years of service  
5 credit shall be reduced by one-half of 1% for each full month  
6 that the member's age is under age 67 (age 65, with respect to  
7 service under Article 12 that is subject to this Section, for a  
8 member or participant under Article 12 who first becomes a  
9 member or participant under Article 12 on or after January 1,  
10 2022 or who makes the election under item (i) of subsection  
11 (d-15) of this Section).

12 (d-5) The retirement annuity payable under Article 8 or  
13 Article 11 to an eligible person subject to subsection (c-5)  
14 of this Section who is retiring at age 60 with at least 10  
15 years of service credit shall be reduced by one-half of 1% for  
16 each full month that the member's age is under age 65.

17 (d-10) Each person who first became a member or  
18 participant under Article 8 or Article 11 of this Code on or  
19 after January 1, 2011 and prior to July 6, 2017 (the effective  
20 date of Public Act 100-23) shall make an irrevocable election  
21 either:

22 (i) to be eligible for the reduced retirement age  
23 provided in subsections (c-5) and (d-5) of this Section,  
24 the eligibility for which is conditioned upon the member  
25 or participant agreeing to the increases in employee  
26 contributions for age and service annuities provided in

1 subsection (a-5) of Section 8-174 of this Code (for  
2 service under Article 8) or subsection (a-5) of Section  
3 11-170 of this Code (for service under Article 11); or

4 (ii) to not agree to item (i) of this subsection  
5 (d-10), in which case the member or participant shall  
6 continue to be subject to the retirement age provisions in  
7 subsections (c) and (d) of this Section and the employee  
8 contributions for age and service annuity as provided in  
9 subsection (a) of Section 8-174 of this Code (for service  
10 under Article 8) or subsection (a) of Section 11-170 of  
11 this Code (for service under Article 11).

12 The election provided for in this subsection shall be made  
13 between October 1, 2017 and November 15, 2017. A person  
14 subject to this subsection who makes the required election  
15 shall remain bound by that election. A person subject to this  
16 subsection who fails for any reason to make the required  
17 election within the time specified in this subsection shall be  
18 deemed to have made the election under item (ii).

19 (d-15) Each person who first becomes a member or  
20 participant under Article 12 on or after January 1, 2011 and  
21 prior to January 1, 2022 shall make an irrevocable election  
22 either:

23 (i) to be eligible for the reduced retirement age  
24 specified in subsections (c) and (d) of this Section, the  
25 eligibility for which is conditioned upon the member or  
26 participant agreeing to the increase in employee

1 contributions for service annuities specified in  
2 subsection (b) of Section 12-150; or

3 (ii) to not agree to item (i) of this subsection  
4 (d-15), in which case the member or participant shall not  
5 be eligible for the reduced retirement age specified in  
6 subsections (c) and (d) of this Section and shall not be  
7 subject to the increase in employee contributions for  
8 service annuities specified in subsection (b) of Section  
9 12-150.

10 The election provided for in this subsection shall be made  
11 between January 1, 2022 and April 1, 2022. A person subject to  
12 this subsection who makes the required election shall remain  
13 bound by that election. A person subject to this subsection  
14 who fails for any reason to make the required election within  
15 the time specified in this subsection shall be deemed to have  
16 made the election under item (ii).

17 (e) Any retirement annuity or supplemental annuity shall  
18 be subject to annual increases on the January 1 occurring  
19 either on or after the attainment of age 67 (age 65, with  
20 respect to service under Article 12 that is subject to this  
21 Section, for a member or participant under Article 12 who  
22 first becomes a member or participant under Article 12 on or  
23 after January 1, 2022 or who makes the election under item (i)  
24 of subsection (d-15); and beginning on July 6, 2017 (the  
25 effective date of Public Act 100-23), age 65 with respect to  
26 service under Article 8 or Article 11 for eligible persons

1 who: (i) are subject to subsection (c-5) of this Section; or  
2 (ii) made the election under item (i) of subsection (d-10) of  
3 this Section) or the first anniversary of the annuity start  
4 date, whichever is later. Each annual increase shall be  
5 calculated at 3% or one-half the annual unadjusted percentage  
6 increase (but not less than zero) in the consumer price  
7 index-u for the 12 months ending with the September preceding  
8 each November 1, whichever is less, of the originally granted  
9 retirement annuity. If the annual unadjusted percentage change  
10 in the consumer price index-u for the 12 months ending with the  
11 September preceding each November 1 is zero or there is a  
12 decrease, then the annuity shall not be increased.

13 For the purposes of Section 1-103.1 of this Code, the  
14 changes made to this Section by Public Act 102-263 are  
15 applicable without regard to whether the employee was in  
16 active service on or after August 6, 2021 (the effective date  
17 of Public Act 102-263).

18 For the purposes of Section 1-103.1 of this Code, the  
19 changes made to this Section by Public Act 100-23 are  
20 applicable without regard to whether the employee was in  
21 active service on or after July 6, 2017 (the effective date of  
22 Public Act 100-23).

23 (f) The initial survivor's or widow's annuity of an  
24 otherwise eligible survivor or widow of a retired member or  
25 participant who first became a member or participant on or  
26 after January 1, 2011 shall be in the amount of 66 2/3% of the

1 retired member's or participant's retirement annuity at the  
2 date of death. In the case of the death of a member or  
3 participant who has not retired and who first became a member  
4 or participant on or after January 1, 2011, eligibility for a  
5 survivor's or widow's annuity shall be determined by the  
6 applicable Article of this Code. The initial benefit shall be  
7 66 2/3% of the earned annuity without a reduction due to age. A  
8 child's annuity of an otherwise eligible child shall be in the  
9 amount prescribed under each Article if applicable. Any  
10 survivor's or widow's annuity shall be increased (1) on each  
11 January 1 occurring on or after the commencement of the  
12 annuity if the deceased member died while receiving a  
13 retirement annuity or (2) in other cases, on each January 1  
14 occurring after the first anniversary of the commencement of  
15 the annuity. Each annual increase shall be calculated at 3% or  
16 one-half the annual unadjusted percentage increase (but not  
17 less than zero) in the consumer price index-u for the 12 months  
18 ending with the September preceding each November 1, whichever  
19 is less, of the originally granted survivor's annuity. If the  
20 annual unadjusted percentage change in the consumer price  
21 index-u for the 12 months ending with the September preceding  
22 each November 1 is zero or there is a decrease, then the  
23 annuity shall not be increased.

24 (g) This Section does not apply to a person who ~~The~~  
25 ~~benefits in Section 14-110 apply if the person~~ is a fire  
26 fighter in the fire protection service of a department, a

1 security employee of the Department of Corrections or the  
2 Department of Juvenile Justice, or a security employee of the  
3 Department of Innovation and Technology, as those terms are  
4 defined in subsection (b) and subsection (c) of Section  
5 14-110. ~~A person who meets the requirements of this Section is~~  
6 ~~entitled to an annuity calculated under the provisions of~~  
7 ~~Section 14-110, in lieu of the regular or minimum retirement~~  
8 ~~annuity, only if the person has withdrawn from service with~~  
9 ~~not less than 20 years of eligible creditable service and has~~  
10 ~~attained age 60, regardless of whether the attainment of age~~  
11 ~~60 occurs while the person is still in service.~~

12 (g-5) This Section does not apply to a person who ~~The~~  
13 ~~benefits in Section 14-110 apply if the person is a State~~  
14 ~~policeman, investigator for the Secretary of State,~~  
15 ~~conservation police officer, investigator for the Department~~  
16 ~~of Revenue or the Illinois Gaming Board, investigator for the~~  
17 ~~Office of the Attorney General, Commerce Commission police~~  
18 ~~officer, or arson investigator, as those terms are defined in~~  
19 ~~subsection (b) and subsection (c) of Section 14-110. A person~~  
20 ~~who meets the requirements of this Section is entitled to an~~  
21 ~~annuity calculated under the provisions of Section 14-110, in~~  
22 ~~lieu of the regular or minimum retirement annuity, only if the~~  
23 ~~person has withdrawn from service with not less than 20 years~~  
24 ~~of eligible creditable service and has attained age 55,~~  
25 ~~regardless of whether the attainment of age 55 occurs while~~  
26 ~~the person is still in service.~~

1           (h) If a person who first becomes a member or a participant  
2 of a retirement system or pension fund subject to this Section  
3 on or after January 1, 2011 is receiving a retirement annuity  
4 or retirement pension under that system or fund and becomes a  
5 member or participant under any other system or fund created  
6 by this Code and is employed on a full-time basis, except for  
7 those members or participants exempted from the provisions of  
8 this Section under subsection (a) of this Section, then the  
9 person's retirement annuity or retirement pension under that  
10 system or fund shall be suspended during that employment. Upon  
11 termination of that employment, the person's retirement  
12 annuity or retirement pension payments shall resume and be  
13 recalculated if recalculation is provided for under the  
14 applicable Article of this Code.

15           If a person who first becomes a member of a retirement  
16 system or pension fund subject to this Section on or after  
17 January 1, 2012 and is receiving a retirement annuity or  
18 retirement pension under that system or fund and accepts on a  
19 contractual basis a position to provide services to a  
20 governmental entity from which he or she has retired, then  
21 that person's annuity or retirement pension earned as an  
22 active employee of the employer shall be suspended during that  
23 contractual service. A person receiving an annuity or  
24 retirement pension under this Code shall notify the pension  
25 fund or retirement system from which he or she is receiving an  
26 annuity or retirement pension, as well as his or her

1 contractual employer, of his or her retirement status before  
2 accepting contractual employment. A person who fails to submit  
3 such notification shall be guilty of a Class A misdemeanor and  
4 required to pay a fine of \$1,000. Upon termination of that  
5 contractual employment, the person's retirement annuity or  
6 retirement pension payments shall resume and, if appropriate,  
7 be recalculated under the applicable provisions of this Code.

8 (i) (Blank).

9 (i-5) It is the intent of this amendatory Act of the 104th  
10 General Assembly to provide to the participants specified in  
11 subsections (g) and (g-5) who first became participants on or  
12 after January 1, 2011 the same level of benefits and  
13 eligibility criteria for benefits as those who first became  
14 participants before January 1, 2011. The changes made to this  
15 Article by this amendatory Act of the 104th General Assembly  
16 that provide benefit increases for participants specified in  
17 subsections (g) and (g-5) apply without regard to whether the  
18 participant was in service on or after the effective date of  
19 this amendatory Act of the 104th General Assembly,  
20 notwithstanding the provisions of Section 1-103.1. The benefit  
21 increases are intended to apply prospectively and do not  
22 entitle a participant to retroactive benefit payments or  
23 increases. The changes made to this Article by this amendatory  
24 Act of the 104th General Assembly shall not cause or otherwise  
25 result in any retroactive adjustment of any employee  
26 contributions.

1 (j) In the case of a conflict between the provisions of  
2 this Section and any other provision of this Code, the  
3 provisions of this Section shall control.

4 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
5 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
6 5-6-22; 103-529, eff. 8-11-23.)

7 (Text of Section from P.A. 102-813)

8 Sec. 1-160. Provisions applicable to new hires.

9 (a) The provisions of this Section apply to a person who,  
10 on or after January 1, 2011, first becomes a member or a  
11 participant under any reciprocal retirement system or pension  
12 fund established under this Code, other than a retirement  
13 system or pension fund established under Article 2, 3, 4, 5, 6,  
14 7, 15, or 18 of this Code, notwithstanding any other provision  
15 of this Code to the contrary, but do not apply to any  
16 self-managed plan established under this Code or to any  
17 participant of the retirement plan established under Section  
18 22-101; except that this Section applies to a person who  
19 elected to establish alternative credits by electing in  
20 writing after January 1, 2011, but before August 8, 2011,  
21 under Section 7-145.1 of this Code. Notwithstanding anything  
22 to the contrary in this Section, for purposes of this Section,  
23 a person who is a Tier 1 regular employee as defined in Section  
24 7-109.4 of this Code or who participated in a retirement  
25 system under Article 15 prior to January 1, 2011 shall be

1 deemed a person who first became a member or participant prior  
2 to January 1, 2011 under any retirement system or pension fund  
3 subject to this Section. The changes made to this Section by  
4 Public Act 98-596 are a clarification of existing law and are  
5 intended to be retroactive to January 1, 2011 (the effective  
6 date of Public Act 96-889), notwithstanding the provisions of  
7 Section 1-103.1 of this Code.

8 This Section does not apply to a person who first becomes a  
9 noncovered employee under Article 14 on or after the  
10 implementation date of the plan created under Section 1-161  
11 for that Article, unless that person elects under subsection  
12 (b) of Section 1-161 to instead receive the benefits provided  
13 under this Section and the applicable provisions of that  
14 Article.

15 This Section does not apply to a person who first becomes a  
16 member or participant under Article 16 on or after the  
17 implementation date of the plan created under Section 1-161  
18 for that Article, unless that person elects under subsection  
19 (b) of Section 1-161 to instead receive the benefits provided  
20 under this Section and the applicable provisions of that  
21 Article.

22 This Section does not apply to a person who elects under  
23 subsection (c-5) of Section 1-161 to receive the benefits  
24 under Section 1-161.

25 This Section does not apply to a person who first becomes a  
26 member or participant of an affected pension fund on or after 6

1 months after the resolution or ordinance date, as defined in  
2 Section 1-162, unless that person elects under subsection (c)  
3 of Section 1-162 to receive the benefits provided under this  
4 Section and the applicable provisions of the Article under  
5 which he or she is a member or participant.

6 (b) "Final average salary" means, except as otherwise  
7 provided in this subsection, the average monthly (or annual)  
8 salary obtained by dividing the total salary or earnings  
9 calculated under the Article applicable to the member or  
10 participant during the 96 consecutive months (or 8 consecutive  
11 years) of service within the last 120 months (or 10 years) of  
12 service in which the total salary or earnings calculated under  
13 the applicable Article was the highest by the number of months  
14 (or years) of service in that period. For the purposes of a  
15 person who first becomes a member or participant of any  
16 retirement system or pension fund to which this Section  
17 applies on or after January 1, 2011, in this Code, "final  
18 average salary" shall be substituted for the following:

19 (1) (Blank).

20 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
21 annual salary for any 4 consecutive years within the last  
22 10 years of service immediately preceding the date of  
23 withdrawal".

24 (3) In Article 13, "average final salary".

25 (4) In Article 14, "final average compensation".

26 (5) In Article 17, "average salary".

1           (6) In Section 22-207, "wages or salary received by  
2           him at the date of retirement or discharge".

3           A member of the Teachers' Retirement System of the State  
4           of Illinois who retires on or after June 1, 2021 and for whom  
5           the 2020-2021 school year is used in the calculation of the  
6           member's final average salary shall use the higher of the  
7           following for the purpose of determining the member's final  
8           average salary:

9           (A) the amount otherwise calculated under the first  
10          paragraph of this subsection; or

11          (B) an amount calculated by the Teachers' Retirement  
12          System of the State of Illinois using the average of the  
13          monthly (or annual) salary obtained by dividing the total  
14          salary or earnings calculated under Article 16 applicable  
15          to the member or participant during the 96 months (or 8  
16          years) of service within the last 120 months (or 10 years)  
17          of service in which the total salary or earnings  
18          calculated under the Article was the highest by the number  
19          of months (or years) of service in that period.

20          (b-5) Beginning on January 1, 2011, for all purposes under  
21          this Code (including without limitation the calculation of  
22          benefits and employee contributions), the annual earnings,  
23          salary, or wages (based on the plan year) of a member or  
24          participant to whom this Section applies shall not exceed  
25          \$106,800; however, that amount shall annually thereafter be  
26          increased by the lesser of (i) 3% of that amount, including all

1 previous adjustments, or (ii) one-half the annual unadjusted  
2 percentage increase (but not less than zero) in the consumer  
3 price index-u for the 12 months ending with the September  
4 preceding each November 1, including all previous adjustments.

5 For the purposes of this Section, "consumer price index-u"  
6 means the index published by the Bureau of Labor Statistics of  
7 the United States Department of Labor that measures the  
8 average change in prices of goods and services purchased by  
9 all urban consumers, United States city average, all items,  
10 1982-84 = 100. The new amount resulting from each annual  
11 adjustment shall be determined by the Public Pension Division  
12 of the Department of Insurance and made available to the  
13 boards of the retirement systems and pension funds by November  
14 1 of each year.

15 (b-10) Beginning on January 1, 2024, for all purposes  
16 under this Code (including, without limitation, the  
17 calculation of benefits and employee contributions), the  
18 annual earnings, salary, or wages (based on the plan year) of a  
19 member or participant under Article 9 to whom this Section  
20 applies shall include an annual earnings, salary, or wage cap  
21 that tracks the Social Security wage base. Maximum annual  
22 earnings, wages, or salary shall be the annual contribution  
23 and benefit base established for the applicable year by the  
24 Commissioner of the Social Security Administration under the  
25 federal Social Security Act.

26 However, in no event shall the annual earnings, salary, or

1 wages for the purposes of this Article and Article 9 exceed any  
2 limitation imposed on annual earnings, salary, or wages under  
3 Section 1-117. Under no circumstances shall the maximum amount  
4 of annual earnings, salary, or wages be greater than the  
5 amount set forth in this subsection (b-10) as a result of  
6 reciprocal service or any provisions regarding reciprocal  
7 services, nor shall the Fund under Article 9 be required to pay  
8 any refund as a result of the application of this maximum  
9 annual earnings, salary, and wage cap.

10 Nothing in this subsection (b-10) shall cause or otherwise  
11 result in any retroactive adjustment of any employee  
12 contributions. Nothing in this subsection (b-10) shall cause  
13 or otherwise result in any retroactive adjustment of  
14 disability or other payments made between January 1, 2011 and  
15 January 1, 2024.

16 (c) A member or participant is entitled to a retirement  
17 annuity upon written application if he or she has attained age  
18 67 (age 65, with respect to service under Article 12 that is  
19 subject to this Section, for a member or participant under  
20 Article 12 who first becomes a member or participant under  
21 Article 12 on or after January 1, 2022 or who makes the  
22 election under item (i) of subsection (d-15) of this Section)  
23 and has at least 10 years of service credit and is otherwise  
24 eligible under the requirements of the applicable Article.

25 A member or participant who has attained age 62 (age 60,  
26 with respect to service under Article 12 that is subject to

1 this Section, for a member or participant under Article 12 who  
2 first becomes a member or participant under Article 12 on or  
3 after January 1, 2022 or who makes the election under item (i)  
4 of subsection (d-15) of this Section) and has at least 10 years  
5 of service credit and is otherwise eligible under the  
6 requirements of the applicable Article may elect to receive  
7 the lower retirement annuity provided in subsection (d) of  
8 this Section.

9 (c-5) A person who first becomes a member or a participant  
10 subject to this Section on or after July 6, 2017 (the effective  
11 date of Public Act 100-23), notwithstanding any other  
12 provision of this Code to the contrary, is entitled to a  
13 retirement annuity under Article 8 or Article 11 upon written  
14 application if he or she has attained age 65 and has at least  
15 10 years of service credit and is otherwise eligible under the  
16 requirements of Article 8 or Article 11 of this Code,  
17 whichever is applicable.

18 (d) The retirement annuity of a member or participant who  
19 is retiring after attaining age 62 (age 60, with respect to  
20 service under Article 12 that is subject to this Section, for a  
21 member or participant under Article 12 who first becomes a  
22 member or participant under Article 12 on or after January 1,  
23 2022 or who makes the election under item (i) of subsection  
24 (d-15) of this Section) with at least 10 years of service  
25 credit shall be reduced by one-half of 1% for each full month  
26 that the member's age is under age 67 (age 65, with respect to

1 service under Article 12 that is subject to this Section, for a  
2 member or participant under Article 12 who first becomes a  
3 member or participant under Article 12 on or after January 1,  
4 2022 or who makes the election under item (i) of subsection  
5 (d-15) of this Section).

6 (d-5) The retirement annuity payable under Article 8 or  
7 Article 11 to an eligible person subject to subsection (c-5)  
8 of this Section who is retiring at age 60 with at least 10  
9 years of service credit shall be reduced by one-half of 1% for  
10 each full month that the member's age is under age 65.

11 (d-10) Each person who first became a member or  
12 participant under Article 8 or Article 11 of this Code on or  
13 after January 1, 2011 and prior to July 6, 2017 (the effective  
14 date of Public Act 100-23) shall make an irrevocable election  
15 either:

16 (i) to be eligible for the reduced retirement age  
17 provided in subsections (c-5) and (d-5) of this Section,  
18 the eligibility for which is conditioned upon the member  
19 or participant agreeing to the increases in employee  
20 contributions for age and service annuities provided in  
21 subsection (a-5) of Section 8-174 of this Code (for  
22 service under Article 8) or subsection (a-5) of Section  
23 11-170 of this Code (for service under Article 11); or

24 (ii) to not agree to item (i) of this subsection  
25 (d-10), in which case the member or participant shall  
26 continue to be subject to the retirement age provisions in

1 subsections (c) and (d) of this Section and the employee  
2 contributions for age and service annuity as provided in  
3 subsection (a) of Section 8-174 of this Code (for service  
4 under Article 8) or subsection (a) of Section 11-170 of  
5 this Code (for service under Article 11).

6 The election provided for in this subsection shall be made  
7 between October 1, 2017 and November 15, 2017. A person  
8 subject to this subsection who makes the required election  
9 shall remain bound by that election. A person subject to this  
10 subsection who fails for any reason to make the required  
11 election within the time specified in this subsection shall be  
12 deemed to have made the election under item (ii).

13 (d-15) Each person who first becomes a member or  
14 participant under Article 12 on or after January 1, 2011 and  
15 prior to January 1, 2022 shall make an irrevocable election  
16 either:

17 (i) to be eligible for the reduced retirement age  
18 specified in subsections (c) and (d) of this Section, the  
19 eligibility for which is conditioned upon the member or  
20 participant agreeing to the increase in employee  
21 contributions for service annuities specified in  
22 subsection (b) of Section 12-150; or

23 (ii) to not agree to item (i) of this subsection  
24 (d-15), in which case the member or participant shall not  
25 be eligible for the reduced retirement age specified in  
26 subsections (c) and (d) of this Section and shall not be

1 subject to the increase in employee contributions for  
2 service annuities specified in subsection (b) of Section  
3 12-150.

4 The election provided for in this subsection shall be made  
5 between January 1, 2022 and April 1, 2022. A person subject to  
6 this subsection who makes the required election shall remain  
7 bound by that election. A person subject to this subsection  
8 who fails for any reason to make the required election within  
9 the time specified in this subsection shall be deemed to have  
10 made the election under item (ii).

11 (e) Any retirement annuity or supplemental annuity shall  
12 be subject to annual increases on the January 1 occurring  
13 either on or after the attainment of age 67 (age 65, with  
14 respect to service under Article 12 that is subject to this  
15 Section, for a member or participant under Article 12 who  
16 first becomes a member or participant under Article 12 on or  
17 after January 1, 2022 or who makes the election under item (i)  
18 of subsection (d-15); and beginning on July 6, 2017 (the  
19 effective date of Public Act 100-23), age 65 with respect to  
20 service under Article 8 or Article 11 for eligible persons  
21 who: (i) are subject to subsection (c-5) of this Section; or  
22 (ii) made the election under item (i) of subsection (d-10) of  
23 this Section) or the first anniversary of the annuity start  
24 date, whichever is later. Each annual increase shall be  
25 calculated at 3% or one-half the annual unadjusted percentage  
26 increase (but not less than zero) in the consumer price

1 index-u for the 12 months ending with the September preceding  
2 each November 1, whichever is less, of the originally granted  
3 retirement annuity. If the annual unadjusted percentage change  
4 in the consumer price index-u for the 12 months ending with the  
5 September preceding each November 1 is zero or there is a  
6 decrease, then the annuity shall not be increased.

7 For the purposes of Section 1-103.1 of this Code, the  
8 changes made to this Section by Public Act 102-263 are  
9 applicable without regard to whether the employee was in  
10 active service on or after August 6, 2021 (the effective date  
11 of Public Act 102-263).

12 For the purposes of Section 1-103.1 of this Code, the  
13 changes made to this Section by Public Act 100-23 are  
14 applicable without regard to whether the employee was in  
15 active service on or after July 6, 2017 (the effective date of  
16 Public Act 100-23).

17 (f) The initial survivor's or widow's annuity of an  
18 otherwise eligible survivor or widow of a retired member or  
19 participant who first became a member or participant on or  
20 after January 1, 2011 shall be in the amount of 66 2/3% of the  
21 retired member's or participant's retirement annuity at the  
22 date of death. In the case of the death of a member or  
23 participant who has not retired and who first became a member  
24 or participant on or after January 1, 2011, eligibility for a  
25 survivor's or widow's annuity shall be determined by the  
26 applicable Article of this Code. The initial benefit shall be

1 66 2/3% of the earned annuity without a reduction due to age. A  
2 child's annuity of an otherwise eligible child shall be in the  
3 amount prescribed under each Article if applicable. Any  
4 survivor's or widow's annuity shall be increased (1) on each  
5 January 1 occurring on or after the commencement of the  
6 annuity if the deceased member died while receiving a  
7 retirement annuity or (2) in other cases, on each January 1  
8 occurring after the first anniversary of the commencement of  
9 the annuity. Each annual increase shall be calculated at 3% or  
10 one-half the annual unadjusted percentage increase (but not  
11 less than zero) in the consumer price index-u for the 12 months  
12 ending with the September preceding each November 1, whichever  
13 is less, of the originally granted survivor's annuity. If the  
14 annual unadjusted percentage change in the consumer price  
15 index-u for the 12 months ending with the September preceding  
16 each November 1 is zero or there is a decrease, then the  
17 annuity shall not be increased.

18 (g) This Section does not apply to a person who ~~The~~  
19 ~~benefits in Section 14-110 apply only if the person is a State~~  
20 ~~policeman, a fire fighter in the fire protection service of a~~  
21 ~~department, a conservation police officer, an investigator for~~  
22 ~~the Secretary of State, an arson investigator, a Commerce~~  
23 ~~Commission police officer, investigator for the Department of~~  
24 ~~Revenue or the Illinois Gaming Board, a security employee of~~  
25 ~~the Department of Corrections or the Department of Juvenile~~  
26 ~~Justice, or a security employee of the Department of~~

1 Innovation and Technology, as those terms are defined in  
2 subsection (b) and subsection (c) of Section 14-110. ~~A person~~  
3 ~~who meets the requirements of this Section is entitled to an~~  
4 ~~annuity calculated under the provisions of Section 14-110, in~~  
5 ~~lieu of the regular or minimum retirement annuity, only if the~~  
6 ~~person has withdrawn from service with not less than 20 years~~  
7 ~~of eligible creditable service and has attained age 60,~~  
8 ~~regardless of whether the attainment of age 60 occurs while~~  
9 ~~the person is still in service.~~

10 (h) If a person who first becomes a member or a participant  
11 of a retirement system or pension fund subject to this Section  
12 on or after January 1, 2011 is receiving a retirement annuity  
13 or retirement pension under that system or fund and becomes a  
14 member or participant under any other system or fund created  
15 by this Code and is employed on a full-time basis, except for  
16 those members or participants exempted from the provisions of  
17 this Section under subsection (a) of this Section, then the  
18 person's retirement annuity or retirement pension under that  
19 system or fund shall be suspended during that employment. Upon  
20 termination of that employment, the person's retirement  
21 annuity or retirement pension payments shall resume and be  
22 recalculated if recalculation is provided for under the  
23 applicable Article of this Code.

24 If a person who first becomes a member of a retirement  
25 system or pension fund subject to this Section on or after  
26 January 1, 2012 and is receiving a retirement annuity or

1 retirement pension under that system or fund and accepts on a  
2 contractual basis a position to provide services to a  
3 governmental entity from which he or she has retired, then  
4 that person's annuity or retirement pension earned as an  
5 active employee of the employer shall be suspended during that  
6 contractual service. A person receiving an annuity or  
7 retirement pension under this Code shall notify the pension  
8 fund or retirement system from which he or she is receiving an  
9 annuity or retirement pension, as well as his or her  
10 contractual employer, of his or her retirement status before  
11 accepting contractual employment. A person who fails to submit  
12 such notification shall be guilty of a Class A misdemeanor and  
13 required to pay a fine of \$1,000. Upon termination of that  
14 contractual employment, the person's retirement annuity or  
15 retirement pension payments shall resume and, if appropriate,  
16 be recalculated under the applicable provisions of this Code.

17 (i) (Blank).

18 (i-5) It is the intent of this amendatory Act of the 104th  
19 General Assembly to provide to the participants specified in  
20 subsections (g) and (g-5) who first became participants on or  
21 after January 1, 2011 the same level of benefits and  
22 eligibility criteria for benefits as those who first became  
23 participants before January 1, 2011. The changes made to this  
24 Article by this amendatory Act of the 104th General Assembly  
25 that provide benefit increases for participants specified in  
26 subsections (g) and (g-5) apply without regard to whether the

1 participant was in service on or after the effective date of  
2 this amendatory Act of the 104th General Assembly,  
3 notwithstanding the provisions of Section 1-103.1. The benefit  
4 increases are intended to apply prospectively and do not  
5 entitle a participant to retroactive benefit payments or  
6 increases. The changes made to this Article by this amendatory  
7 Act of the 104th General Assembly shall not cause or otherwise  
8 result in any retroactive adjustment of any employee  
9 contributions.

10 (j) In the case of a conflict between the provisions of  
11 this Section and any other provision of this Code, the  
12 provisions of this Section shall control.

13 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
14 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
15 5-13-22; 103-529, eff. 8-11-23.)

16 (Text of Section from P.A. 102-956)

17 Sec. 1-160. Provisions applicable to new hires.

18 (a) The provisions of this Section apply to a person who,  
19 on or after January 1, 2011, first becomes a member or a  
20 participant under any reciprocal retirement system or pension  
21 fund established under this Code, other than a retirement  
22 system or pension fund established under Article 2, 3, 4, 5, 6,  
23 7, 15, or 18 of this Code, notwithstanding any other provision  
24 of this Code to the contrary, but do not apply to any  
25 self-managed plan established under this Code or to any

1 participant of the retirement plan established under Section  
2 22-101; except that this Section applies to a person who  
3 elected to establish alternative credits by electing in  
4 writing after January 1, 2011, but before August 8, 2011,  
5 under Section 7-145.1 of this Code. Notwithstanding anything  
6 to the contrary in this Section, for purposes of this Section,  
7 a person who is a Tier 1 regular employee as defined in Section  
8 7-109.4 of this Code or who participated in a retirement  
9 system under Article 15 prior to January 1, 2011 shall be  
10 deemed a person who first became a member or participant prior  
11 to January 1, 2011 under any retirement system or pension fund  
12 subject to this Section. The changes made to this Section by  
13 Public Act 98-596 are a clarification of existing law and are  
14 intended to be retroactive to January 1, 2011 (the effective  
15 date of Public Act 96-889), notwithstanding the provisions of  
16 Section 1-103.1 of this Code.

17 This Section does not apply to a person who first becomes a  
18 noncovered employee under Article 14 on or after the  
19 implementation date of the plan created under Section 1-161  
20 for that Article, unless that person elects under subsection  
21 (b) of Section 1-161 to instead receive the benefits provided  
22 under this Section and the applicable provisions of that  
23 Article.

24 This Section does not apply to a person who first becomes a  
25 member or participant under Article 16 on or after the  
26 implementation date of the plan created under Section 1-161

1 for that Article, unless that person elects under subsection  
2 (b) of Section 1-161 to instead receive the benefits provided  
3 under this Section and the applicable provisions of that  
4 Article.

5 This Section does not apply to a person who elects under  
6 subsection (c-5) of Section 1-161 to receive the benefits  
7 under Section 1-161.

8 This Section does not apply to a person who first becomes a  
9 member or participant of an affected pension fund on or after 6  
10 months after the resolution or ordinance date, as defined in  
11 Section 1-162, unless that person elects under subsection (c)  
12 of Section 1-162 to receive the benefits provided under this  
13 Section and the applicable provisions of the Article under  
14 which he or she is a member or participant.

15 (b) "Final average salary" means, except as otherwise  
16 provided in this subsection, the average monthly (or annual)  
17 salary obtained by dividing the total salary or earnings  
18 calculated under the Article applicable to the member or  
19 participant during the 96 consecutive months (or 8 consecutive  
20 years) of service within the last 120 months (or 10 years) of  
21 service in which the total salary or earnings calculated under  
22 the applicable Article was the highest by the number of months  
23 (or years) of service in that period. For the purposes of a  
24 person who first becomes a member or participant of any  
25 retirement system or pension fund to which this Section  
26 applies on or after January 1, 2011, in this Code, "final

1 average salary" shall be substituted for the following:

2 (1) (Blank).

3 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
4 annual salary for any 4 consecutive years within the last  
5 10 years of service immediately preceding the date of  
6 withdrawal".

7 (3) In Article 13, "average final salary".

8 (4) In Article 14, "final average compensation".

9 (5) In Article 17, "average salary".

10 (6) In Section 22-207, "wages or salary received by  
11 him at the date of retirement or discharge".

12 A member of the Teachers' Retirement System of the State  
13 of Illinois who retires on or after June 1, 2021 and for whom  
14 the 2020-2021 school year is used in the calculation of the  
15 member's final average salary shall use the higher of the  
16 following for the purpose of determining the member's final  
17 average salary:

18 (A) the amount otherwise calculated under the first  
19 paragraph of this subsection; or

20 (B) an amount calculated by the Teachers' Retirement  
21 System of the State of Illinois using the average of the  
22 monthly (or annual) salary obtained by dividing the total  
23 salary or earnings calculated under Article 16 applicable  
24 to the member or participant during the 96 months (or 8  
25 years) of service within the last 120 months (or 10 years)  
26 of service in which the total salary or earnings

1           calculated under the Article was the highest by the number  
2           of months (or years) of service in that period.

3           (b-5) Beginning on January 1, 2011, for all purposes under  
4           this Code (including without limitation the calculation of  
5           benefits and employee contributions), the annual earnings,  
6           salary, or wages (based on the plan year) of a member or  
7           participant to whom this Section applies shall not exceed  
8           \$106,800; however, that amount shall annually thereafter be  
9           increased by the lesser of (i) 3% of that amount, including all  
10          previous adjustments, or (ii) one-half the annual unadjusted  
11          percentage increase (but not less than zero) in the consumer  
12          price index-u for the 12 months ending with the September  
13          preceding each November 1, including all previous adjustments.

14          For the purposes of this Section, "consumer price index-u"  
15          means the index published by the Bureau of Labor Statistics of  
16          the United States Department of Labor that measures the  
17          average change in prices of goods and services purchased by  
18          all urban consumers, United States city average, all items,  
19          1982-84 = 100. The new amount resulting from each annual  
20          adjustment shall be determined by the Public Pension Division  
21          of the Department of Insurance and made available to the  
22          boards of the retirement systems and pension funds by November  
23          1 of each year.

24          (b-10) Beginning on January 1, 2024, for all purposes  
25          under this Code (including, without limitation, the  
26          calculation of benefits and employee contributions), the

1 annual earnings, salary, or wages (based on the plan year) of a  
2 member or participant under Article 9 to whom this Section  
3 applies shall include an annual earnings, salary, or wage cap  
4 that tracks the Social Security wage base. Maximum annual  
5 earnings, wages, or salary shall be the annual contribution  
6 and benefit base established for the applicable year by the  
7 Commissioner of the Social Security Administration under the  
8 federal Social Security Act.

9 However, in no event shall the annual earnings, salary, or  
10 wages for the purposes of this Article and Article 9 exceed any  
11 limitation imposed on annual earnings, salary, or wages under  
12 Section 1-117. Under no circumstances shall the maximum amount  
13 of annual earnings, salary, or wages be greater than the  
14 amount set forth in this subsection (b-10) as a result of  
15 reciprocal service or any provisions regarding reciprocal  
16 services, nor shall the Fund under Article 9 be required to pay  
17 any refund as a result of the application of this maximum  
18 annual earnings, salary, and wage cap.

19 Nothing in this subsection (b-10) shall cause or otherwise  
20 result in any retroactive adjustment of any employee  
21 contributions. Nothing in this subsection (b-10) shall cause  
22 or otherwise result in any retroactive adjustment of  
23 disability or other payments made between January 1, 2011 and  
24 January 1, 2024.

25 (c) A member or participant is entitled to a retirement  
26 annuity upon written application if he or she has attained age

1 67 (age 65, with respect to service under Article 12 that is  
2 subject to this Section, for a member or participant under  
3 Article 12 who first becomes a member or participant under  
4 Article 12 on or after January 1, 2022 or who makes the  
5 election under item (i) of subsection (d-15) of this Section)  
6 and has at least 10 years of service credit and is otherwise  
7 eligible under the requirements of the applicable Article.

8 A member or participant who has attained age 62 (age 60,  
9 with respect to service under Article 12 that is subject to  
10 this Section, for a member or participant under Article 12 who  
11 first becomes a member or participant under Article 12 on or  
12 after January 1, 2022 or who makes the election under item (i)  
13 of subsection (d-15) of this Section) and has at least 10 years  
14 of service credit and is otherwise eligible under the  
15 requirements of the applicable Article may elect to receive  
16 the lower retirement annuity provided in subsection (d) of  
17 this Section.

18 (c-5) A person who first becomes a member or a participant  
19 subject to this Section on or after July 6, 2017 (the effective  
20 date of Public Act 100-23), notwithstanding any other  
21 provision of this Code to the contrary, is entitled to a  
22 retirement annuity under Article 8 or Article 11 upon written  
23 application if he or she has attained age 65 and has at least  
24 10 years of service credit and is otherwise eligible under the  
25 requirements of Article 8 or Article 11 of this Code,  
26 whichever is applicable.

1 (d) The retirement annuity of a member or participant who  
2 is retiring after attaining age 62 (age 60, with respect to  
3 service under Article 12 that is subject to this Section, for a  
4 member or participant under Article 12 who first becomes a  
5 member or participant under Article 12 on or after January 1,  
6 2022 or who makes the election under item (i) of subsection  
7 (d-15) of this Section) with at least 10 years of service  
8 credit shall be reduced by one-half of 1% for each full month  
9 that the member's age is under age 67 (age 65, with respect to  
10 service under Article 12 that is subject to this Section, for a  
11 member or participant under Article 12 who first becomes a  
12 member or participant under Article 12 on or after January 1,  
13 2022 or who makes the election under item (i) of subsection  
14 (d-15) of this Section).

15 (d-5) The retirement annuity payable under Article 8 or  
16 Article 11 to an eligible person subject to subsection (c-5)  
17 of this Section who is retiring at age 60 with at least 10  
18 years of service credit shall be reduced by one-half of 1% for  
19 each full month that the member's age is under age 65.

20 (d-10) Each person who first became a member or  
21 participant under Article 8 or Article 11 of this Code on or  
22 after January 1, 2011 and prior to July 6, 2017 (the effective  
23 date of Public Act 100-23) shall make an irrevocable election  
24 either:

25 (i) to be eligible for the reduced retirement age  
26 provided in subsections (c-5) and (d-5) of this Section,

1 the eligibility for which is conditioned upon the member  
2 or participant agreeing to the increases in employee  
3 contributions for age and service annuities provided in  
4 subsection (a-5) of Section 8-174 of this Code (for  
5 service under Article 8) or subsection (a-5) of Section  
6 11-170 of this Code (for service under Article 11); or

7 (ii) to not agree to item (i) of this subsection  
8 (d-10), in which case the member or participant shall  
9 continue to be subject to the retirement age provisions in  
10 subsections (c) and (d) of this Section and the employee  
11 contributions for age and service annuity as provided in  
12 subsection (a) of Section 8-174 of this Code (for service  
13 under Article 8) or subsection (a) of Section 11-170 of  
14 this Code (for service under Article 11).

15 The election provided for in this subsection shall be made  
16 between October 1, 2017 and November 15, 2017. A person  
17 subject to this subsection who makes the required election  
18 shall remain bound by that election. A person subject to this  
19 subsection who fails for any reason to make the required  
20 election within the time specified in this subsection shall be  
21 deemed to have made the election under item (ii).

22 (d-15) Each person who first becomes a member or  
23 participant under Article 12 on or after January 1, 2011 and  
24 prior to January 1, 2022 shall make an irrevocable election  
25 either:

26 (i) to be eligible for the reduced retirement age

1 specified in subsections (c) and (d) of this Section, the  
2 eligibility for which is conditioned upon the member or  
3 participant agreeing to the increase in employee  
4 contributions for service annuities specified in  
5 subsection (b) of Section 12-150; or

6 (ii) to not agree to item (i) of this subsection  
7 (d-15), in which case the member or participant shall not  
8 be eligible for the reduced retirement age specified in  
9 subsections (c) and (d) of this Section and shall not be  
10 subject to the increase in employee contributions for  
11 service annuities specified in subsection (b) of Section  
12 12-150.

13 The election provided for in this subsection shall be made  
14 between January 1, 2022 and April 1, 2022. A person subject to  
15 this subsection who makes the required election shall remain  
16 bound by that election. A person subject to this subsection  
17 who fails for any reason to make the required election within  
18 the time specified in this subsection shall be deemed to have  
19 made the election under item (ii).

20 (e) Any retirement annuity or supplemental annuity shall  
21 be subject to annual increases on the January 1 occurring  
22 either on or after the attainment of age 67 (age 65, with  
23 respect to service under Article 12 that is subject to this  
24 Section, for a member or participant under Article 12 who  
25 first becomes a member or participant under Article 12 on or  
26 after January 1, 2022 or who makes the election under item (i)

1 of subsection (d-15); and beginning on July 6, 2017 (the  
2 effective date of Public Act 100-23), age 65 with respect to  
3 service under Article 8 or Article 11 for eligible persons  
4 who: (i) are subject to subsection (c-5) of this Section; or  
5 (ii) made the election under item (i) of subsection (d-10) of  
6 this Section) or the first anniversary of the annuity start  
7 date, whichever is later. Each annual increase shall be  
8 calculated at 3% or one-half the annual unadjusted percentage  
9 increase (but not less than zero) in the consumer price  
10 index-u for the 12 months ending with the September preceding  
11 each November 1, whichever is less, of the originally granted  
12 retirement annuity. If the annual unadjusted percentage change  
13 in the consumer price index-u for the 12 months ending with the  
14 September preceding each November 1 is zero or there is a  
15 decrease, then the annuity shall not be increased.

16 For the purposes of Section 1-103.1 of this Code, the  
17 changes made to this Section by Public Act 102-263 are  
18 applicable without regard to whether the employee was in  
19 active service on or after August 6, 2021 (the effective date  
20 of Public Act 102-263).

21 For the purposes of Section 1-103.1 of this Code, the  
22 changes made to this Section by Public Act 100-23 are  
23 applicable without regard to whether the employee was in  
24 active service on or after July 6, 2017 (the effective date of  
25 Public Act 100-23).

26 (f) The initial survivor's or widow's annuity of an

1 otherwise eligible survivor or widow of a retired member or  
2 participant who first became a member or participant on or  
3 after January 1, 2011 shall be in the amount of 66 2/3% of the  
4 retired member's or participant's retirement annuity at the  
5 date of death. In the case of the death of a member or  
6 participant who has not retired and who first became a member  
7 or participant on or after January 1, 2011, eligibility for a  
8 survivor's or widow's annuity shall be determined by the  
9 applicable Article of this Code. The initial benefit shall be  
10 66 2/3% of the earned annuity without a reduction due to age. A  
11 child's annuity of an otherwise eligible child shall be in the  
12 amount prescribed under each Article if applicable. Any  
13 survivor's or widow's annuity shall be increased (1) on each  
14 January 1 occurring on or after the commencement of the  
15 annuity if the deceased member died while receiving a  
16 retirement annuity or (2) in other cases, on each January 1  
17 occurring after the first anniversary of the commencement of  
18 the annuity. Each annual increase shall be calculated at 3% or  
19 one-half the annual unadjusted percentage increase (but not  
20 less than zero) in the consumer price index-u for the 12 months  
21 ending with the September preceding each November 1, whichever  
22 is less, of the originally granted survivor's annuity. If the  
23 annual unadjusted percentage change in the consumer price  
24 index-u for the 12 months ending with the September preceding  
25 each November 1 is zero or there is a decrease, then the  
26 annuity shall not be increased.

1           (g) This Section does not apply to a person who ~~The~~  
2 ~~benefits in Section 14-110 apply only if the person is a State~~  
3 ~~policeman, a fire fighter in the fire protection service of a~~  
4 ~~department, a conservation police officer, an investigator for~~  
5 ~~the Secretary of State, an investigator for the Office of the~~  
6 ~~Attorney General, an arson investigator, a Commerce Commission~~  
7 ~~police officer, investigator for the Department of Revenue or~~  
8 ~~the Illinois Gaming Board, a security employee of the~~  
9 ~~Department of Corrections or the Department of Juvenile~~  
10 ~~Justice, or a security employee of the Department of~~  
11 ~~Innovation and Technology, as those terms are defined in~~  
12 ~~subsection (b) and subsection (c) of Section 14-110. A person~~  
13 ~~who meets the requirements of this Section is entitled to an~~  
14 ~~annuity calculated under the provisions of Section 14-110, in~~  
15 ~~lieu of the regular or minimum retirement annuity, only if the~~  
16 ~~person has withdrawn from service with not less than 20 years~~  
17 ~~of eligible creditable service and has attained age 60,~~  
18 ~~regardless of whether the attainment of age 60 occurs while~~  
19 ~~the person is still in service.~~

20           (h) If a person who first becomes a member or a participant  
21 of a retirement system or pension fund subject to this Section  
22 on or after January 1, 2011 is receiving a retirement annuity  
23 or retirement pension under that system or fund and becomes a  
24 member or participant under any other system or fund created  
25 by this Code and is employed on a full-time basis, except for  
26 those members or participants exempted from the provisions of

1 this Section under subsection (a) of this Section, then the  
2 person's retirement annuity or retirement pension under that  
3 system or fund shall be suspended during that employment. Upon  
4 termination of that employment, the person's retirement  
5 annuity or retirement pension payments shall resume and be  
6 recalculated if recalculation is provided for under the  
7 applicable Article of this Code.

8 If a person who first becomes a member of a retirement  
9 system or pension fund subject to this Section on or after  
10 January 1, 2012 and is receiving a retirement annuity or  
11 retirement pension under that system or fund and accepts on a  
12 contractual basis a position to provide services to a  
13 governmental entity from which he or she has retired, then  
14 that person's annuity or retirement pension earned as an  
15 active employee of the employer shall be suspended during that  
16 contractual service. A person receiving an annuity or  
17 retirement pension under this Code shall notify the pension  
18 fund or retirement system from which he or she is receiving an  
19 annuity or retirement pension, as well as his or her  
20 contractual employer, of his or her retirement status before  
21 accepting contractual employment. A person who fails to submit  
22 such notification shall be guilty of a Class A misdemeanor and  
23 required to pay a fine of \$1,000. Upon termination of that  
24 contractual employment, the person's retirement annuity or  
25 retirement pension payments shall resume and, if appropriate,  
26 be recalculated under the applicable provisions of this Code.

1 (i) (Blank).

2 (i-5) It is the intent of this amendatory Act of the 104th  
3 General Assembly to provide to the participants specified in  
4 subsections (g) and (g-5) who first became participants on or  
5 after January 1, 2011 the same level of benefits and  
6 eligibility criteria for benefits as those who first became  
7 participants before January 1, 2011. The changes made to this  
8 Article by this amendatory Act of the 104th General Assembly  
9 that provide benefit increases for participants specified in  
10 subsections (g) and (g-5) apply without regard to whether the  
11 participant was in service on or after the effective date of  
12 this amendatory Act of the 104th General Assembly,  
13 notwithstanding the provisions of Section 1-103.1. The benefit  
14 increases are intended to apply prospectively and do not  
15 entitle a participant to retroactive benefit payments or  
16 increases. The changes made to this Article by this amendatory  
17 Act of the 104th General Assembly shall not cause or otherwise  
18 result in any retroactive adjustment of any employee  
19 contributions.

20 (j) In the case of a conflict between the provisions of  
21 this Section and any other provision of this Code, the  
22 provisions of this Section shall control.

23 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
24 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
25 8-11-23.)

1 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)

2 Sec. 3-111. Pension.

3 (a) A police officer age 50 or more with 20 or more years  
4 of creditable service, who is not a participant in the  
5 self-managed plan under Section 3-109.3 and who is no longer  
6 in service as a police officer, shall receive a pension of 1/2  
7 of the salary attached to the rank held by the officer on the  
8 police force for one year immediately prior to retirement or,  
9 beginning July 1, 1987 for persons terminating service on or  
10 after that date, the salary attached to the rank held on the  
11 last day of service or for one year prior to the last day,  
12 whichever is greater. The pension shall be increased by 2.5%  
13 of such salary for each additional year of service over 20  
14 years of service through 30 years of service, to a maximum of  
15 75% of such salary.

16 The changes made to this subsection (a) by this amendatory  
17 Act of the 91st General Assembly apply to all pensions that  
18 become payable under this subsection on or after January 1,  
19 1999. All pensions payable under this subsection that began on  
20 or after January 1, 1999 and before the effective date of this  
21 amendatory Act shall be recalculated, and the amount of the  
22 increase accruing for that period shall be payable to the  
23 pensioner in a lump sum.

24 (a-5) No pension in effect on or granted after June 30,  
25 1973 shall be less than \$200 per month. Beginning July 1, 1987,  
26 the minimum retirement pension for a police officer having at

1 least 20 years of creditable service shall be \$400 per month,  
2 without regard to whether or not retirement occurred prior to  
3 that date. If the minimum pension established in Section  
4 3-113.1 is greater than the minimum provided in this  
5 subsection, the Section 3-113.1 minimum controls.

6 (b) A police officer mandatorily retired from service due  
7 to age by operation of law, having at least 8 but less than 20  
8 years of creditable service, shall receive a pension equal to  
9 2 1/2% of the salary attached to the rank he or she held on the  
10 police force for one year immediately prior to retirement or,  
11 beginning July 1, 1987 for persons terminating service on or  
12 after that date, the salary attached to the rank held on the  
13 last day of service or for one year prior to the last day,  
14 whichever is greater, for each year of creditable service.

15 A police officer who retires or is separated from service  
16 having at least 8 years but less than 20 years of creditable  
17 service, who is not mandatorily retired due to age by  
18 operation of law, and who does not apply for a refund of  
19 contributions at his or her last separation from police  
20 service, shall receive a pension upon attaining age 60 equal  
21 to 2.5% of the salary attached to the rank held by the police  
22 officer on the police force for one year immediately prior to  
23 retirement or, beginning July 1, 1987 for persons terminating  
24 service on or after that date, the salary attached to the rank  
25 held on the last day of service or for one year prior to the  
26 last day, whichever is greater, for each year of creditable

1 service.

2 (c) A police officer no longer in service who has at least  
3 one but less than 8 years of creditable service in a police  
4 pension fund but meets the requirements of this subsection (c)  
5 shall be eligible to receive a pension from that fund equal to  
6 2.5% of the salary attached to the rank held on the last day of  
7 service under that fund or for one year prior to that last day,  
8 whichever is greater, for each year of creditable service in  
9 that fund. The pension shall begin no earlier than upon  
10 attainment of age 60 (or upon mandatory retirement from the  
11 fund by operation of law due to age, if that occurs before age  
12 60) and in no event before the effective date of this  
13 amendatory Act of 1997.

14 In order to be eligible for a pension under this  
15 subsection (c), the police officer must have at least 8 years  
16 of creditable service in a second police pension fund under  
17 this Article and be receiving a pension under subsection (a)  
18 or (b) of this Section from that second fund. The police  
19 officer need not be in service on or after the effective date  
20 of this amendatory Act of 1997.

21 (d) (Blank). ~~Notwithstanding any other provision of this~~  
22 ~~Article, the provisions of this subsection (d) apply to a~~  
23 ~~person who is not a participant in the self-managed plan under~~  
24 ~~Section 3-109.3 and who first becomes a police officer under~~  
25 ~~this Article on or after January 1, 2011.~~

26 ~~A police officer age 55 or more who has 10 or more years of~~

1 ~~service in that capacity shall be entitled at his option to~~  
2 ~~receive a monthly pension for his service as a police officer~~  
3 ~~computed by multiplying 2.5% for each year of such service by~~  
4 ~~his or her final average salary.~~

5 ~~The pension of a police officer who is retiring after~~  
6 ~~attaining age 50 with 10 or more years of creditable service~~  
7 ~~shall be reduced by one half of 1% for each month that the~~  
8 ~~police officer's age is under age 55.~~

9 ~~The maximum pension under this subsection (d) shall be 75%~~  
10 ~~of final average salary.~~

11 ~~For the purposes of this subsection (d), "final average~~  
12 ~~salary" means the greater of: (i) the average monthly salary~~  
13 ~~obtained by dividing the total salary of the police officer~~  
14 ~~during the 48 consecutive months of service within the last 60~~  
15 ~~months of service in which the total salary was the highest by~~  
16 ~~the number of months of service in that period; or (ii) the~~  
17 ~~average monthly salary obtained by dividing the total salary~~  
18 ~~of the police officer during the 96 consecutive months of~~  
19 ~~service within the last 120 months of service in which the~~  
20 ~~total salary was the highest by the number of months of service~~  
21 ~~in that period.~~

22 ~~Beginning on January 1, 2011, for all purposes under this~~  
23 ~~Code (including without limitation the calculation of benefits~~  
24 ~~and employee contributions), the annual salary based on the~~  
25 ~~plan year of a member or participant to whom this Section~~  
26 ~~applies shall not exceed \$106,800; however, that amount shall~~

1 ~~annually thereafter be increased by the lesser of (i) 3% of~~  
2 ~~that amount, including all previous adjustments, or (ii) the~~  
3 ~~annual unadjusted percentage increase (but not less than zero)~~  
4 ~~in the consumer price index u for the 12 months ending with the~~  
5 ~~September preceding each November 1, including all previous~~  
6 ~~adjustments.~~

7 ~~Nothing in this amendatory Act of the 101st General~~  
8 ~~Assembly shall cause or otherwise result in any retroactive~~  
9 ~~adjustment of any employee contributions.~~

10 (Source: P.A. 101-610, eff. 1-1-20.)

11 (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

12 Sec. 3-111.1. Increase in pension.

13 (a) Except as provided in subsection (e), the monthly  
14 pension of a police officer who retires after July 1, 1971, and  
15 prior to January 1, 1986, shall be increased, upon either the  
16 first of the month following the first anniversary of the date  
17 of retirement if the officer is 60 years of age or over at  
18 retirement date, or upon the first day of the month following  
19 attainment of age 60 if it occurs after the first anniversary  
20 of retirement, by 3% of the originally granted pension and by  
21 an additional 3% of the originally granted pension in January  
22 of each year thereafter.

23 (b) The monthly pension of a police officer who retired  
24 from service with 20 or more years of service, on or before  
25 July 1, 1971, shall be increased in January of the year

1 following the year of attaining age 65 or in January of 1972,  
2 if then over age 65, by 3% of the originally granted pension  
3 for each year the police officer received pension payments. In  
4 each January thereafter, he or she shall receive an additional  
5 increase of 3% of the original pension.

6 (c) The monthly pension of a police officer who retires on  
7 disability or is retired for disability shall be increased in  
8 January of the year following the year of attaining age 60, by  
9 3% of the original grant of pension for each year he or she  
10 received pension payments. In each January thereafter, the  
11 police officer shall receive an additional increase of 3% of  
12 the original pension.

13 (d) The monthly pension of a police officer who retires  
14 after January 1, 1986, shall be increased, upon either the  
15 first of the month following the first anniversary of the date  
16 of retirement if the officer is 55 years of age or over, or  
17 upon the first day of the month following attainment of age 55  
18 if it occurs after the first anniversary of retirement, by  
19 1/12 of 3% of the originally granted pension for each full  
20 month that has elapsed since the pension began, and by an  
21 additional 3% of the originally granted pension in January of  
22 each year thereafter.

23 The changes made to this subsection (d) by this amendatory  
24 Act of the 91st General Assembly apply to all initial  
25 increases that become payable under this subsection on or  
26 after January 1, 1999. All initial increases that became

1 payable under this subsection on or after January 1, 1999 and  
2 before the effective date of this amendatory Act shall be  
3 recalculated and the additional amount accruing for that  
4 period, if any, shall be payable to the pensioner in a lump  
5 sum.

6 (e) Notwithstanding the provisions of subsection (a), upon  
7 the first day of the month following (1) the first anniversary  
8 of the date of retirement, or (2) the attainment of age 55, or  
9 (3) July 1, 1987, whichever occurs latest, the monthly pension  
10 of a police officer who retired on or after January 1, 1977 and  
11 on or before January 1, 1986, and did not receive an increase  
12 under subsection (a) before July 1, 1987, shall be increased  
13 by 3% of the originally granted monthly pension for each full  
14 year that has elapsed since the pension began, and by an  
15 additional 3% of the originally granted pension in each  
16 January thereafter. The increases provided under this  
17 subsection are in lieu of the increases provided in subsection  
18 (a).

19 (f) Notwithstanding the other provisions of this Section,  
20 beginning with increases granted on or after July 1, 1993, the  
21 second and all subsequent automatic annual increases granted  
22 under subsection (a), (b), (d), or (e) of this Section shall be  
23 calculated as 3% of the amount of pension payable at the time  
24 of the increase, including any increases previously granted  
25 under this Section, rather than 3% of the originally granted  
26 pension amount. Section 1-103.1 does not apply to this

1 subsection (f).

2 (g) Notwithstanding any other provision of this Article,  
3 the monthly pension of a person who first becomes a police  
4 officer under this Article on or after January 1, 2011 shall be  
5 increased on the January 1 occurring either on or after the  
6 attainment of age 60 or the first anniversary of the pension  
7 start date, whichever is later; except that, beginning on the  
8 effective date of this amendatory Act of the 104th General  
9 Assembly, eligibility for and the amount of the automatic  
10 increase in the monthly pension of such a person shall be  
11 calculated as otherwise provided in this Section. Each annual  
12 increase shall be calculated at 3% or one-half the annual  
13 unadjusted percentage increase (but not less than zero) in the  
14 consumer price index-u for the 12 months ending with the  
15 September preceding each November 1, whichever is less, of the  
16 originally granted pension. If the annual unadjusted  
17 percentage change in the consumer price index-u for a 12-month  
18 period ending in September is zero or, when compared with the  
19 preceding period, decreases, then the pension shall not be  
20 increased.

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

1 annual adjustment shall be determined by the Public Pension  
2 Division of the Department of Insurance and made available to  
3 the boards of the pension funds.

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

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

6 Sec. 3-112. Pension to survivors.

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

20 Notwithstanding any other provision of this Article, for a  
21 person who first becomes a police officer under this Article  
22 on or after January 1, 2011, the pension to which the surviving  
23 spouse, children, or parents are entitled under this  
24 subsection (a) shall be in an amount equal to the greater of  
25 (i) 54% of the police officer's monthly salary at the date of

1 death, or (ii) 66 2/3% of the police officer's earned pension  
2 at the date of death, and, if there is a surviving spouse, 12%  
3 of such monthly salary shall be granted to the guardian of any  
4 minor child or children, including a child who has been  
5 conceived but not yet born, for each such child until  
6 attainment of age 18. Upon the death of the surviving spouse  
7 leaving one or more minor children, or upon the death of a  
8 police officer leaving one or more minor children but no  
9 surviving spouse, a monthly pension of 20% of the monthly  
10 salary shall be granted to the duly appointed guardian of each  
11 such child for the support and maintenance of each such child  
12 until the child reaches age 18. The total pension provided  
13 under this paragraph shall not exceed 75% of the monthly  
14 salary of the deceased police officer (1) when paid to the  
15 survivor of a police officer who has attained 20 or more years  
16 of service credit and who receives or is eligible to receive a  
17 retirement pension under this Article, (2) when paid to the  
18 survivor of a police officer who dies as a result of illness or  
19 accident, (3) when paid to the survivor of a police officer who  
20 dies from any cause while in receipt of a disability pension  
21 under this Article, or (4) when paid to the survivor of a  
22 deferred pensioner. Nothing in this subsection (a) shall act  
23 to diminish the survivor's benefits described in subsection  
24 (e) of this Section.

25 Notwithstanding Section 1-103.1, the changes made to this  
26 subsection apply without regard to whether the deceased police

1 officer was in service on or after the effective date of this  
2 amendatory Act of the 101st General Assembly.

3 Notwithstanding any other provision of this Article, the  
4 monthly pension of a survivor of a person who first becomes a  
5 police officer under this Article on or after January 1, 2011  
6 shall be increased on the January 1 after attainment of age 60  
7 by the recipient of the survivor's pension and each January 1  
8 thereafter by 3% or one-half the annual unadjusted percentage  
9 increase (but not less than zero) in the consumer price  
10 index-u for the 12 months ending with the September preceding  
11 each November 1, whichever is less, of the originally granted  
12 survivor's pension; except that, beginning on the effective  
13 date of this amendatory Act of the 104th General Assembly,  
14 eligibility for and the amount of the automatic increase in  
15 the monthly pension of such a survivor shall be calculated as  
16 otherwise provided in this Section. If the annual unadjusted  
17 percentage change in the consumer price index-u for a 12-month  
18 period ending in September is zero or, when compared with the  
19 preceding period, decreases, then the survivor's pension shall  
20 not be increased.

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

1 annual adjustment shall be determined by the Public Pension  
2 Division of the Department of Insurance and made available to  
3 the boards of the pension funds.

4 (b) Upon the death of a police officer while in service,  
5 having at least 20 years of creditable service, or upon the  
6 death of a police officer who retired from service with at  
7 least 20 years of creditable service, whether death occurs  
8 before or after attainment of age 50, the pension earned by the  
9 police officer as of the date of death as provided in Section  
10 3-111 shall be paid to the survivors in the sequence provided  
11 in subsection (a) of this Section.

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

21 (d) Beginning July 1, 1987, a minimum pension of \$400 per  
22 month shall be paid to all surviving spouses, without regard  
23 to the fact that the death of the police officer occurred prior  
24 to that date. If the minimum pension established in Section  
25 3-113.1 is greater than the minimum provided in this  
26 subsection, the Section 3-113.1 minimum controls.

1           (e) The pension of the surviving spouse of a police  
2 officer who dies (i) on or after January 1, 2001, (ii) without  
3 having begun to receive either a retirement pension payable  
4 under Section 3-111 or a disability pension payable under  
5 Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6, and (iii) as a  
6 result of sickness, accident, or injury incurred in or  
7 resulting from the performance of an act of duty shall not be  
8 less than 100% of the salary attached to the rank held by the  
9 deceased police officer on the last day of service,  
10 notwithstanding any provision in this Article to the contrary.  
11 (Source: P.A. 101-610, eff. 1-1-20.)

12           (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

13           Sec. 3-125. Financing.

14           (a) The city council or the board of trustees of the  
15 municipality shall annually levy a tax upon all the taxable  
16 property of the municipality at the rate on the dollar which  
17 will produce an amount which, when added to the deductions  
18 from the salaries or wages of police officers, and revenues  
19 available from other sources, including State contributions,  
20 will equal a sum sufficient to meet the annual requirements of  
21 the police pension fund. The annual requirements to be  
22 provided by such tax levy are equal to (1) the normal cost of  
23 the pension fund for the year involved, plus (2) an amount  
24 sufficient to bring the total assets of the pension fund up to  
25 90% of the total actuarial liabilities of the pension fund by

1 the end of municipal fiscal year 2040, as annually updated and  
2 determined by an enrolled actuary employed by the Illinois  
3 Department of Insurance or by an enrolled actuary retained by  
4 the pension fund or the municipality, minus (3) any  
5 anticipated State contributions from the Local Government  
6 Retirement Fund for the year involved. In making these  
7 determinations, the required minimum employer contribution  
8 shall be calculated each year as a level percentage of payroll  
9 over the years remaining up to and including fiscal year 2040  
10 and shall be determined under the projected unit credit  
11 actuarial cost method. The tax shall be levied and collected  
12 in the same manner as the general taxes of the municipality,  
13 and in addition to all other taxes now or hereafter authorized  
14 to be levied upon all property within the municipality, and  
15 shall be in addition to the amount authorized to be levied for  
16 general purposes as provided by Section 8-3-1 of the Illinois  
17 Municipal Code, approved May 29, 1961, as amended. The tax  
18 shall be forwarded directly to the treasurer of the board  
19 within 30 business days after receipt by the county.

20 (a-5) Beginning in State fiscal year 2026, the city  
21 council or the board of trustees of the municipality shall  
22 certify to the Governor the amount of (1) the normal cost of  
23 the pension fund for the year involved, plus (2) an amount  
24 sufficient to bring the total assets of the pension fund up to  
25 90% of the total actuarial liabilities of the pension fund by  
26 the end of municipal fiscal year 2040, as annually updated and

1 determined by an enrolled actuary employed by the Department  
2 of Insurance or by an enrolled actuary retained by the pension  
3 fund or the municipality.

4 (b) For purposes of determining the required employer  
5 contribution to a pension fund, the value of the pension  
6 fund's assets shall be equal to the actuarial value of the  
7 pension fund's assets, which shall be calculated as follows:

8 (1) On March 30, 2011, the actuarial value of a  
9 pension fund's assets shall be equal to the market value  
10 of the assets as of that date.

11 (2) In determining the actuarial value of the System's  
12 assets for fiscal years after March 30, 2011, any  
13 actuarial gains or losses from investment return incurred  
14 in a fiscal year shall be recognized in equal annual  
15 amounts over the 5-year period following that fiscal year.

16 (c) If a participating municipality fails to transmit to  
17 the fund contributions required of it under this Article for  
18 more than 90 days after the payment of those contributions is  
19 due, the fund may, after giving notice to the municipality,  
20 certify to the State Comptroller the amounts of the delinquent  
21 payments in accordance with any applicable rules of the  
22 Comptroller, and the Comptroller must, beginning in fiscal  
23 year 2016, deduct and remit to the fund the certified amounts  
24 or a portion of those amounts from the following proportions  
25 of payments of State funds to the municipality:

26 (1) in fiscal year 2016, one-third of the total amount

1 of any payments of State funds to the municipality;

2 (2) in fiscal year 2017, two-thirds of the total  
3 amount of any payments of State funds to the municipality;  
4 and

5 (3) in fiscal year 2018 and each fiscal year  
6 thereafter, the total amount of any payments of State  
7 funds to the municipality.

8 The State Comptroller may not deduct from any payments of  
9 State funds to the municipality more than the amount of  
10 delinquent payments certified to the State Comptroller by the  
11 fund.

12 (d) The police pension fund shall consist of the following  
13 moneys which shall be set apart by the treasurer of the  
14 municipality:

15 (1) All moneys derived from the taxes levied  
16 hereunder;

17 (2) Contributions by police officers under Section  
18 3-125.1;

19 (2.5) All moneys received from the Police Officers'  
20 Pension Investment Fund as provided in Article 22B of this  
21 Code;

22 (3) All moneys accumulated by the municipality under  
23 any previous legislation establishing a fund for the  
24 benefit of disabled or retired police officers;

25 (4) Donations, gifts or other transfers authorized by  
26 this Article.

1 (e) The Commission on Government Forecasting and  
2 Accountability shall conduct a study of all funds established  
3 under this Article and shall report its findings to the  
4 General Assembly on or before January 1, 2013. To the fullest  
5 extent possible, the study shall include, but not be limited  
6 to, the following:

7 (1) fund balances;

8 (2) historical employer contribution rates for each  
9 fund;

10 (3) the actuarial formulas used as a basis for  
11 employer contributions, including the actual assumed rate  
12 of return for each year, for each fund;

13 (4) available contribution funding sources;

14 (5) the impact of any revenue limitations caused by  
15 PTELL and employer home rule or non-home rule status; and

16 (6) existing statutory funding compliance procedures  
17 and funding enforcement mechanisms for all municipal  
18 pension funds.

19 (Source: P.A. 101-610, eff. 1-1-20.)

20 (40 ILCS 5/3-148.5 new)

21 Sec. 3-148.5. Application of this amendatory Act of the  
22 104th General Assembly. It is the intent of this amendatory  
23 Act of the 104th General Assembly to provide to police  
24 officers who first became police officers on or after January  
25 1, 2011 the same level of benefits and eligibility criteria

1 for benefits as those who first became police officers before  
2 January 1, 2011. The changes made to this Article by this  
3 amendatory Act of the 104th General Assembly that provide  
4 benefit increases for police officers apply without regard to  
5 whether the police officer was in service on or after the  
6 effective date of this amendatory Act of the 104th General  
7 Assembly, notwithstanding the provisions of Section 1-103.1.  
8 The benefit increases are intended to apply prospectively and  
9 do not entitle a police officer to retroactive benefit  
10 payments or increases. The changes made to this Article by  
11 this amendatory Act of the 104th General Assembly shall not  
12 cause or otherwise result in any retroactive adjustment of any  
13 employee contributions.

14 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

15 Sec. 4-109. Pension.

16 (a) A firefighter age 50 or more with 20 or more years of  
17 creditable service, who is no longer in service as a  
18 firefighter, shall receive a monthly pension of 1/2 the  
19 monthly salary attached to the rank held by him or her in the  
20 fire service at the date of retirement.

21 The monthly pension shall be increased by 1/12 of 2.5% of  
22 such monthly salary for each additional month over 20 years of  
23 service through 30 years of service, to a maximum of 75% of  
24 such monthly salary.

25 The changes made to this subsection (a) by this amendatory

1 Act of the 91st General Assembly apply to all pensions that  
2 become payable under this subsection on or after January 1,  
3 1999. All pensions payable under this subsection that began on  
4 or after January 1, 1999 and before the effective date of this  
5 amendatory Act shall be recalculated, and the amount of the  
6 increase accruing for that period shall be payable to the  
7 pensioner in a lump sum.

8 (b) A firefighter who retires or is separated from service  
9 having at least 10 but less than 20 years of creditable  
10 service, who is not entitled to receive a disability pension,  
11 and who did not apply for a refund of contributions at his or  
12 her last separation from service shall receive a monthly  
13 pension upon attainment of age 60 based on the monthly salary  
14 attached to his or her rank in the fire service on the date of  
15 retirement or separation from service according to the  
16 following schedule:

- 17 For 10 years of service, 15% of salary;  
18 For 11 years of service, 17.6% of salary;  
19 For 12 years of service, 20.4% of salary;  
20 For 13 years of service, 23.4% of salary;  
21 For 14 years of service, 26.6% of salary;  
22 For 15 years of service, 30% of salary;  
23 For 16 years of service, 33.6% of salary;  
24 For 17 years of service, 37.4% of salary;  
25 For 18 years of service, 41.4% of salary;  
26 For 19 years of service, 45.6% of salary.

1           (c) (Blank). ~~Notwithstanding any other provision of this~~  
2 ~~Article, the provisions of this subsection (c) apply to a~~  
3 ~~person who first becomes a firefighter under this Article on~~  
4 ~~or after January 1, 2011.~~

5           ~~A firefighter age 55 or more who has 10 or more years of~~  
6 ~~service in that capacity shall be entitled at his option to~~  
7 ~~receive a monthly pension for his service as a firefighter~~  
8 ~~computed by multiplying 2.5% for each year of such service by~~  
9 ~~his or her final average salary.~~

10           ~~The pension of a firefighter who is retiring after~~  
11 ~~attaining age 50 with 10 or more years of creditable service~~  
12 ~~shall be reduced by one half of 1% for each month that the~~  
13 ~~firefighter's age is under age 55.~~

14           ~~The maximum pension under this subsection (c) shall be 75%~~  
15 ~~of final average salary.~~

16           ~~For the purposes of this subsection (c), "final average~~  
17 ~~salary" means the greater of: (i) the average monthly salary~~  
18 ~~obtained by dividing the total salary of the firefighter~~  
19 ~~during the 48 consecutive months of service within the last 60~~  
20 ~~months of service in which the total salary was the highest by~~  
21 ~~the number of months of service in that period; or (ii) the~~  
22 ~~average monthly salary obtained by dividing the total salary~~  
23 ~~of the firefighter during the 96 consecutive months of service~~  
24 ~~within the last 120 months of service in which the total salary~~  
25 ~~was the highest by the number of months of service in that~~  
26 ~~period.~~

1       ~~Beginning on January 1, 2011, for all purposes under this~~  
2       ~~Code (including without limitation the calculation of benefits~~  
3       ~~and employee contributions), the annual salary based on the~~  
4       ~~plan year of a member or participant to whom this Section~~  
5       ~~applies shall not exceed \$106,800; however, that amount shall~~  
6       ~~annually thereafter be increased by the lesser of (i) 3% of~~  
7       ~~that amount, including all previous adjustments, or (ii) the~~  
8       ~~annual unadjusted percentage increase (but not less than zero)~~  
9       ~~in the consumer price index u for the 12 months ending with the~~  
10       ~~September preceding each November 1, including all previous~~  
11       ~~adjustments.~~

12       ~~Nothing in this amendatory Act of the 101st General~~  
13       ~~Assembly shall cause or otherwise result in any retroactive~~  
14       ~~adjustment of any employee contributions.~~

15       (Source: P.A. 101-610, eff. 1-1-20.)

16           (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

17           Sec. 4-109.1. Increase in pension.

18           (a) Except as provided in subsection (e), the monthly  
19       pension of a firefighter who retires after July 1, 1971 and  
20       prior to January 1, 1986, shall, upon either the first of the  
21       month following the first anniversary of the date of  
22       retirement if 60 years of age or over at retirement date, or  
23       upon the first day of the month following attainment of age 60  
24       if it occurs after the first anniversary of retirement, be  
25       increased by 2% of the originally granted monthly pension and

1 by an additional 2% in each January thereafter. Effective  
2 January 1976, the rate of the annual increase shall be 3% of  
3 the originally granted monthly pension.

4 (b) The monthly pension of a firefighter who retired from  
5 service with 20 or more years of service, on or before July 1,  
6 1971, shall be increased, in January of the year following the  
7 year of attaining age 65 or in January 1972, if then over age  
8 65, by 2% of the originally granted monthly pension, for each  
9 year the firefighter received pension payments. In each  
10 January thereafter, he or she shall receive an additional  
11 increase of 2% of the original monthly pension. Effective  
12 January 1976, the rate of the annual increase shall be 3%.

13 (c) The monthly pension of a firefighter who is receiving  
14 a disability pension under this Article shall be increased, in  
15 January of the year following the year the firefighter attains  
16 age 60, or in January 1974, if then over age 60, by 2% of the  
17 originally granted monthly pension for each year he or she  
18 received pension payments. In each January thereafter, the  
19 firefighter shall receive an additional increase of 2% of the  
20 original monthly pension. Effective January 1976, the rate of  
21 the annual increase shall be 3%.

22 (c-1) On January 1, 1998, every child's disability benefit  
23 payable on that date under Section 4-110 or 4-110.1 shall be  
24 increased by an amount equal to 1/12 of 3% of the amount of the  
25 benefit, multiplied by the number of months for which the  
26 benefit has been payable. On each January 1 thereafter, every

1 child's disability benefit payable under Section 4-110 or  
2 4-110.1 shall be increased by 3% of the amount of the benefit  
3 then being paid, including any previous increases received  
4 under this Article. These increases are not subject to any  
5 limitation on the maximum benefit amount included in Section  
6 4-110 or 4-110.1.

7 (c-2) On July 1, 2004, every pension payable to or on  
8 behalf of a minor or disabled surviving child that is payable  
9 on that date under Section 4-114 shall be increased by an  
10 amount equal to 1/12 of 3% of the amount of the pension,  
11 multiplied by the number of months for which the benefit has  
12 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and  
13 July 1, 2008, every pension payable to or on behalf of a minor  
14 or disabled surviving child that is payable under Section  
15 4-114 shall be increased by 3% of the amount of the pension  
16 then being paid, including any previous increases received  
17 under this Article. These increases are not subject to any  
18 limitation on the maximum benefit amount included in Section  
19 4-114.

20 (d) The monthly pension of a firefighter who retires after  
21 January 1, 1986, shall, upon either the first of the month  
22 following the first anniversary of the date of retirement if  
23 55 years of age or over, or upon the first day of the month  
24 following attainment of age 55 if it occurs after the first  
25 anniversary of retirement, be increased by 1/12 of 3% of the  
26 originally granted monthly pension for each full month that

1 has elapsed since the pension began, and by an additional 3% in  
2 each January thereafter.

3 The changes made to this subsection (d) by this amendatory  
4 Act of the 91st General Assembly apply to all initial  
5 increases that become payable under this subsection on or  
6 after January 1, 1999. All initial increases that became  
7 payable under this subsection on or after January 1, 1999 and  
8 before the effective date of this amendatory Act shall be  
9 recalculated and the additional amount accruing for that  
10 period, if any, shall be payable to the pensioner in a lump  
11 sum.

12 (e) Notwithstanding the provisions of subsection (a), upon  
13 the first day of the month following (1) the first anniversary  
14 of the date of retirement, or (2) the attainment of age 55, or  
15 (3) July 1, 1987, whichever occurs latest, the monthly pension  
16 of a firefighter who retired on or after January 1, 1977 and on  
17 or before January 1, 1986 and did not receive an increase under  
18 subsection (a) before July 1, 1987, shall be increased by 3% of  
19 the originally granted monthly pension for each full year that  
20 has elapsed since the pension began, and by an additional 3% in  
21 each January thereafter. The increases provided under this  
22 subsection are in lieu of the increases provided in subsection  
23 (a).

24 (f) In July 2009, the monthly pension of a firefighter who  
25 retired before July 1, 1977 shall be recalculated and  
26 increased to reflect the amount that the firefighter would

1 have received in July 2009 had the firefighter been receiving  
2 a 3% compounded increase for each year he or she received  
3 pension payments after January 1, 1986, plus any increases in  
4 pension received for each year prior to January 1, 1986. In  
5 each January thereafter, he or she shall receive an additional  
6 increase of 3% of the amount of the pension then being paid.  
7 The changes made to this Section by this amendatory Act of the  
8 96th General Assembly apply without regard to whether the  
9 firefighter was in service on or after its effective date.

10 (g) Notwithstanding any other provision of this Article,  
11 the monthly pension of a person who first becomes a  
12 firefighter under this Article on or after January 1, 2011  
13 shall be increased on the January 1 occurring either on or  
14 after the attainment of age 60 or the first anniversary of the  
15 pension start date, whichever is later; except that, beginning  
16 on the effective date of this amendatory Act of the 104th  
17 General Assembly, eligibility for and the amount of the  
18 automatic increase in the monthly pension of such a person  
19 shall be calculated as otherwise provided in this Section.

20 Each annual increase shall be calculated at 3% or one-half the  
21 annual unadjusted percentage increase (but not less than zero)  
22 in the consumer price index-u for the 12 months ending with the  
23 September preceding each November 1, whichever is less, of the  
24 originally granted pension. If the annual unadjusted  
25 percentage change in the consumer price index-u for a 12-month  
26 period ending in September is zero or, when compared with the

1 preceding period, decreases, then the pension shall not be  
2 increased.

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

12 (Source: P.A. 96-775, eff. 8-28-09; 96-1495, eff. 1-1-11.)

13 (40 ILCS 5/4-114) (from Ch. 108 1/2, par. 4-114)

14 Sec. 4-114. Pension to survivors. If a firefighter who is  
15 not receiving a disability pension under Section 4-110 or  
16 4-110.1 dies (1) as a result of any illness or accident, or (2)  
17 from any cause while in receipt of a disability pension under  
18 this Article, or (3) during retirement after 20 years service,  
19 or (4) while vested for or in receipt of a pension payable  
20 under subsection (b) of Section 4-109, or (5) while a deferred  
21 pensioner, having made all required contributions, a pension  
22 shall be paid to his or her survivors, based on the monthly  
23 salary attached to the firefighter's rank on the last day of  
24 service in the fire department, as follows:

25 (a) (1) To the surviving spouse, a monthly pension of

1 40% of the monthly salary, and if there is a surviving  
2 spouse, to the guardian of any minor child or children  
3 including a child which has been conceived but not yet  
4 born, 12% of such monthly salary for each such child until  
5 attainment of age 18 or until the child's marriage,  
6 whichever occurs first. Beginning July 1, 1993, the  
7 monthly pension to the surviving spouse shall be 54% of  
8 the monthly salary for all persons receiving a surviving  
9 spouse pension under this Article, regardless of whether  
10 the deceased firefighter was in service on or after the  
11 effective date of this amendatory Act of 1993.

12 (2) Beginning July 1, 2004, unless the amount provided  
13 under paragraph (1) of this subsection (a) is greater, the  
14 total monthly pension payable under this paragraph (a),  
15 including any amount payable on account of children, to  
16 the surviving spouse of a firefighter who died (i) while  
17 receiving a retirement pension, (ii) while he or she was a  
18 deferred pensioner with at least 20 years of creditable  
19 service, or (iii) while he or she was in active service  
20 having at least 20 years of creditable service, regardless  
21 of age, shall be no less than 100% of the monthly  
22 retirement pension earned by the deceased firefighter at  
23 the time of death, regardless of whether death occurs  
24 before or after attainment of age 50, including any  
25 increases under Section 4-109.1. This minimum applies to  
26 all such surviving spouses who are eligible to receive a

1 surviving spouse pension, regardless of whether the  
2 deceased firefighter was in service on or after the  
3 effective date of this amendatory Act of the 93rd General  
4 Assembly, and notwithstanding any limitation on maximum  
5 pension under paragraph (d) or any other provision of this  
6 Article.

7 (3) If the pension paid on and after July 1, 2004 to  
8 the surviving spouse of a firefighter who died on or after  
9 July 1, 2004 and before the effective date of this  
10 amendatory Act of the 93rd General Assembly was less than  
11 the minimum pension payable under paragraph (1) or (2) of  
12 this subsection (a), the fund shall pay a lump sum equal to  
13 the difference within 90 days after the effective date of  
14 this amendatory Act of the 93rd General Assembly.

15 The pension to the surviving spouse shall terminate in  
16 the event of the surviving spouse's remarriage prior to  
17 July 1, 1993; remarriage on or after that date does not  
18 affect the surviving spouse's pension, regardless of  
19 whether the deceased firefighter was in service on or  
20 after the effective date of this amendatory Act of 1993.

21 The surviving spouse's pension shall be subject to the  
22 minimum established in Section 4-109.2.

23 (b) Upon the death of the surviving spouse leaving one  
24 or more minor children, or upon the death of a firefighter  
25 leaving one or more minor children but no surviving  
26 spouse, to the duly appointed guardian of each such child,

1 for support and maintenance of each such child until the  
2 child reaches age 18 or marries, whichever occurs first, a  
3 monthly pension of 20% of the monthly salary.

4 In a case where the deceased firefighter left one or  
5 more minor children but no surviving spouse and the  
6 guardian of a child is receiving a pension of 12% of the  
7 monthly salary on August 16, 2013 (the effective date of  
8 Public Act 98-391), the pension is increased by Public Act  
9 98-391 to 20% of the monthly salary for each such child,  
10 beginning on the pension payment date occurring on or next  
11 following August 16, 2013. The changes to this Section  
12 made by Public Act 98-391 apply without regard to whether  
13 the deceased firefighter was in service on or after August  
14 16, 2013.

15 (c) If a deceased firefighter leaves no surviving  
16 spouse or unmarried minor children under age 18, but  
17 leaves a dependent father or mother, to each dependent  
18 parent a monthly pension of 18% of the monthly salary. To  
19 qualify for the pension, a dependent parent must furnish  
20 satisfactory proof that the deceased firefighter was at  
21 the time of his or her death the sole supporter of the  
22 parent or that the parent was the deceased's dependent for  
23 federal income tax purposes.

24 (d) The total pension provided under paragraphs (a),  
25 (b) and (c) of this Section shall not exceed 75% of the  
26 monthly salary of the deceased firefighter (1) when paid

1 to the survivor of a firefighter who has attained 20 or  
2 more years of service credit and who receives or is  
3 eligible to receive a retirement pension under this  
4 Article, or (2) when paid to the survivor of a firefighter  
5 who dies as a result of illness or accident, or (3) when  
6 paid to the survivor of a firefighter who dies from any  
7 cause while in receipt of a disability pension under this  
8 Article, or (4) when paid to the survivor of a deferred  
9 pensioner. For all other survivors of deceased  
10 firefighters, the total pension provided under paragraphs  
11 (a), (b) and (c) of this Section shall not exceed 50% of  
12 the retirement annuity the firefighter would have received  
13 on the date of death.

14 The maximum pension limitations in this paragraph (d)  
15 do not control over any contrary provision of this Article  
16 explicitly establishing a minimum amount of pension or  
17 granting a one-time or annual increase in pension.

18 (e) If a firefighter leaves no eligible survivors  
19 under paragraphs (a), (b) and (c), the board shall refund  
20 to the firefighter's estate the amount of his or her  
21 accumulated contributions, less the amount of pension  
22 payments, if any, made to the firefighter while living.

23 (f) (Blank).

24 (g) If a judgment of dissolution of marriage between a  
25 firefighter and spouse is judicially set aside subsequent  
26 to the firefighter's death, the surviving spouse is

1 eligible for the pension provided in paragraph (a) only if  
2 the judicial proceedings are filed within 2 years after  
3 the date of the dissolution of marriage and within one  
4 year after the firefighter's death and the board is made a  
5 party to the proceedings. In such case the pension shall  
6 be payable only from the date of the court's order setting  
7 aside the judgment of dissolution of marriage.

8 (h) Benefits payable on account of a child under this  
9 Section shall not be reduced or terminated by reason of  
10 the child's attainment of age 18 if he or she is then  
11 dependent by reason of a physical or mental disability but  
12 shall continue to be paid as long as such dependency  
13 continues. Individuals over the age of 18 and adjudged as  
14 a disabled person pursuant to Article XIa of the Probate  
15 Act of 1975, except for persons receiving benefits under  
16 Article III of the Illinois Public Aid Code, shall be  
17 eligible to receive benefits under this Act.

18 (i) Beginning January 1, 2000, the pension of the  
19 surviving spouse of a firefighter who dies on or after  
20 January 1, 1994 as a result of sickness, accident, or  
21 injury incurred in or resulting from the performance of an  
22 act of duty or from the cumulative effects of acts of duty  
23 shall not be less than 100% of the salary attached to the  
24 rank held by the deceased firefighter on the last day of  
25 service, notwithstanding subsection (d) or any other  
26 provision of this Article.

1           (j) Beginning July 1, 2004, the pension of the  
2 surviving spouse of a firefighter who dies on or after  
3 January 1, 1988 as a result of sickness, accident, or  
4 injury incurred in or resulting from the performance of an  
5 act of duty or from the cumulative effects of acts of duty  
6 shall not be less than 100% of the salary attached to the  
7 rank held by the deceased firefighter on the last day of  
8 service, notwithstanding subsection (d) or any other  
9 provision of this Article.

10           Notwithstanding any other provision of this Article, if a  
11 person who first becomes a firefighter under this Article on  
12 or after January 1, 2011 and who is not receiving a disability  
13 pension under Section 4-110 or 4-110.1 dies (1) as a result of  
14 any illness or accident, (2) from any cause while in receipt of  
15 a disability pension under this Article, (3) during retirement  
16 after 20 years service, (4) while vested for or in receipt of a  
17 pension payable under subsection (b) of Section 4-109, or (5)  
18 while a deferred pensioner, having made all required  
19 contributions, then a pension shall be paid to his or her  
20 survivors in an amount equal to the greater of (i) 54% of the  
21 firefighter's monthly salary at the date of death, or (ii) 66  
22 2/3% of the firefighter's earned pension at the date of death,  
23 and, if there is a surviving spouse, 12% of such monthly salary  
24 shall be granted to the guardian of any minor child or  
25 children, including a child who has been conceived but not yet  
26 born, for each such child until attainment of age 18. Upon the

1 death of the surviving spouse leaving one or more minor  
2 children, or upon the death of a firefighter leaving one or  
3 more minor children but no surviving spouse, a monthly pension  
4 of 20% of the monthly salary shall be granted to the duly  
5 appointed guardian of each such child for the support and  
6 maintenance of each such child until the child reaches age 18.  
7 The total pension provided under this paragraph shall not  
8 exceed 75% of the monthly salary of the deceased firefighter  
9 (1) when paid to the survivor of a firefighter who has attained  
10 20 or more years of service credit and who receives or is  
11 eligible to receive a retirement pension under this Article,  
12 (2) when paid to the survivor of a firefighter who dies as a  
13 result of illness or accident, (3) when paid to the survivor of  
14 a firefighter who dies from any cause while in receipt of a  
15 disability pension under this Article, or (4) when paid to the  
16 survivor of a deferred pensioner. Nothing in this Section  
17 shall act to diminish the survivor's benefits described in  
18 subsection (j) of this Section.

19 Notwithstanding Section 1-103.1, the changes made to this  
20 subsection apply without regard to whether the deceased  
21 firefighter was in service on or after the effective date of  
22 this amendatory Act of the 101st General Assembly.

23 Notwithstanding any other provision of this Article, the  
24 monthly pension of a survivor of a person who first becomes a  
25 firefighter under this Article on or after January 1, 2011  
26 shall be increased on the January 1 after attainment of age 60

1 by the recipient of the survivor's pension and each January 1  
2 thereafter by 3% or one-half the annual unadjusted percentage  
3 increase in the consumer price index-u for the 12 months  
4 ending with the September preceding each November 1, whichever  
5 is less, of the originally granted survivor's pension; except  
6 that, beginning on the effective date of this amendatory Act  
7 of the 104th General Assembly, eligibility for and the amount  
8 of the automatic increase in the monthly pension of such a  
9 survivor shall be calculated as otherwise provided in this  
10 Section. If the annual unadjusted percentage change in the  
11 consumer price index-u for a 12-month period ending in  
12 September is zero or, when compared with the preceding period,  
13 decreases, then the survivor's pension shall not be increased.

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

23 (Source: P.A. 101-610, eff. 1-1-20.)

24 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

25 Sec. 4-118. Financing.

1           (a) The city council or the board of trustees of the  
2 municipality shall annually levy a tax upon all the taxable  
3 property of the municipality at the rate on the dollar which  
4 will produce an amount which, when added to the deductions  
5 from the salaries or wages of firefighters and revenues  
6 available from other sources, will equal a sum sufficient to  
7 meet the annual actuarial requirements of the pension fund, as  
8 determined by an enrolled actuary employed by the Illinois  
9 Department of Insurance or by an enrolled actuary retained by  
10 the pension fund or municipality. For the purposes of this  
11 Section, the annual actuarial requirements of the pension fund  
12 are equal to (1) the normal cost of the pension fund, or 17.5%  
13 of the salaries and wages to be paid to firefighters for the  
14 year involved, whichever is greater, plus (2) an annual amount  
15 sufficient to bring the total assets of the pension fund up to  
16 90% of the total actuarial liabilities of the pension fund by  
17 the end of municipal fiscal year 2040, as annually updated and  
18 determined by an enrolled actuary employed by the Illinois  
19 Department of Insurance or by an enrolled actuary retained by  
20 the pension fund or the municipality, minus (3) any  
21 anticipated State contributions from the Local Government  
22 Retirement Fund for the year involved. In making these  
23 determinations, the required minimum employer contribution  
24 shall be calculated each year as a level percentage of payroll  
25 over the years remaining up to and including fiscal year 2040  
26 and shall be determined under the projected unit credit

1 actuarial cost method. The amount to be applied towards the  
2 amortization of the unfunded accrued liability in any year  
3 shall not be less than the annual amount required to amortize  
4 the unfunded accrued liability, including interest, as a level  
5 percentage of payroll over the number of years remaining in  
6 the 40-year amortization period.

7 (a-1) Beginning in State fiscal year 2026, the city  
8 council or the board of trustees of the municipality shall  
9 certify to the Governor the amount of (1) the normal cost of  
10 the pension fund, or 17.5% of the salaries and wages to be paid  
11 to firefighters for the year involved, whichever is greater,  
12 plus (2) an annual amount sufficient to bring the total assets  
13 of the pension fund up to 90% of the total actuarial  
14 liabilities of the pension fund by the end of municipal fiscal  
15 year 2040, as annually updated and determined by an enrolled  
16 actuary employed by the Department of Insurance or by an  
17 enrolled actuary retained by the pension fund or the  
18 municipality.

19 (a-2) A municipality that has established a pension fund  
20 under this Article and that employs a full-time firefighter,  
21 as defined in Section 4-106, shall be deemed a primary  
22 employer with respect to that full-time firefighter. Any  
23 municipality of 5,000 or more inhabitants that employs or  
24 enrolls a firefighter while that firefighter continues to earn  
25 service credit as a participant in a primary employer's  
26 pension fund under this Article shall be deemed a secondary

1 employer and such employees shall be deemed to be secondary  
2 employee firefighters. To ensure that the primary employer's  
3 pension fund under this Article is aware of additional  
4 liabilities and risks to which firefighters are exposed when  
5 performing work as firefighters for secondary employers, a  
6 secondary employer shall annually prepare a report accounting  
7 for all hours worked by and wages and salaries paid to the  
8 secondary employee firefighters it receives services from or  
9 employs for each fiscal year in which such firefighters are  
10 employed and transmit a certified copy of that report to the  
11 primary employer's pension fund, the Department of Insurance,  
12 and the secondary employee firefighter no later than 30 days  
13 after the end of any fiscal year in which wages were paid to  
14 the secondary employee firefighters.

15 Nothing in this Section shall be construed to allow a  
16 secondary employee to qualify for benefits or creditable  
17 service for employment as a firefighter for a secondary  
18 employer.

19 (a-5) For purposes of determining the required employer  
20 contribution to a pension fund, the value of the pension  
21 fund's assets shall be equal to the actuarial value of the  
22 pension fund's assets, which shall be calculated as follows:

23 (1) On March 30, 2011, the actuarial value of a  
24 pension fund's assets shall be equal to the market value  
25 of the assets as of that date.

26 (2) In determining the actuarial value of the pension

1 fund's assets for fiscal years after March 30, 2011, any  
2 actuarial gains or losses from investment return incurred  
3 in a fiscal year shall be recognized in equal annual  
4 amounts over the 5-year period following that fiscal year.

5 (b) The tax shall be levied and collected in the same  
6 manner as the general taxes of the municipality, and shall be  
7 in addition to all other taxes now or hereafter authorized to  
8 be levied upon all property within the municipality, and in  
9 addition to the amount authorized to be levied for general  
10 purposes, under Section 8-3-1 of the Illinois Municipal Code  
11 or under Section 14 of the Fire Protection District Act. The  
12 tax shall be forwarded directly to the treasurer of the board  
13 within 30 business days of receipt by the county (or, in the  
14 case of amounts added to the tax levy under subsection (f),  
15 used by the municipality to pay the employer contributions  
16 required under subsection (b-1) of Section 15-155 of this  
17 Code).

18 (b-5) If a participating municipality fails to transmit to  
19 the fund contributions required of it under this Article for  
20 more than 90 days after the payment of those contributions is  
21 due, the fund may, after giving notice to the municipality,  
22 certify to the State Comptroller the amounts of the delinquent  
23 payments in accordance with any applicable rules of the  
24 Comptroller, and the Comptroller must, beginning in fiscal  
25 year 2016, deduct and remit to the fund the certified amounts  
26 or a portion of those amounts from the following proportions

1 of payments of State funds to the municipality:

2 (1) in fiscal year 2016, one-third of the total amount  
3 of any payments of State funds to the municipality;

4 (2) in fiscal year 2017, two-thirds of the total  
5 amount of any payments of State funds to the municipality;  
6 and

7 (3) in fiscal year 2018 and each fiscal year  
8 thereafter, the total amount of any payments of State  
9 funds to the municipality.

10 The State Comptroller may not deduct from any payments of  
11 State funds to the municipality more than the amount of  
12 delinquent payments certified to the State Comptroller by the  
13 fund.

14 (c) The board shall make available to the membership and  
15 the general public for inspection and copying at reasonable  
16 times the most recent Actuarial Valuation Balance Sheet and  
17 Tax Levy Requirement issued to the fund by the Department of  
18 Insurance.

19 (d) The firefighters' pension fund shall consist of the  
20 following moneys which shall be set apart by the treasurer of  
21 the municipality: (1) all moneys derived from the taxes levied  
22 hereunder; (2) contributions by firefighters as provided under  
23 Section 4-118.1; (2.5) all moneys received from the  
24 Firefighters' Pension Investment Fund as provided in Article  
25 22C of this Code; (3) all rewards in money, fees, gifts, and  
26 emoluments that may be paid or given for or on account of

1 extraordinary service by the fire department or any member  
2 thereof, except when allowed to be retained by competitive  
3 awards; and (4) any money, real estate or personal property  
4 received by the board.

5 (e) For the purposes of this Section, "enrolled actuary"  
6 means an actuary: (1) who is a member of the Society of  
7 Actuaries or the American Academy of Actuaries; and (2) who is  
8 enrolled under Subtitle C of Title III of the Employee  
9 Retirement Income Security Act of 1974, or who has been  
10 engaged in providing actuarial services to one or more public  
11 retirement systems for a period of at least 3 years as of July  
12 1, 1983.

13 (f) The corporate authorities of a municipality that  
14 employs a person who is described in subdivision (d) of  
15 Section 4-106 may add to the tax levy otherwise provided for in  
16 this Section an amount equal to the projected cost of the  
17 employer contributions required to be paid by the municipality  
18 to the State Universities Retirement System under subsection  
19 (b-1) of Section 15-155 of this Code.

20 (g) The Commission on Government Forecasting and  
21 Accountability shall conduct a study of all funds established  
22 under this Article and shall report its findings to the  
23 General Assembly on or before January 1, 2013. To the fullest  
24 extent possible, the study shall include, but not be limited  
25 to, the following:

26 (1) fund balances;

1 (2) historical employer contribution rates for each  
2 fund;

3 (3) the actuarial formulas used as a basis for  
4 employer contributions, including the actual assumed rate  
5 of return for each year, for each fund;

6 (4) available contribution funding sources;

7 (5) the impact of any revenue limitations caused by  
8 PTELL and employer home rule or non-home rule status; and

9 (6) existing statutory funding compliance procedures  
10 and funding enforcement mechanisms for all municipal  
11 pension funds.

12 (Source: P.A. 101-522, eff. 8-23-19; 101-610, eff. 1-1-20;  
13 102-59, eff. 7-9-21; 102-558, eff. 8-20-21.)

14 (40 ILCS 5/4-138.15 new)

15 Sec. 4-138.15. Application of this amendatory Act of the  
16 104th General Assembly. It is the intent of this amendatory  
17 Act of the 104th General Assembly to provide to firefighters  
18 who first became firefighters on or after January 1, 2011 the  
19 same level of benefits and eligibility criteria for benefits  
20 as those who first became firefighters before January 1, 2011.  
21 The changes made to this Article by this amendatory Act of the  
22 104th General Assembly that provide benefit increases for  
23 firefighters apply without regard to whether the firefighter  
24 was in service on or after the effective date of this  
25 amendatory Act of the 104th General Assembly, notwithstanding

1 the provisions of Section 1-103.1. The benefit increases are  
2 intended to apply prospectively and do not entitle a  
3 firefighter to retroactive benefit payments or increases. The  
4 changes made to this Article by this amendatory Act of the  
5 104th General Assembly shall not cause or otherwise result in  
6 any retroactive adjustment of any employee contributions.

7 (40 ILCS 5/5-155) (from Ch. 108 1/2, par. 5-155)

8 Sec. 5-155. Ordinary disability benefit. A policeman less  
9 than age 63 who becomes disabled after the effective date as  
10 the result of any cause other than injury incurred in the  
11 performance of an act of duty, shall receive ordinary  
12 disability benefit during any period or periods of disability  
13 exceeding 30 days, for which he does not have a right to  
14 receive any part of his salary. Payment of such benefit shall  
15 not exceed, in the aggregate, throughout the total service of  
16 the policeman, a period equal to one-fourth of the service  
17 rendered to the city prior to the time he became disabled, nor  
18 more than 5 years. In computing such period of service, the  
19 time that the policeman received ordinary disability benefit  
20 shall not be included.

21 When a disabled policeman becomes age 63 or would have  
22 been retired by operation of law, whichever is later, the  
23 disability benefit shall cease. The policeman, if still  
24 disabled, shall thereafter receive such annuity as is provided  
25 in accordance with other provisions of this Article.

1 Ordinary disability benefit shall be 50% of the  
2 policeman's salary, as salary is defined in this Article  
3 ~~(including the limitation in Section 5-238 if applicable)~~, at  
4 the time disability occurs. Until September 1, 1969, before  
5 any payment, an amount equal to the sum ordinarily deducted  
6 from the policeman's salary for all annuity purposes for the  
7 period for which payment of ordinary disability benefit is  
8 made shall be deducted from such payment and credited as a  
9 deduction from salary for such period. Beginning September 1,  
10 1969, the city shall also contribute all amounts ordinarily  
11 contributed by it for annuity purposes for the policeman as if  
12 he were in active discharge of his duties. Such sums so  
13 credited shall be regarded, for annuity and refund purposes,  
14 as sums contributed by the policeman.

15 (Source: P.A. 99-905, eff. 11-29-16.)

16 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

19 (a) A policeman who retires from service after September  
20 1, 1967 with at least 20 years of service credit shall, upon  
21 either the first of the month following the first anniversary  
22 of his date of retirement if he is age 55 or over on that  
23 anniversary date, or upon the first of the month following his  
24 attainment of age 55 if it occurs after the first anniversary  
25 of his retirement date, have his then fixed and payable

1 monthly annuity increased by 3% and such first fixed annuity  
2 as granted at retirement increased by an additional 3% in  
3 January of each year thereafter.

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

14 Any policeman born before January 1, 1950 who qualifies  
15 for a minimum annuity and retires after September 1, 1967 but  
16 has not received the initial increase under this subsection  
17 before January 1, 2000 is entitled to receive the initial  
18 increase under this subsection on (1) January 1, 2000, (2) the  
19 first anniversary of the date of retirement, or (3) attainment  
20 of age 55, whichever occurs last. The changes to this Section  
21 made by this amendatory Act of the 92nd General Assembly apply  
22 without regard to whether the policeman or annuitant  
23 terminated service before the effective date of this  
24 amendatory Act.

25 Any policeman born before January 1, 1955 who qualifies  
26 for a minimum annuity and retires after September 1, 1967 but

1 has not received the initial increase under this subsection  
2 before January 1, 2005 is entitled to receive the initial  
3 increase under this subsection on (1) January 1, 2005, (2) the  
4 first anniversary of the date of retirement, or (3) attainment  
5 of age 55, whichever occurs last. The changes to this Section  
6 made by this amendatory Act of the 94th General Assembly apply  
7 without regard to whether the policeman or annuitant  
8 terminated service before the effective date of this  
9 amendatory Act.

10 Any policeman born before January 1, 1966 who qualifies  
11 for a minimum annuity and retires after September 1, 1967 but  
12 has not received the initial increase under this subsection  
13 before January 1, 2017 is entitled to receive an initial  
14 increase under this subsection on (1) January 1, 2017, (2) the  
15 first anniversary of the date of retirement, or (3) attainment  
16 of age 55, whichever occurs last, in an amount equal to 3% for  
17 each complete year following the date of retirement or  
18 attainment of age 55, whichever occurs later. The changes to  
19 this subsection made by this amendatory Act of the 99th  
20 General Assembly apply without regard to whether the policeman  
21 or annuitant terminated service before the effective date of  
22 this amendatory Act.

23 Any policeman born on or after January 1, 1966 who  
24 qualifies for a minimum annuity and retires after September 1,  
25 1967 but has not received the initial increase under this  
26 subsection before January 1, 2023 is entitled to receive the

1 initial increase under this subsection on (1) January 1, 2023,  
2 (2) the first anniversary of the date of retirement, or (3)  
3 attainment of age 55, whichever occurs last. The changes to  
4 this Section made by this amendatory Act of the 103rd General  
5 Assembly apply without regard to whether the policeman or  
6 annuitant terminated service before the effective date of this  
7 amendatory Act of the 103rd General Assembly.

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

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

15 The city, in addition to the contributions otherwise made  
16 by it for annuity purposes under other provisions of this  
17 Article, shall make matching contributions concurrently with  
18 such salary deductions.

19 Each such 1/2 of 1% deduction from salary and each such  
20 contribution by the city of 1/2 of 1% of salary shall be  
21 credited to the Automatic Increase Reserve, to be used to  
22 defray the cost of the annuity increase provided by this  
23 Section. Any balance in such reserve as of the beginning of  
24 each calendar year shall be credited with interest at the rate  
25 of 3% per annum.

26 Such deductions from salary and city contributions shall

1 continue while the policeman is in service.

2 The salary deductions provided in this Section are not  
3 subject to refund, except to the policeman himself, in any  
4 case in which: (i) the policeman withdraws prior to  
5 qualification for minimum annuity ~~or Tier 2 monthly retirement~~  
6 ~~annuity~~ and applies for refund, (ii) the policeman applies for  
7 an annuity of a type that is not subject to annual increases  
8 under this Section, or (iii) a term annuity becomes payable.  
9 In such cases, the total of such salary deductions shall be  
10 refunded to the policeman, without interest, and charged to  
11 the Automatic Increase Reserve.

12 (d) Notwithstanding any other provision of this Article,  
13 the Tier 2 monthly retirement annuity of a person who first  
14 becomes a policeman under this Article on or after the  
15 effective date of this amendatory Act of the 97th General  
16 Assembly shall be increased on the January 1 occurring either  
17 on or after (i) the attainment of age 60 or (ii) the first  
18 anniversary of the annuity start date, whichever is later;  
19 except that, beginning on the effective date of this  
20 amendatory Act of the 104th General Assembly, eligibility for  
21 and the amount of the automatic increase in the monthly  
22 pension of such a person shall be calculated as otherwise  
23 provided in this Section. Each annual increase shall be  
24 calculated at 3% or one-half the annual unadjusted percentage  
25 increase (but not less than zero) in the consumer price  
26 index-u for the 12 months ending with the September preceding

1 each November 1, whichever is less, of the originally granted  
2 retirement annuity. If the annual unadjusted percentage change  
3 in the consumer price index-u for a 12-month period ending in  
4 September is zero or, when compared with the preceding period,  
5 decreases, then the annuity shall not be increased.

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

15 (Source: P.A. 103-582, eff. 12-8-23.)

16 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

17 Sec. 5-168. Financing.

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

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

25 For the years 1968 and 1969, the city council shall levy a

1 tax annually at a rate on the dollar of the assessed valuation  
2 of all taxable property that will produce, when extended, not  
3 to exceed \$9,700,000. Beginning with the year 1970 and through  
4 2014, the city council shall levy a tax annually at a rate on  
5 the dollar of the assessed valuation of all taxable property  
6 that will produce when extended an amount not to exceed the  
7 total amount of contributions by the policemen to the Fund  
8 made in the calendar year 2 years before the year for which the  
9 applicable annual tax is levied, multiplied by 1.40 for the  
10 tax levy year 1970; by 1.50 for the year 1971; by 1.65 for  
11 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975  
12 through 1981; by 2.00 for 1982 and for each tax levy year  
13 through 2014. Beginning in tax levy year 2015, the city  
14 council shall levy a tax annually at a rate on the dollar of  
15 the assessed valuation of all taxable property that will  
16 produce when extended an annual amount that is equal to no less  
17 than the amount of the city's contribution in each of the  
18 following payment years: for 2016, \$420,000,000; for 2017,  
19 \$464,000,000; for 2018, \$500,000,000; for 2019, \$557,000,000;  
20 for 2020, \$579,000,000.

21 Beginning in tax levy year 2020 and until levy year 2026,  
22 the city council shall levy a tax annually at a rate on the  
23 dollar of the assessed valuation of all taxable property that  
24 will produce when extended an annual amount that is equal to no  
25 less than (1) the normal cost to the Fund, plus (2) an annual  
26 amount sufficient to bring the total assets of the Fund up to

1 90% of the total actuarial liabilities of the Fund by the end  
2 of fiscal year 2055, as annually updated and determined by an  
3 enrolled actuary employed by the Illinois Department of  
4 Insurance or by an enrolled actuary retained by the Fund.  
5 Beginning in tax levy year 2026, the city council shall levy a  
6 tax annually at a rate on the dollar of the assessed valuation  
7 of all taxable property that will produce when extended an  
8 annual amount that is equal to no less than (1) the normal cost  
9 to the Fund, plus (2) an annual amount sufficient to bring the  
10 total assets of the Fund up to 90% of the total actuarial  
11 liabilities of the Fund by the end of fiscal year 2055, as  
12 annually updated and determined by an enrolled actuary  
13 employed by the Department of Insurance or by an enrolled  
14 actuary retained by the Fund, minus (3) the amount of the  
15 anticipated State contribution from the Local Government  
16 Retirement Fund for the payment year. In making these  
17 determinations, the required minimum employer contribution  
18 shall be calculated each year as a level percentage of payroll  
19 over the years remaining up to and including fiscal year 2055  
20 and shall be determined under the entry age normal actuarial  
21 cost method.

22 Beginning in payment year 2056, the city's total required  
23 contribution in that year and each year thereafter shall be an  
24 annual amount that is equal to no less than (1) the normal cost  
25 of the Fund, plus (2) the annual amount determined by an  
26 enrolled actuary employed by the Illinois Department of

1 Insurance or by an enrolled actuary retained by the Fund to be  
2 equal to the amount, if any, needed to bring the total  
3 actuarial assets of the Fund up to 90% of the total actuarial  
4 liabilities of the Fund as of the end of the year, utilizing  
5 the entry age normal cost method as provided above.

6 For the purposes of this subsection (a), contributions by  
7 the policeman to the Fund shall not include payments made by a  
8 policeman to establish credit under Section 5-214.2 of this  
9 Code.

10 (a-1) Beginning in State fiscal year 2026, the city  
11 council shall annually certify to the Governor the amount of  
12 (1) the normal cost to the Fund, plus (2) an annual amount  
13 sufficient to bring the total assets of the Fund up to 90% of  
14 the total actuarial liabilities of the Fund by the end of  
15 fiscal year 2055, as annually updated and determined by an  
16 enrolled actuary employed by the Department of Insurance or by  
17 an enrolled actuary retained by the Fund.

18 (a-5) For purposes of determining the required employer  
19 contribution to the Fund, the value of the Fund's assets shall  
20 be equal to the actuarial value of the Fund's assets, which  
21 shall be calculated as follows:

22 (1) On March 30, 2011, the actuarial value of the  
23 Fund's assets shall be equal to the market value of the  
24 assets as of that date.

25 (2) In determining the actuarial value of the Fund's  
26 assets for fiscal years after March 30, 2011, any

1 actuarial gains or losses from investment return incurred  
2 in a fiscal year shall be recognized in equal annual  
3 amounts over the 5-year period following that fiscal year.

4 (a-7) If the city fails to transmit to the Fund  
5 contributions required of it under this Article for more than  
6 90 days after the payment of those contributions is due, the  
7 Fund shall, after giving notice to the city, certify to the  
8 State Comptroller the amounts of the delinquent payments, and  
9 the Comptroller must, beginning in fiscal year 2016, deduct  
10 and deposit into the Fund the certified amounts or a portion of  
11 those amounts from the following proportions of grants of  
12 State funds to the city:

13 (1) in fiscal year 2016, one-third of the total amount  
14 of any grants of State funds to the city;

15 (2) in fiscal year 2017, two-thirds of the total  
16 amount of any grants of State funds to the city; and

17 (3) in fiscal year 2018 and each fiscal year  
18 thereafter, the total amount of any grants of State funds  
19 to the city.

20 The State Comptroller may not deduct from any grants of  
21 State funds to the city more than the amount of delinquent  
22 payments certified to the State Comptroller by the Fund.

23 (b) The tax shall be levied and collected in like manner  
24 with the general taxes of the city, and is in addition to all  
25 other taxes which the city is now or may hereafter be  
26 authorized to levy upon all taxable property therein, and is

1 exclusive of and in addition to the amount of tax the city is  
2 now or may hereafter be authorized to levy for general  
3 purposes under any law which may limit the amount of tax which  
4 the city may levy for general purposes. The county clerk of the  
5 county in which the city is located, in reducing tax levies  
6 under Section 8-3-1 of the Illinois Municipal Code, shall not  
7 consider the tax herein authorized as a part of the general tax  
8 levy for city purposes, and shall not include the tax in any  
9 limitation of the percent of the assessed valuation upon which  
10 taxes are required to be extended for the city.

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

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

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

1 current fiscal year.

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

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

16 (g) In lieu of levying all or a portion of the tax required  
17 under this Section in any year, the city may deposit with the  
18 city treasurer no later than March 1 of that year for the  
19 benefit of the fund, to be held in accordance with this  
20 Article, an amount that, together with the taxes levied under  
21 this Section for that year, is not less than the amount of the  
22 city contributions for that year as certified by the board to  
23 the city council. The deposit may be derived from any source  
24 legally available for that purpose, including, but not limited  
25 to, the proceeds of city borrowings and State contributions.  
26 The making of a deposit shall satisfy fully the requirements

1 of this Section for that year to the extent of the amounts so  
2 deposited. Amounts deposited under this subsection may be used  
3 by the fund for any of the purposes for which the proceeds of  
4 the tax levied under this Section may be used, including the  
5 payment of any amount that is otherwise required by this  
6 Article to be paid from the proceeds of that tax.

7 (h) In addition to the contributions required under the  
8 other provisions of this Article, by November 1 of the  
9 following specified years, the city shall deposit with the  
10 city treasurer for the benefit of the fund, to be held and used  
11 in accordance with this Article, the following specified  
12 amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in  
13 2001; \$5,040,000 in 2002; and \$4,620,000 in 2003.

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

21 (i) Any proceeds received by the city in relation to the  
22 operation of a casino or casinos within the city shall be  
23 expended by the city for payment to the Policemen's Annuity  
24 and Benefit Fund of Chicago to satisfy the city contribution  
25 obligation in any year.

26 (Source: P.A. 99-506, eff. 5-30-16.)

1 (40 ILCS 5/5-169) (from Ch. 108 1/2, par. 5-169)

2 Sec. 5-169. Contributions for age and service annuities or  
3 Tier 2 monthly retirement annuities for present employees and  
4 future entrants.

5 (a) Beginning on the effective date and before January 1,  
6 1954, 3 1/2% per annum (except that beginning July 1, 1939 and  
7 before January 1, 1954 for a future entrant, 4%) and beginning  
8 January 1, 1954 and before August 1, 1957, 6%, and beginning  
9 August 1, 1957, 7% of each payment of the salary of each  
10 present employee and future entrant shall be deducted and  
11 contributed to the fund for age and service annuity ~~or Tier 2~~  
12 ~~monthly retirement annuity~~. The deductions shall be made from  
13 each payment of salary and shall continue while the employee  
14 is in service.

15 Any policeman whose employment has been transferred to the  
16 police service of the city as a result of the Chicago Park and  
17 City Exchange of Functions Act ~~"An Act in relation to or~~  
18 ~~exchange of certain functions, property and personnel among~~  
19 ~~cities, and park districts having co-extensive geographic~~  
20 ~~areas and populations in excess of 500,000", approved July 5,~~  
21 ~~1957, as now and hereafter amended,~~ shall also contribute a  
22 sum equal to 2% of the total salary received by him in his  
23 employment between August 1, 1957 to July 17, 1959, with the  
24 park district from which he has been transferred together with  
25 interest on the unpaid contributions of 4% per annum from July

1 17, 1959 to the date such payments are made. Such additional  
2 sum may be paid at any time before the time such policeman  
3 enters into age and service annuity.

4 Concurrently with each such deduction, beginning on the  
5 effective date and prior to January 1, 1954, 8 1/2% (except for  
6 a future entrant beginning on July 1, 1939, 9 5/7%) and  
7 beginning January 1, 1954, 9 5/7% of each payment of salary  
8 shall be contributed by the city, but in the case of a future  
9 entrant who attains age 63 prior to January 1, 1988 while still  
10 in service, no contributions shall be made for the period  
11 between the date the employee attains age 63 and January 1,  
12 1988.

13 (b) Each deduction from salary made prior to the date the  
14 age and service annuity for the employee is fixed, and each  
15 contribution by the city, shall be credited to the employee  
16 and be improved by interest for a present employee during the  
17 time he is in service until age and service annuity is fixed,  
18 and, for a future entrant, during the time he is in service.  
19 The sum accumulated shall be used to provide age and service  
20 annuity for the employee.

21 Beginning September 1, 1967, the deductions from salary  
22 provided in Section 5-167.1 shall also be made.

23 (Source: P.A. 99-905, eff. 11-29-16.)

24 (40 ILCS 5/5-239 new)

25 Sec. 5-239. Application of this amendatory Act of the

1 104th General Assembly. It is the intent of this amendatory  
2 Act of the 104th General Assembly to provide to policemen who  
3 first became policemen on or after January 1, 2011 the same  
4 level of benefits and eligibility criteria for benefits as  
5 those who first became policemen before January 1, 2011. The  
6 changes made to this Article by this amendatory Act of the  
7 104th General Assembly that provide benefit increases for  
8 policemen apply without regard to whether the policeman was in  
9 service on or after the effective date of this amendatory Act  
10 of the 104th General Assembly, notwithstanding the provisions  
11 of Section 1-103.1. The benefit increases are intended to  
12 apply prospectively and do not entitle a policeman to  
13 retroactive benefit payments or increases. The changes made to  
14 this Article by this amendatory Act of the 104th General  
15 Assembly shall not cause or otherwise result in any  
16 retroactive adjustment of any employee contributions.

17 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

18 Sec. 6-165. Financing; tax.

19 (a) Except as expressly provided in this Section, each  
20 city shall levy a tax annually upon all taxable property  
21 therein for the purpose of providing revenue for the fund. For  
22 the years prior to the year 1960, the tax rate shall be as  
23 provided for in the "Firemen's Annuity and Benefit Fund of the  
24 Illinois Municipal Code". The tax, from and after January 1,  
25 1968 to and including the year 1971, shall not exceed .0863% of

1 the value, as equalized or assessed by the Department of  
2 Revenue, of all taxable property in the city. Beginning with  
3 the year 1972 and through 2014, the city shall levy a tax  
4 annually at a rate on the dollar of the value, as equalized or  
5 assessed by the Department of Revenue of all taxable property  
6 within such city that will produce, when extended, not to  
7 exceed an amount equal to the total amount of contributions by  
8 the employees to the fund made in the calendar year 2 years  
9 prior to the year for which the annual applicable tax is  
10 levied, multiplied by 2.23 through the calendar year 1981, and  
11 by 2.26 for the year 1982 and for each tax levy year through  
12 2014. Beginning in tax levy year 2015, the city council shall  
13 levy a tax annually at a rate on the dollar of the assessed  
14 valuation of all taxable property that will produce when  
15 extended an annual amount that is equal to no less than the  
16 amount of the city's contribution in each of the following  
17 payment years: for 2016, \$199,000,000; for 2017, \$208,000,000;  
18 for 2018, \$227,000,000; for 2019, \$235,000,000; for 2020,  
19 \$245,000,000.

20 Beginning in tax levy year 2020 and until tax levy year  
21 2026, the city council shall levy a tax annually at a rate on  
22 the dollar of the assessed valuation of all taxable property  
23 that will produce when extended an annual amount that is equal  
24 to no less than (1) the normal cost to the Fund, plus (2) an  
25 annual amount sufficient to bring the total assets of the Fund  
26 up to 90% of the total actuarial liabilities of the Fund by the

1 end of fiscal year 2055, as annually updated and determined by  
2 an enrolled actuary employed by the Illinois Department of  
3 Insurance or by an enrolled actuary retained by the Fund or the  
4 city. Beginning in tax levy year 2026, the city council shall  
5 levy a tax annually at a rate on the dollar of the assessed  
6 valuation of all taxable property that will produce when  
7 extended an annual amount that is equal to no less than (1) the  
8 normal cost to the Fund, plus (2) an annual amount sufficient  
9 to bring the total assets of the Fund up to 90% of the total  
10 actuarial liabilities of the Fund by the end of fiscal year  
11 2055, as annually updated and determined by an enrolled  
12 actuary employed by the Department of Insurance or by an  
13 enrolled actuary retained by the Fund or the city, minus (3)  
14 the amount of the anticipated State contribution from the  
15 Local Government Retirement Fund for the payment year. In  
16 making these determinations, the required minimum employer  
17 contribution shall be calculated each year as a level  
18 percentage of payroll over the years remaining up to and  
19 including fiscal year 2055 and shall be determined under the  
20 entry age normal actuarial cost method. Beginning in payment  
21 year 2056, the city's required contribution in that year and  
22 for each year thereafter shall be an annual amount that is  
23 equal to no less than (1) the normal cost to the Fund, plus (2)  
24 the annual amount determined by an enrolled actuary employed  
25 by the Illinois Department of Insurance or by an enrolled  
26 actuary retained by the Fund to be equal to the amount, if any,

1 needed to bring the total actuarial assets of the Fund up to  
2 90% of the total actuarial liabilities of the Fund as of the  
3 end of the year, utilizing the entry age normal actuarial cost  
4 method as provided above.

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

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

21 (a-1) Beginning in State fiscal year 2026, the city  
22 council shall annually certify to the Governor the amount of  
23 (1) the normal cost to the Fund, plus (2) an annual amount  
24 sufficient to bring the total assets of the Fund up to 90% of  
25 the total actuarial liabilities of the Fund by the end of  
26 fiscal year 2055, as annually updated and determined by an

1 enrolled actuary employed by the Department of Insurance or by  
2 an enrolled actuary retained by the Fund.

3 (a-5) For purposes of determining the required employer  
4 contribution to the Fund, the value of the Fund's assets shall  
5 be equal to the actuarial value of the Fund's assets, which  
6 shall be calculated as follows:

7 (1) On March 30, 2011, the actuarial value of the  
8 Fund's assets shall be equal to the market value of the  
9 assets as of that date.

10 (2) In determining the actuarial value of the Fund's  
11 assets for fiscal years after March 30, 2011, any  
12 actuarial gains or losses from investment return incurred  
13 in a fiscal year shall be recognized in equal annual  
14 amounts over the 5-year period following that fiscal year.

15 (a-7) If the city fails to transmit to the Fund  
16 contributions required of it under this Article for more than  
17 90 days after the payment of those contributions is due, the  
18 Fund shall, after giving notice to the city, certify to the  
19 State Comptroller the amounts of the delinquent payments, and  
20 the Comptroller must, beginning in fiscal year 2016, deduct  
21 and deposit into the Fund the certified amounts or a portion of  
22 those amounts from the following proportions of grants of  
23 State funds to the city:

24 (1) in fiscal year 2016, one-third of the total amount  
25 of any grants of State funds to the city;

26 (2) in fiscal year 2017, two-thirds of the total

1 amount of any grants of State funds to the city; and  
2 (3) in fiscal year 2018 and each fiscal year  
3 thereafter, the total amount of any grants of State funds  
4 to the city.

5 The State Comptroller may not deduct from any grants of  
6 State funds to the city more than the amount of delinquent  
7 payments certified to the State Comptroller by the Fund.

8 (b) The taxes shall be levied and collected in like manner  
9 with the general taxes of the city, and shall be in addition to  
10 all other taxes which the city may levy upon all taxable  
11 property therein and shall be exclusive of and in addition to  
12 the amount of tax the city may levy for general purposes under  
13 Section 8-3-1 of the Illinois Municipal Code, approved May 29,  
14 1961, as amended, or under any other law or laws which may  
15 limit the amount of tax which the city may levy for general  
16 purposes.

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

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

24 (e) If the funds available are insufficient during any  
25 year to meet the requirements of this Article, the city may  
26 issue tax anticipation warrants, against the tax levies herein

1 authorized for the current fiscal year.

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

16 (g) In lieu of levying all or a portion of the tax required  
17 under this Section in any year, the city may deposit with the  
18 city treasurer no later than March 1 of that year for the  
19 benefit of the fund, to be held in accordance with this  
20 Article, an amount that, together with the taxes levied under  
21 this Section for that year, is not less than the amount of the  
22 city contributions for that year as certified by the board to  
23 the city council. The deposit may be derived from any source  
24 legally available for that purpose, including, but not limited  
25 to, the proceeds of city borrowings and State contributions.  
26 The making of a deposit shall satisfy fully the requirements

1 of this Section for that year to the extent of the amounts so  
2 deposited. Amounts deposited under this subsection may be used  
3 by the fund for any of the purposes for which the proceeds of  
4 the taxes levied under this Section may be used, including the  
5 payment of any amount that is otherwise required by this  
6 Article to be paid from the proceeds of those taxes.

7 (h) In addition to the contributions required under the  
8 other provisions of this Article, by November 1 of the  
9 following specified years, the city shall deposit with the  
10 city treasurer for the benefit of the fund, to be held and used  
11 in accordance with this Article, the following specified  
12 amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in  
13 2001; \$5,040,000 in 2002; and \$4,620,000 in 2003.

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

21 (i) Any proceeds received by the city in relation to the  
22 operation of a casino or casinos within the city shall be  
23 expended by the city for payment to the Firemen's Annuity and  
24 Benefit Fund of Chicago to satisfy the city contribution  
25 obligation in any year.

26 (Source: P.A. 99-506, eff. 5-30-16.)

1 (40 ILCS 5/6-210) (from Ch. 108 1/2, par. 6-210)

2 Sec. 6-210. Credit allowed for service in police  
3 department. Service rendered by a fireman, as a regularly  
4 appointed and sworn policeman of the city shall be included,  
5 for the purposes of this Article, as if such service were  
6 rendered as a fireman of the city. Salary received by a fireman  
7 for any such service as a policeman shall be considered, for  
8 the purposes of this Article, as salary received as a fireman.  
9 Any annuity payable to a fireman under this Article shall be  
10 reduced by any pension or annuity payable to him from any  
11 policemen's annuity and benefit fund in operation in the city,  
12 ~~and any member entering service after January 1, 2011 shall~~  
13 ~~not be given service credit in this fund for any period of time~~  
14 ~~in which the member is in receipt of retirement benefits from~~  
15 ~~any annuity and benefit fund in operation in the city.~~

16 Any policeman who becomes a fireman, subsequent to July 1,  
17 1935, may contribute to the fund an amount equal to the sum  
18 which would have accumulated to his credit from deductions  
19 from salary for annuity purposes if he had been contributing  
20 to the fund such sums as he contributed for annuity purposes to  
21 the policemen's annuity and benefit fund, and no credit for  
22 periods of service rendered by him in the police department  
23 shall be allowed, under this Article, except as to such  
24 periods for which he made contributions to the policemen's  
25 annuity and benefit fund, provided he has made the payments

1 required by this Article.

2 (Source: P.A. 96-1466, eff. 8-20-10.)

3 (40 ILCS 5/6-231 new)

4 Sec. 6-231. Application of this amendatory Act of the  
5 104th General Assembly. It is the intent of this amendatory  
6 Act of the 104th General Assembly to provide to firemen who  
7 first became firemen on or after January 1, 2011 the same level  
8 of benefits and eligibility criteria for benefits as those who  
9 first became firemen before January 1, 2011. The changes made  
10 to this Article by this amendatory Act of the 104th General  
11 Assembly that provide benefit increases for firemen apply  
12 without regard to whether the fireman was in service on or  
13 after the effective date of this amendatory Act of the 104th  
14 General Assembly, notwithstanding the provisions of Section  
15 1-103.1. The benefit increases are intended to apply  
16 prospectively and do not entitle a fireman to retroactive  
17 benefit payments or increases. The changes made to this  
18 Article by this amendatory Act of the 104th General Assembly  
19 shall not cause or otherwise result in any retroactive  
20 adjustment of any employee contributions.

21 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

22 Sec. 7-142.1. Sheriff's law enforcement employees.

23 (a) In lieu of the retirement annuity provided by  
24 subparagraph 1 of paragraph (a) of Section 7-142:

1 Any sheriff's law enforcement employee who has 20 or more  
2 years of service in that capacity and who terminates service  
3 prior to January 1, 1988 shall be entitled at his option to  
4 receive a monthly retirement annuity for his service as a  
5 sheriff's law enforcement employee computed by multiplying 2%  
6 for each year of such service up to 10 years, 2 1/4% for each  
7 year of such service above 10 years and up to 20 years, and 2  
8 1/2% for each year of such service above 20 years, by his  
9 annual final rate of earnings and dividing by 12.

10 Any sheriff's law enforcement employee who has 20 or more  
11 years of service in that capacity and who terminates service  
12 on or after January 1, 1988 and before July 1, 2004 shall be  
13 entitled at his option to receive a monthly retirement annuity  
14 for his service as a sheriff's law enforcement employee  
15 computed by multiplying 2.5% for each year of such service up  
16 to 20 years, 2% for each year of such service above 20 years  
17 and up to 30 years, and 1% for each year of such service above  
18 30 years, by his annual final rate of earnings and dividing by  
19 12.

20 Any sheriff's law enforcement employee who has 20 or more  
21 years of service in that capacity and who terminates service  
22 on or after July 1, 2004 shall be entitled at his or her option  
23 to receive a monthly retirement annuity for service as a  
24 sheriff's law enforcement employee computed by multiplying  
25 2.5% for each year of such service by his annual final rate of  
26 earnings and dividing by 12.

1           If a sheriff's law enforcement employee has service in any  
2 other capacity, his retirement annuity for service as a  
3 sheriff's law enforcement employee may be computed under this  
4 Section and the retirement annuity for his other service under  
5 Section 7-142.

6           In no case shall the total monthly retirement annuity for  
7 persons who retire before July 1, 2004 exceed 75% of the  
8 monthly final rate of earnings. In no case shall the total  
9 monthly retirement annuity for persons who retire on or after  
10 July 1, 2004 exceed 80% of the monthly final rate of earnings.

11           (b) Whenever continued group insurance coverage is elected  
12 in accordance with the provisions of Section 367h of the  
13 Illinois Insurance Code, as now or hereafter amended, the  
14 total monthly premium for such continued group insurance  
15 coverage or such portion thereof as is not paid by the  
16 municipality shall, upon request of the person electing such  
17 continued group insurance coverage, be deducted from any  
18 monthly pension benefit otherwise payable to such person  
19 pursuant to this Section, to be remitted by the Fund to the  
20 insurance company or other entity providing the group  
21 insurance coverage.

22           (c) A sheriff's law enforcement employee who began service  
23 in that capacity prior to the effective date of this  
24 amendatory Act of the 97th General Assembly and who has  
25 service in any other capacity may convert up to 10 years of  
26 that service into service as a sheriff's law enforcement

1 employee by paying to the Fund an amount equal to (1) the  
2 additional employee contribution required under Section  
3 7-173.1, plus (2) the additional employer contribution  
4 required under Section 7-172, plus (3) interest on items (1)  
5 and (2) at the prescribed rate from the date of the service to  
6 the date of payment. Application must be received by the Board  
7 while the employee is an active participant in the Fund.  
8 Payment must be received while the member is an active  
9 participant, except that one payment will be permitted after  
10 termination of participation.

11 (d) The changes to subsections (a) and (b) of this Section  
12 made by this amendatory Act of the 94th General Assembly apply  
13 only to persons in service on or after July 1, 2004. In the  
14 case of such a person who begins to receive a retirement  
15 annuity before the effective date of this amendatory Act of  
16 the 94th General Assembly, the annuity shall be recalculated  
17 prospectively to reflect those changes, with the resulting  
18 increase beginning to accrue on the first annuity payment date  
19 following the effective date of this amendatory Act.

20 (e) Any elected county officer who was entitled to receive  
21 a stipend from the State on or after July 1, 2009 and on or  
22 before June 30, 2010 may establish earnings credit for the  
23 amount of stipend not received, if the elected county official  
24 applies in writing to the fund within 6 months after the  
25 effective date of this amendatory Act of the 96th General  
26 Assembly and pays to the fund an amount equal to (i) employee

1 contributions on the amount of stipend not received, (ii)  
2 employer contributions determined by the Board equal to the  
3 employer's normal cost of the benefit on the amount of stipend  
4 not received, plus (iii) interest on items (i) and (ii) at the  
5 actuarially assumed rate.

6 (f) It is the intent of this amendatory Act of the 104th  
7 General Assembly to provide to sheriff's law enforcement  
8 employees who first became sheriff's law enforcement employees  
9 on or after January 1, 2011 the same level of benefits and  
10 eligibility criteria for benefits as those who first became  
11 sheriff's law enforcement employees before January 1, 2011.  
12 The changes made to this Article by this amendatory Act of the  
13 104th General Assembly that provide benefit increases for  
14 sheriff's law enforcement employees apply without regard to  
15 whether the sheriff's law enforcement employee was in service  
16 on or after the effective date of this amendatory Act of the  
17 104th General Assembly, notwithstanding the provisions of  
18 Section 1-103.1. The benefit increases are intended to apply  
19 prospectively and do not entitle a sheriff's law enforcement  
20 employee to retroactive benefit payments or increases. The  
21 changes made to this Article by this amendatory Act of the  
22 104th General Assembly shall not cause or otherwise result in  
23 any retroactive adjustment of any employee contributions.

24 ~~(f) Notwithstanding any other provision of this Article,~~  
25 ~~the provisions of this subsection (f) apply to a person who~~  
26 ~~first becomes a sheriff's law enforcement employee under this~~

1 ~~Article on or after January 1, 2011.~~

2 ~~A sheriff's law enforcement employee age 55 or more who~~  
3 ~~has 10 or more years of service in that capacity shall be~~  
4 ~~entitled at his option to receive a monthly retirement annuity~~  
5 ~~for his or her service as a sheriff's law enforcement employee~~  
6 ~~computed by multiplying 2.5% for each year of such service by~~  
7 ~~his or her final rate of earnings.~~

8 ~~The retirement annuity of a sheriff's law enforcement~~  
9 ~~employee who is retiring after attaining age 50 with 10 or more~~  
10 ~~years of creditable service shall be reduced by one half of 1%~~  
11 ~~for each month that the sheriff's law enforcement employee's~~  
12 ~~age is under age 55.~~

13 ~~The maximum retirement annuity under this subsection (f)~~  
14 ~~shall be 75% of final rate of earnings.~~

15 ~~For the purposes of this subsection (f), "final rate of~~  
16 ~~earnings" means the average monthly earnings obtained by~~  
17 ~~dividing the total salary of the sheriff's law enforcement~~  
18 ~~employee during the 96 consecutive months of service within~~  
19 ~~the last 120 months of service in which the total earnings was~~  
20 ~~the highest by the number of months of service in that period.~~

21 ~~Notwithstanding any other provision of this Article,~~  
22 ~~beginning on January 1, 2011, for all purposes under this Code~~  
23 ~~(including without limitation the calculation of benefits and~~  
24 ~~employee contributions), the annual earnings of a sheriff's~~  
25 ~~law enforcement employee to whom this Section applies shall~~  
26 ~~not include overtime and shall not exceed \$106,800; however,~~

1 ~~that amount shall annually thereafter be increased by the~~  
2 ~~lesser of (i) 3% of that amount, including all previous~~  
3 ~~adjustments, or (ii) one-half the annual unadjusted percentage~~  
4 ~~increase (but not less than zero) in the consumer price~~  
5 ~~index u for the 12 months ending with the September preceding~~  
6 ~~each November 1, including all previous adjustments.~~

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

22 ~~(h) Notwithstanding any other provision of this Article,~~  
23 ~~for a person who first becomes a sheriff's law enforcement~~  
24 ~~employee under this Article on or after January 1, 2011, the~~  
25 ~~annuity to which the surviving spouse, children, or parents~~  
26 ~~are entitled under this subsection (h) shall be in the amount~~

1 ~~of 66 2/3% of the sheriff's law enforcement employee's earned~~  
2 ~~annuity at the date of death.~~

3 ~~(i) Notwithstanding any other provision of this Article,~~  
4 ~~the monthly annuity of a survivor of a person who first becomes~~  
5 ~~a sheriff's law enforcement employee under this Article on or~~  
6 ~~after January 1, 2011 shall be increased on the January 1 after~~  
7 ~~attainment of age 60 by the recipient of the survivor's~~  
8 ~~annuity and each January 1 thereafter by 3% or one half the~~  
9 ~~annual unadjusted percentage increase in the consumer price~~  
10 ~~index u for the 12 months ending with the September preceding~~  
11 ~~each November 1, whichever is less, of the originally granted~~  
12 ~~pension. If the annual unadjusted percentage change in the~~  
13 ~~consumer price index u for a 12-month period ending in~~  
14 ~~September is zero or, when compared with the preceding period,~~  
15 ~~decreases, then the annuity shall not be increased.~~

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

25 (Source: P.A. 100-148, eff. 8-18-17.)

1 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

2 Sec. 7-171. Finance; taxes.

3 (a) Each municipality other than a school district shall  
4 appropriate an amount sufficient to provide for the current  
5 municipality contributions required by Section 7-172 of this  
6 Article, for the fiscal year for which the appropriation is  
7 made and all amounts due for municipal contributions for  
8 previous years. Those municipalities which have been assessed  
9 an annual amount to amortize its unfunded obligation, as  
10 provided in subparagraph 4 of paragraph (a) of Section 7-172  
11 of this Article, shall include in the appropriation an amount  
12 sufficient to pay the amount assessed. The appropriation shall  
13 be based upon an estimate of assets available for municipality  
14 contributions and liabilities therefor for the fiscal year for  
15 which appropriations are to be made, including funds available  
16 from levies for this purpose in prior years.

17 (b) For the purpose of providing monies for municipality  
18 contributions, beginning for the year in which a municipality  
19 is included in this fund:

20 (1) A municipality other than a school district may  
21 levy a tax which shall not exceed the amount appropriated  
22 for municipality contributions minus the amount of the  
23 anticipated State contribution from the Local Government  
24 Retirement Fund to the municipality for that year.

25 (2) A school district may levy a tax in an amount  
26 reasonably calculated at the time of the levy to provide

1 for the municipality contributions required under Section  
2 7-172 of this Article for the fiscal years for which  
3 revenues from the levy will be received and all amounts  
4 due for municipal contributions for previous years. Any  
5 levy adopted before the effective date of this amendatory  
6 Act of 1995 by a school district shall be considered valid  
7 and authorized to the extent that the amount was  
8 reasonably calculated at the time of the levy to provide  
9 for the municipality contributions required under Section  
10 7-172 for the fiscal years for which revenues from the  
11 levy will be received and all amounts due for municipal  
12 contributions for previous years. In no event shall a  
13 budget adopted by a school district limit a levy of that  
14 school district adopted under this Section.

15 (c) Any county which is served by a regional office of  
16 education that serves 2 or more counties may include in its  
17 appropriation an amount sufficient to provide its  
18 proportionate share of the municipality contributions for that  
19 regional office of education. The tax levy authorized by this  
20 Section may include an amount necessary to provide monies for  
21 this contribution.

22 (d) Any county that is a part of a multiple-county health  
23 department or consolidated health department which is formed  
24 under "An Act in relation to the establishment and maintenance  
25 of county and multiple-county public health departments",  
26 approved July 9, 1943, as amended, and which is a

1 participating instrumentality may include in the county's  
2 appropriation an amount sufficient to provide its  
3 proportionate share of municipality contributions of the  
4 department. The tax levy authorized by this Section may  
5 include the amount necessary to provide monies for this  
6 contribution.

7 (d-5) A school district participating in a special  
8 education joint agreement created under Section 10-22.31 of  
9 the School Code that is a participating instrumentality may  
10 include in the school district's tax levy under this Section  
11 an amount sufficient to provide its proportionate share of the  
12 municipality contributions for current and prior service by  
13 employees of the participating instrumentality created under  
14 the joint agreement.

15 (e) Such tax shall be levied and collected in like manner,  
16 with the general taxes of the municipality and shall be in  
17 addition to all other taxes which the municipality is now or  
18 may hereafter be authorized to levy upon all taxable property  
19 therein, and shall be exclusive of and in addition to the  
20 amount of tax levied for general purposes under Section 8-3-1  
21 of the "Illinois Municipal Code", approved May 29, 1961, as  
22 amended, or under any other law or laws which may limit the  
23 amount of tax which the municipality may levy for general  
24 purposes. The tax may be levied by the governing body of the  
25 municipality without being authorized as being additional to  
26 all other taxes by a vote of the people of the municipality.

1 (f) The county clerk of the county in which any such  
2 municipality is located, in reducing tax levies shall not  
3 consider any such tax as a part of the general tax levy for  
4 municipality purposes, and shall not include the same in the  
5 limitation of any other tax rate which may be extended.

6 (g) The amount of the tax to be levied in any year shall,  
7 within the limits herein prescribed, be determined by the  
8 governing body of the respective municipality.

9 (h) The revenue derived from any such tax levy shall be  
10 used only for the contributions required under Section 7-172  
11 and, as collected, shall be paid to the treasurer of the  
12 municipality levying the tax. Monies received by a county  
13 treasurer for use in making contributions to a regional office  
14 of education for its municipality contributions shall be held  
15 by him for that purpose and paid to the regional office of  
16 education in the same manner as other monies appropriated for  
17 the expense of the regional office.

18 (Source: P.A. 96-1084, eff. 7-16-10; 97-933, eff. 8-10-12.)

19 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

20 Sec. 7-172. Contributions by participating municipalities  
21 and participating instrumentalities.

22 (a) Each participating municipality and each participating  
23 instrumentality shall make payment to the fund as follows:

24 1. municipality contributions in an amount determined  
25 by applying the municipality contribution rate to each

1 payment of earnings paid to each of its participating  
2 employees;

3 2. an amount equal to the employee contributions  
4 provided by paragraph (a) of Section 7-173, whether or not  
5 the employee contributions are withheld as permitted by  
6 that Section;

7 3. all accounts receivable, together with interest  
8 charged thereon, as provided in Section 7-209, and any  
9 amounts due under subsection (a-5) of Section 7-144;

10 4. if it has no participating employees with current  
11 earnings, an amount payable which, over a closed period of  
12 20 years for participating municipalities and 10 years for  
13 participating instrumentalities, will amortize, at the  
14 effective rate for that year, any unfunded obligation. The  
15 unfunded obligation shall be computed as provided in  
16 paragraph 2 of subsection (b);

17 5. if it has fewer than 7 participating employees or a  
18 negative balance in its municipality reserve, the greater  
19 of (A) an amount payable that, over a period of 20 years,  
20 will amortize at the effective rate for that year any  
21 unfunded obligation, computed as provided in paragraph 2  
22 of subsection (b) or (B) the amount required by paragraph  
23 1 of this subsection (a).

24 (b) A separate municipality contribution rate shall be  
25 determined for each calendar year for all participating  
26 municipalities together with all instrumentalities thereof.

1 The municipality contribution rate shall be determined for  
2 participating instrumentalities as if they were participating  
3 municipalities. The municipality contribution rate shall be  
4 the sum of the following percentages:

5 1. The percentage of earnings of all the participating  
6 employees of all participating municipalities and  
7 participating instrumentalities which, if paid over the  
8 entire period of their service, will be sufficient when  
9 combined with all employee contributions available for the  
10 payment of benefits, to provide all annuities for  
11 participating employees, and the \$3,000 death benefit  
12 payable under Sections 7-158 and 7-164, such percentage to  
13 be known as the normal cost rate.

14 2. The percentage of earnings of the participating  
15 employees of each participating municipality and  
16 participating instrumentalities necessary to adjust for  
17 the difference between the present value of all benefits,  
18 excluding temporary and total and permanent disability and  
19 death benefits, to be provided for its participating  
20 employees and the sum of its accumulated municipality  
21 contributions and the accumulated employee contributions  
22 and the present value of expected future employee and  
23 municipality contributions pursuant to subparagraph 1 of  
24 this paragraph (b). This adjustment shall be spread over a  
25 period determined by the Board, not to exceed 30 years for  
26 participating municipalities or 10 years for participating

1           instrumentalities.

2           3. The percentage of earnings of the participating  
3 employees of all municipalities and participating  
4 instrumentalities necessary to provide the present value  
5 of all temporary and total and permanent disability  
6 benefits granted during the most recent year for which  
7 information is available.

8           4. The percentage of earnings of the participating  
9 employees of all participating municipalities and  
10 participating instrumentalities necessary to provide the  
11 present value of the net single sum death benefits  
12 expected to become payable from the reserve established  
13 under Section 7-206 during the year for which this rate is  
14 fixed.

15           5. The percentage of earnings necessary to meet any  
16 deficiency arising in the Terminated Municipality Reserve.

17           (c) A separate municipality contribution rate shall be  
18 computed for each participating municipality or participating  
19 instrumentality for its sheriff's law enforcement employees.

20           A separate municipality contribution rate shall be  
21 computed for the sheriff's law enforcement employees of each  
22 forest preserve district that elects to have such employees.  
23 For the period from January 1, 1986 to December 31, 1986, such  
24 rate shall be the forest preserve district's regular rate plus  
25 2%.

26           Beginning in fiscal year 2026, the Board shall annually

1 certify to the Governor the amount of each participant  
2 municipality's and participating instrumentality's  
3 contribution for its sheriff's law enforcement employees.

4 In the event that the Board determines that there is an  
5 actuarial deficiency in the account of any municipality with  
6 respect to a person who has elected to participate in the Fund  
7 under Section 3-109.1 of this Code, the Board may adjust the  
8 municipality's contribution rate so as to make up that  
9 deficiency over such reasonable period of time as the Board  
10 may determine.

11 (d) The Board may establish a separate municipality  
12 contribution rate for all employees who are program  
13 participants employed under the federal Comprehensive  
14 Employment Training Act by all of the participating  
15 municipalities and instrumentalities. The Board may also  
16 provide that, in lieu of a separate municipality rate for  
17 these employees, a portion of the municipality contributions  
18 for such program participants shall be refunded or an extra  
19 charge assessed so that the amount of municipality  
20 contributions retained or received by the fund for all CETA  
21 program participants shall be an amount equal to that which  
22 would be provided by the separate municipality contribution  
23 rate for all such program participants. Refunds shall be made  
24 to prime sponsors of programs upon submission of a claim  
25 therefor and extra charges shall be assessed to participating  
26 municipalities and instrumentalities. In establishing the

1 municipality contribution rate as provided in paragraph (b) of  
2 this Section, the use of a separate municipality contribution  
3 rate for program participants or the refund of a portion of the  
4 municipality contributions, as the case may be, may be  
5 considered.

6 (e) Computations of municipality contribution rates for  
7 the following calendar year shall be made prior to the  
8 beginning of each year, from the information available at the  
9 time the computations are made, and on the assumption that the  
10 employees in each participating municipality or participating  
11 instrumentality at such time will continue in service until  
12 the end of such calendar year at their respective rates of  
13 earnings at such time.

14 (f) Any municipality which is the recipient of State  
15 allocations representing that municipality's contributions for  
16 retirement annuity purposes on behalf of its employees as  
17 provided in Section 12-21.16 of the Illinois Public Aid Code  
18 shall pay the allocations so received to the Board for such  
19 purpose. Estimates of State allocations to be received during  
20 any taxable year shall be considered in the determination of  
21 the municipality's tax rate for that year under Section 7-171.  
22 If a special tax is levied under Section 7-171, none of the  
23 proceeds may be used to reimburse the municipality for the  
24 amount of State allocations received and paid to the Board.  
25 Any multiple-county or consolidated health department which  
26 receives contributions from a county under Section 11.2 of "An

1 Act in relation to establishment and maintenance of county and  
2 multiple-county health departments", approved July 9, 1943, as  
3 amended, or distributions under Section 3 of the Department of  
4 Public Health Act, shall use these only for municipality  
5 contributions by the health department.

6 (g) Municipality contributions for the several purposes  
7 specified shall, for township treasurers and employees in the  
8 offices of the township treasurers who meet the qualifying  
9 conditions for coverage hereunder, be allocated among the  
10 several school districts and parts of school districts  
11 serviced by such treasurers and employees in the proportion  
12 which the amount of school funds of each district or part of a  
13 district handled by the treasurer bears to the total amount of  
14 all school funds handled by the treasurer.

15 From the funds subject to allocation among districts and  
16 parts of districts pursuant to the School Code, the trustees  
17 shall withhold the proportionate share of the liability for  
18 municipality contributions imposed upon such districts by this  
19 Section, in respect to such township treasurers and employees  
20 and remit the same to the Board.

21 The municipality contribution rate for an educational  
22 service center shall initially be the same rate for each year  
23 as the regional office of education or school district which  
24 serves as its administrative agent. When actuarial data become  
25 available, a separate rate shall be established as provided in  
26 subparagraph (i) of this Section.

1           The municipality contribution rate for a public agency,  
2 other than a vocational education cooperative, formed under  
3 the Intergovernmental Cooperation Act shall initially be the  
4 average rate for the municipalities which are parties to the  
5 intergovernmental agreement. When actuarial data become  
6 available, a separate rate shall be established as provided in  
7 subparagraph (i) of this Section.

8           (h) Each participating municipality and participating  
9 instrumentality shall make the contributions in the amounts  
10 provided in this Section in the manner prescribed from time to  
11 time by the Board and all such contributions shall be  
12 obligations of the respective participating municipalities and  
13 participating instrumentalities to this fund. The failure to  
14 deduct any employee contributions shall not relieve the  
15 participating municipality or participating instrumentality of  
16 its obligation to this fund. Delinquent payments of  
17 contributions due under this Section may, with interest, be  
18 recovered by civil action against the participating  
19 municipalities or participating instrumentalities.  
20 Municipality contributions, other than the amount necessary  
21 for employee contributions, for periods of service by  
22 employees from whose earnings no deductions were made for  
23 employee contributions to the fund, may be charged to the  
24 municipality reserve for the municipality or participating  
25 instrumentality.

26           (i) Contributions by participating instrumentalities shall

1 be determined as provided herein except that the percentage  
2 derived under subparagraph 2 of paragraph (b) of this Section,  
3 and the amount payable under subparagraph 4 of paragraph (a)  
4 of this Section, shall be based on an amortization period of 10  
5 years.

6 (j) Notwithstanding the other provisions of this Section,  
7 the additional unfunded liability accruing as a result of  
8 Public Act 94-712 shall be amortized over a period of 30 years  
9 beginning on January 1 of the second calendar year following  
10 the calendar year in which Public Act 94-712 takes effect,  
11 except that the employer may provide for a longer amortization  
12 period by adopting a resolution or ordinance specifying a  
13 35-year or 40-year period and submitting a certified copy of  
14 the ordinance or resolution to the fund no later than June 1 of  
15 the calendar year following the calendar year in which Public  
16 Act 94-712 takes effect.

17 (k) If the amount of a participating employee's reported  
18 earnings for any of the 12-month periods used to determine the  
19 final rate of earnings exceeds the employee's 12-month  
20 reported earnings with the same employer for the previous year  
21 by the greater of 6% or 1.5 times the annual increase in the  
22 Consumer Price Index-U, as established by the United States  
23 Department of Labor for the preceding September, the  
24 participating municipality or participating instrumentality  
25 that paid those earnings shall pay to the Fund, in addition to  
26 any other contributions required under this Article, the

1 present value of the increase in the pension resulting from  
2 the portion of the increase in reported earnings that is in  
3 excess of the greater of 6% or 1.5 times the annual increase in  
4 the Consumer Price Index-U, as determined by the Fund. This  
5 present value shall be computed on the basis of the actuarial  
6 assumptions and tables used in the most recent actuarial  
7 valuation of the Fund that is available at the time of the  
8 computation.

9 Whenever it determines that a payment is or may be  
10 required under this subsection (k), the fund shall calculate  
11 the amount of the payment and bill the participating  
12 municipality or participating instrumentality for that amount.  
13 The bill shall specify the calculations used to determine the  
14 amount due. If the participating municipality or participating  
15 instrumentality disputes the amount of the bill, it may,  
16 within 30 days after receipt of the bill, apply to the fund in  
17 writing for a recalculation. The application must specify in  
18 detail the grounds of the dispute. Upon receiving a timely  
19 application for recalculation, the fund shall review the  
20 application and, if appropriate, recalculate the amount due.  
21 The participating municipality and participating  
22 instrumentality contributions required under this subsection  
23 (k) may be paid in the form of a lump sum within 90 days after  
24 receipt of the bill. If the participating municipality and  
25 participating instrumentality contributions are not paid  
26 within 90 days after receipt of the bill, then interest will be

1 charged at a rate equal to the fund's annual actuarially  
2 assumed rate of return on investment compounded annually from  
3 the 91st day after receipt of the bill. Payments must be  
4 concluded within 3 years after receipt of the bill by the  
5 participating municipality or participating instrumentality.

6 When assessing payment for any amount due under this  
7 subsection (k), the fund shall exclude earnings increases  
8 resulting from overload or overtime earnings.

9 When assessing payment for any amount due under this  
10 subsection (k), the fund shall exclude earnings increases  
11 resulting from payments for unused vacation time, but only for  
12 payments for unused vacation time made in the final 3 months of  
13 the final rate of earnings period.

14 When assessing payment for any amount due under this  
15 subsection (k), the fund shall also exclude earnings increases  
16 attributable to standard employment promotions resulting in  
17 increased responsibility and workload.

18 When assessing payment for any amount due under this  
19 subsection (k), the fund shall exclude reportable earnings  
20 increases resulting from periods where the member was paid  
21 through workers' compensation.

22 This subsection (k) does not apply to earnings increases  
23 due to amounts paid as required by federal or State law or  
24 court mandate or to earnings increases due to the  
25 participating employee returning to the regular number of  
26 hours worked after having a temporary reduction in the number

1 of hours worked.

2 This subsection (k) does not apply to earnings increases  
3 paid to individuals under contracts or collective bargaining  
4 agreements entered into, amended, or renewed before January 1,  
5 2012 (the effective date of Public Act 97-609), earnings  
6 increases paid to members who are 10 years or more from  
7 retirement eligibility, or earnings increases resulting from  
8 an increase in the number of hours required to be worked.

9 When assessing payment for any amount due under this  
10 subsection (k), the fund shall also exclude earnings  
11 attributable to personnel policies adopted before January 1,  
12 2012 (the effective date of Public Act 97-609) as long as those  
13 policies are not applicable to employees who begin service on  
14 or after January 1, 2012 (the effective date of Public Act  
15 97-609).

16 The change made to this Section by Public Act 100-139 is a  
17 clarification of existing law and is intended to be  
18 retroactive to January 1, 2012 (the effective date of Public  
19 Act 97-609).

20 (Source: P.A. 102-849, eff. 5-13-22; 103-464, eff. 8-4-23.)

21 (40 ILCS 5/14-152.1)

22 Sec. 14-152.1. Application and expiration of new benefit  
23 increases.

24 (a) As used in this Section, "new benefit increase" means  
25 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for  
2 any benefit under this Article, that results from an amendment  
3 to this Code that takes effect after June 1, 2005 (the  
4 effective date of Public Act 94-4). "New benefit increase",  
5 however, does not include any benefit increase resulting from  
6 the changes made to Article 1 or this Article by Public Act  
7 96-37, Public Act 100-23, Public Act 100-587, Public Act  
8 100-611, Public Act 101-10, Public Act 101-610, Public Act  
9 102-210, Public Act 102-856, Public Act 102-956, or this  
10 amendatory Act of the 104th General Assembly ~~this amendatory~~  
11 ~~Act of the 102nd General Assembly.~~

12 (b) Notwithstanding any other provision of this Code or  
13 any subsequent amendment to this Code, every new benefit  
14 increase is subject to this Section and shall be deemed to be  
15 granted only in conformance with and contingent upon  
16 compliance with the provisions of this Section.

17 (c) The Public Act enacting a new benefit increase must  
18 identify and provide for payment to the System of additional  
19 funding at least sufficient to fund the resulting annual  
20 increase in cost to the System as it accrues.

21 Every new benefit increase is contingent upon the General  
22 Assembly providing the additional funding required under this  
23 subsection. The Commission on Government Forecasting and  
24 Accountability shall analyze whether adequate additional  
25 funding has been provided for the new benefit increase and  
26 shall report its analysis to the Public Pension Division of

1 the Department of Insurance. A new benefit increase created by  
2 a Public Act that does not include the additional funding  
3 required under this subsection is null and void. If the Public  
4 Pension Division determines that the additional funding  
5 provided for a new benefit increase under this subsection is  
6 or has become inadequate, it may so certify to the Governor and  
7 the State Comptroller and, in the absence of corrective action  
8 by the General Assembly, the new benefit increase shall expire  
9 at the end of the fiscal year in which the certification is  
10 made.

11 (d) Every new benefit increase shall expire 5 years after  
12 its effective date or on such earlier date as may be specified  
13 in the language enacting the new benefit increase or provided  
14 under subsection (c). This does not prevent the General  
15 Assembly from extending or re-creating a new benefit increase  
16 by law.

17 (e) Except as otherwise provided in the language creating  
18 the new benefit increase, a new benefit increase that expires  
19 under this Section continues to apply to persons who applied  
20 and qualified for the affected benefit while the new benefit  
21 increase was in effect and to the affected beneficiaries and  
22 alternate payees of such persons, but does not apply to any  
23 other person, including, without limitation, a person who  
24 continues in service after the expiration date and did not  
25 apply and qualify for the affected benefit while the new  
26 benefit increase was in effect.

1 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
2 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.  
3 1-1-23; 102-956, eff. 5-27-22.)

4 (40 ILCS 5/15-108.1)

5 Sec. 15-108.1. Tier 1 member. "Tier 1 member": A  
6 participant or an annuitant of a retirement annuity under this  
7 Article, other than a participant in the self-managed plan  
8 under Section 15-158.2, who first became a participant or  
9 member before January 1, 2011 under any reciprocal retirement  
10 system or pension fund established under this Code, other than  
11 a retirement system or pension fund established under Articles  
12 2, 3, 4, 5, 6, or 18 of this Code. "Tier 1 member" includes a  
13 participant or an annuitant who is a police officer or  
14 firefighter regardless of when the participant or annuitant  
15 first became a participant or member of a reciprocal  
16 retirement system or pension fund established under this Code,  
17 other than a retirement system or pension fund established  
18 under Articles 2, 3, 4, 5, 6, or 18 of this Code. "Tier 1  
19 member" includes a person who first became a participant under  
20 this System before January 1, 2011 and who accepts a refund and  
21 is subsequently reemployed by an employer on or after January  
22 1, 2011.

23 (Source: P.A. 98-92, eff. 7-16-13.)

24 (40 ILCS 5/15-108.2)

1           Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person  
2 who first becomes a participant under this Article on or after  
3 January 1, 2011 and before the implementation date, as defined  
4 under subsection (a) of Section 1-161, determined by the  
5 Board, other than a person in the self-managed plan  
6 established under Section 15-158.2 or a person who makes the  
7 election under subsection (c) of Section 1-161, unless the  
8 person is otherwise a Tier 1 member. The changes made to this  
9 Section by this amendatory Act of the 98th General Assembly  
10 are a correction of existing law and are intended to be  
11 retroactive to the effective date of Public Act 96-889,  
12 notwithstanding the provisions of Section 1-103.1 of this  
13 Code. "Tier 2 member" does not include a participant or an  
14 annuitant who is a police officer or firefighter regardless of  
15 when the participant or annuitant first became a participant  
16 or member of a reciprocal retirement system or pension fund  
17 established under this Code.

18           (Source: P.A. 100-23, eff. 7-6-17; 100-563, eff. 12-8-17.)

19           (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

20           Sec. 15-135. Retirement annuities; conditions.

21           (a) This subsection (a) applies only to a Tier 1 member. A  
22 participant who retires in one of the following specified  
23 years with the specified amount of service is entitled to a  
24 retirement annuity at any age under the retirement program  
25 applicable to the participant:

1           35 years if retirement is in 1997 or before;  
2           34 years if retirement is in 1998;  
3           33 years if retirement is in 1999;  
4           32 years if retirement is in 2000;  
5           31 years if retirement is in 2001;  
6           30 years if retirement is in 2002 or later.

7           A participant with 8 or more years of service after  
8           September 1, 1941, is entitled to a retirement annuity on or  
9           after attainment of age 55.

10          A participant with at least 5 but less than 8 years of  
11          service after September 1, 1941, is entitled to a retirement  
12          annuity on or after attainment of age 62.

13          A participant who has at least 25 years of service in this  
14          system as a police officer or firefighter is entitled to a  
15          retirement annuity on or after the attainment of age 50, if  
16          Rule 4 of Section 15-136 is applicable to the participant.

17          (a-5) A Tier 2 member is entitled to a retirement annuity  
18          upon written application if he or she has attained age 67 and  
19          has at least 10 years of service credit and is otherwise  
20          eligible under the requirements of this Article. A Tier 2  
21          member who has attained age 62 and has at least 10 years of  
22          service credit and is otherwise eligible under the  
23          requirements of this Article may elect to receive the lower  
24          retirement annuity provided in subsection (b-5) of Section  
25          15-136 of this Article.

26          (a-10) (Blank). ~~A Tier 2 member who has at least 20 years~~

1 ~~of service in this system as a police officer or firefighter is~~  
2 ~~entitled to a retirement annuity upon written application on~~  
3 ~~or after the attainment of age 60 if Rule 4 of Section 15-136~~  
4 ~~is applicable to the participant. The changes made to this~~  
5 ~~subsection by this amendatory Act of the 101st General~~  
6 ~~Assembly apply retroactively to January 1, 2011.~~

7 (b) The annuity payment period shall begin on the date  
8 specified by the participant or the recipient of a disability  
9 retirement annuity submitting a written application. For a  
10 participant, the date on which the annuity payment period  
11 begins shall not be prior to termination of employment or more  
12 than one year before the application is received by the board;  
13 however, if the participant is not an employee of an employer  
14 participating in this System or in a participating system as  
15 defined in Article 20 of this Code on April 1 of the calendar  
16 year next following the calendar year in which the participant  
17 attains the age specified under Section 401(a)(9) of the  
18 Internal Revenue Code of 1986, as amended, the annuity payment  
19 period shall begin on that date regardless of whether an  
20 application has been filed. For a recipient of a disability  
21 retirement annuity, the date on which the annuity payment  
22 period begins shall not be prior to the discontinuation of the  
23 disability retirement annuity under Section 15-153.2.

24 (c) An annuity is not payable if the amount provided under  
25 Section 15-136 is less than \$10 per month.

26 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

1 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

2 Sec. 15-136. Retirement annuities; amount ~~annuities~~  
3 ~~Amount~~. The provisions of this Section 15-136 apply only to  
4 those participants who are participating in the traditional  
5 benefit package or the portable benefit package and do not  
6 apply to participants who are participating in the  
7 self-managed plan.

8 (a) The amount of a participant's retirement annuity,  
9 expressed in the form of a single-life annuity, shall be  
10 determined by whichever of the following rules is applicable  
11 and provides the largest annuity:

12 Rule 1: The retirement annuity shall be 1.67% of final  
13 rate of earnings for each of the first 10 years of service,  
14 1.90% for each of the next 10 years of service, 2.10% for each  
15 year of service in excess of 20 but not exceeding 30, and 2.30%  
16 for each year in excess of 30; or for persons who retire on or  
17 after January 1, 1998, 2.2% of the final rate of earnings for  
18 each year of service.

19 Rule 2: The retirement annuity shall be the sum of the  
20 following, determined from amounts credited to the participant  
21 in accordance with the actuarial tables and the effective rate  
22 of interest in effect at the time the retirement annuity  
23 begins:

24 (i) the normal annuity which can be provided on an  
25 actuarially equivalent basis, by the accumulated normal

1 contributions as of the date the annuity begins;

2 (ii) an annuity from employer contributions of an  
3 amount equal to that which can be provided on an  
4 actuarially equivalent basis from the accumulated normal  
5 contributions made by the participant under Section  
6 15-113.6 and Section 15-113.7 plus 1.4 times all other  
7 accumulated normal contributions made by the participant;  
8 and

9 (iii) the annuity that can be provided on an  
10 actuarially equivalent basis from the entire contribution  
11 made by the participant under Section 15-113.3.

12 With respect to a police officer or firefighter who  
13 retires on or after August 14, 1998, the accumulated normal  
14 contributions taken into account under clauses (i) and (ii) of  
15 this Rule 2 shall include the additional normal contributions  
16 made by the police officer or firefighter under Section  
17 15-157(a).

18 The amount of a retirement annuity calculated under this  
19 Rule 2 shall be computed solely on the basis of the  
20 participant's accumulated normal contributions, as specified  
21 in this Rule and defined in Section 15-116. Neither an  
22 employee or employer contribution for early retirement under  
23 Section 15-136.2 nor any other employer contribution shall be  
24 used in the calculation of the amount of a retirement annuity  
25 under this Rule 2.

26 This amendatory Act of the 91st General Assembly is a

1 clarification of existing law and applies to every participant  
2 and annuitant without regard to whether status as an employee  
3 terminates before the effective date of this amendatory Act.

4 This Rule 2 does not apply to a person who first becomes an  
5 employee under this Article on or after July 1, 2005.

6 Rule 3: The retirement annuity of a participant who is  
7 employed at least one-half time during the period on which his  
8 or her final rate of earnings is based, shall be equal to the  
9 participant's years of service not to exceed 30, multiplied by  
10 (1) \$96 if the participant's final rate of earnings is less  
11 than \$3,500, (2) \$108 if the final rate of earnings is at least  
12 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
13 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
14 the final rate of earnings is at least \$5,500 but less than  
15 \$6,500, (5) \$144 if the final rate of earnings is at least  
16 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
17 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
18 the final rate of earnings is at least \$8,500 but less than  
19 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
20 more, except that the annuity for those persons having made an  
21 election under Section 15-154(a-1) shall be calculated and  
22 payable under the portable retirement benefit program pursuant  
23 to the provisions of Section 15-136.4.

24 Rule 4: A participant who is at least age 50 and has 25 or  
25 more years of service as a police officer or firefighter, and a  
26 participant who is age 55 or over and has at least 20 but less

1 than 25 years of service as a police officer or firefighter,  
2 shall be entitled to a retirement annuity of 2 1/4% of the  
3 final rate of earnings for each of the first 10 years of  
4 service as a police officer or firefighter, 2 1/2% for each of  
5 the next 10 years of service as a police officer or  
6 firefighter, and 2 3/4% for each year of service as a police  
7 officer or firefighter in excess of 20. The retirement annuity  
8 for all other service shall be computed under Rule 1. ~~A Tier 2~~  
9 ~~member is eligible for a retirement annuity calculated under~~  
10 ~~Rule 4 only if that Tier 2 member meets the service~~  
11 ~~requirements for that benefit calculation as prescribed under~~  
12 ~~this Rule 4 in addition to the applicable age requirement~~  
13 ~~under subsection (a-10) of Section 15-135.~~

14 For purposes of this Rule 4, a participant's service as a  
15 firefighter shall also include the following:

16 (i) service that is performed while the person is an  
17 employee under subsection (h) of Section 15-107; and

18 (ii) in the case of an individual who was a  
19 participating employee employed in the fire department of  
20 the University of Illinois's Champaign-Urbana campus  
21 immediately prior to the elimination of that fire  
22 department and who immediately after the elimination of  
23 that fire department transferred to another job with the  
24 University of Illinois, service performed as an employee  
25 of the University of Illinois in a position other than  
26 police officer or firefighter, from the date of that

1 transfer until the employee's next termination of service  
2 with the University of Illinois.

3 (b) For a Tier 1 member, the retirement annuity provided  
4 under Rules 1 and 3 above shall be reduced by 1/2 of 1% for  
5 each month the participant is under age 60 at the time of  
6 retirement. However, this reduction shall not apply in the  
7 following cases:

8 (1) For a disabled participant whose disability  
9 benefits have been discontinued because he or she has  
10 exhausted eligibility for disability benefits under clause  
11 (6) of Section 15-152;

12 (2) For a participant who has at least the number of  
13 years of service required to retire at any age under  
14 subsection (a) of Section 15-135; or

15 (3) For that portion of a retirement annuity which has  
16 been provided on account of service of the participant  
17 during periods when he or she performed the duties of a  
18 police officer or firefighter, if these duties were  
19 performed for at least 5 years immediately preceding the  
20 date the retirement annuity is to begin.

21 (b-5) The retirement annuity of a Tier 2 member who is  
22 retiring under Rule 1 or 3 after attaining age 62 with at least  
23 10 years of service credit shall be reduced by 1/2 of 1% for  
24 each full month that the member's age is under age 67.

25 (c) The maximum retirement annuity provided under Rules 1,  
26 2, 4, and 5 shall be the lesser of (1) the annual limit of

1 benefits as specified in Section 415 of the Internal Revenue  
2 Code of 1986, as such Section may be amended from time to time  
3 and as such benefit limits shall be adjusted by the  
4 Commissioner of Internal Revenue, and (2) 80% of final rate of  
5 earnings.

6 (d) A Tier 1 member whose status as an employee terminates  
7 after August 14, 1969 shall receive automatic increases in his  
8 or her retirement annuity as follows:

9 Effective January 1 immediately following the date the  
10 retirement annuity begins, the annuitant shall receive an  
11 increase in his or her monthly retirement annuity of 0.125% of  
12 the monthly retirement annuity provided under Rule 1, Rule 2,  
13 Rule 3, or Rule 4 contained in this Section, multiplied by the  
14 number of full months which elapsed from the date the  
15 retirement annuity payments began to January 1, 1972, plus  
16 0.1667% of such annuity, multiplied by the number of full  
17 months which elapsed from January 1, 1972, or the date the  
18 retirement annuity payments began, whichever is later, to  
19 January 1, 1978, plus 0.25% of such annuity multiplied by the  
20 number of full months which elapsed from January 1, 1978, or  
21 the date the retirement annuity payments began, whichever is  
22 later, to the effective date of the increase.

23 The annuitant shall receive an increase in his or her  
24 monthly retirement annuity on each January 1 thereafter during  
25 the annuitant's life of 3% of the monthly annuity provided  
26 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this

1 Section. The change made under this subsection by P.A. 81-970  
2 is effective January 1, 1980 and applies to each annuitant  
3 whose status as an employee terminates before or after that  
4 date.

5 Beginning January 1, 1990, all automatic annual increases  
6 payable under this Section shall be calculated as a percentage  
7 of the total annuity payable at the time of the increase,  
8 including all increases previously granted under this Article.

9 The change made in this subsection by P.A. 85-1008 is  
10 effective January 26, 1988, and is applicable without regard  
11 to whether status as an employee terminated before that date.

12 (d-5) A retirement annuity of a Tier 2 member shall  
13 receive annual increases on the January 1 occurring either on  
14 or after the attainment of age 67 or the first anniversary of  
15 the annuity start date, whichever is later. Each annual  
16 increase shall be calculated at 3% or one half the annual  
17 unadjusted percentage increase (but not less than zero) in the  
18 consumer price index-u for the 12 months ending with the  
19 September preceding each November 1, whichever is less, of the  
20 originally granted retirement annuity. If the annual  
21 unadjusted percentage change in the consumer price index-u for  
22 the 12 months ending with the September preceding each  
23 November 1 is zero or there is a decrease, then the annuity  
24 shall not be increased.

25 (e) If, on January 1, 1987, or the date the retirement  
26 annuity payment period begins, whichever is later, the sum of

1 the retirement annuity provided under Rule 1 or Rule 2 of this  
2 Section and the automatic annual increases provided under the  
3 preceding subsection or Section 15-136.1, amounts to less than  
4 the retirement annuity which would be provided by Rule 3, the  
5 retirement annuity shall be increased as of January 1, 1987,  
6 or the date the retirement annuity payment period begins,  
7 whichever is later, to the amount which would be provided by  
8 Rule 3 of this Section. Such increased amount shall be  
9 considered as the retirement annuity in determining benefits  
10 provided under other Sections of this Article. This paragraph  
11 applies without regard to whether status as an employee  
12 terminated before the effective date of this amendatory Act of  
13 1987, provided that the annuitant was employed at least  
14 one-half time during the period on which the final rate of  
15 earnings was based.

16 (f) A participant is entitled to such additional annuity  
17 as may be provided on an actuarially equivalent basis, by any  
18 accumulated additional contributions to his or her credit.  
19 However, the additional contributions made by the participant  
20 toward the automatic increases in annuity provided under this  
21 Section shall not be taken into account in determining the  
22 amount of such additional annuity.

23 (g) If, (1) by law, a function of a governmental unit, as  
24 defined by Section 20-107 of this Code, is transferred in  
25 whole or in part to an employer, and (2) a participant  
26 transfers employment from such governmental unit to such

1 employer within 6 months after the transfer of the function,  
2 and (3) the sum of (A) the annuity payable to the participant  
3 under Rule 1, 2, or 3 of this Section (B) all proportional  
4 annuities payable to the participant by all other retirement  
5 systems covered by Article 20, and (C) the initial primary  
6 insurance amount to which the participant is entitled under  
7 the Social Security Act, is less than the retirement annuity  
8 which would have been payable if all of the participant's  
9 pension credits validated under Section 20-109 had been  
10 validated under this system, a supplemental annuity equal to  
11 the difference in such amounts shall be payable to the  
12 participant.

13 (h) On January 1, 1981, an annuitant who was receiving a  
14 retirement annuity on or before January 1, 1971 shall have his  
15 or her retirement annuity then being paid increased \$1 per  
16 month for each year of creditable service. On January 1, 1982,  
17 an annuitant whose retirement annuity began on or before  
18 January 1, 1977, shall have his or her retirement annuity then  
19 being paid increased \$1 per month for each year of creditable  
20 service.

21 (i) On January 1, 1987, any annuitant whose retirement  
22 annuity began on or before January 1, 1977, shall have the  
23 monthly retirement annuity increased by an amount equal to 8¢  
24 per year of creditable service times the number of years that  
25 have elapsed since the annuity began.

26 (j) The changes made to this Section by this amendatory

1 Act of the 101st General Assembly apply retroactively to  
2 January 1, 2011.

3 (Source: P.A. 101-610, eff. 1-1-20.)

4 (40 ILCS 5/15-198)

5 Sec. 15-198. Application and expiration of new benefit  
6 increases.

7 (a) As used in this Section, "new benefit increase" means  
8 an increase in the amount of any benefit provided under this  
9 Article, or an expansion of the conditions of eligibility for  
10 any benefit under this Article, that results from an amendment  
11 to this Code that takes effect after June 1, 2005 (the  
12 effective date of Public Act 94-4). "New benefit increase",  
13 however, does not include any benefit increase resulting from  
14 the changes made to Article 1 or this Article by Public Act  
15 100-23, Public Act 100-587, Public Act 100-769, Public Act  
16 101-10, Public Act 101-610, Public Act 102-16, Public Act  
17 103-80, ~~or~~ Public Act 103-548, or this amendatory Act of the  
18 104th General Assembly.

19 (b) Notwithstanding any other provision of this Code or  
20 any subsequent amendment to this Code, every new benefit  
21 increase is subject to this Section and shall be deemed to be  
22 granted only in conformance with and contingent upon  
23 compliance with the provisions of this Section.

24 (c) The Public Act enacting a new benefit increase must  
25 identify and provide for payment to the System of additional

1 funding at least sufficient to fund the resulting annual  
2 increase in cost to the System as it accrues.

3 Every new benefit increase is contingent upon the General  
4 Assembly providing the additional funding required under this  
5 subsection. The Commission on Government Forecasting and  
6 Accountability shall analyze whether adequate additional  
7 funding has been provided for the new benefit increase and  
8 shall report its analysis to the Public Pension Division of  
9 the Department of Insurance. A new benefit increase created by  
10 a Public Act that does not include the additional funding  
11 required under this subsection is null and void. If the Public  
12 Pension Division determines that the additional funding  
13 provided for a new benefit increase under this subsection is  
14 or has become inadequate, it may so certify to the Governor and  
15 the State Comptroller and, in the absence of corrective action  
16 by the General Assembly, the new benefit increase shall expire  
17 at the end of the fiscal year in which the certification is  
18 made.

19 (d) Every new benefit increase shall expire 5 years after  
20 its effective date or on such earlier date as may be specified  
21 in the language enacting the new benefit increase or provided  
22 under subsection (c). This does not prevent the General  
23 Assembly from extending or re-creating a new benefit increase  
24 by law.

25 (e) Except as otherwise provided in the language creating  
26 the new benefit increase, a new benefit increase that expires

1 under this Section continues to apply to persons who applied  
2 and qualified for the affected benefit while the new benefit  
3 increase was in effect and to the affected beneficiaries and  
4 alternate payees of such persons, but does not apply to any  
5 other person, including, without limitation, a person who  
6 continues in service after the expiration date and did not  
7 apply and qualify for the affected benefit while the new  
8 benefit increase was in effect.

9 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;  
10 103-548, eff. 8-11-23; 103-605, eff. 7-1-24.)

11 (40 ILCS 5/15-203 new)

12 Sec. 15-203. Application of this amendatory Act of the  
13 104th General Assembly. It is the intent of this amendatory  
14 Act of the 104th General Assembly to provide to police  
15 officers and firefighters who first became participants on or  
16 after January 1, 2011 the same level of benefits and  
17 eligibility criteria for benefits as those who first became  
18 participants before January 1, 2011. The changes made to this  
19 Article by this amendatory Act of the 104th General Assembly  
20 that provide benefit increases for police officers and  
21 firefighters apply without regard to whether the participant  
22 was in service on or after the effective date of this  
23 amendatory Act of the 104th General Assembly, notwithstanding  
24 the provisions of Section 1-103.1. The benefit increases are  
25 intended to apply prospectively and do not entitle a

1 participant to retroactive benefit payments or increases. The  
2 changes made to this Article by this amendatory Act of the  
3 104th General Assembly shall not cause or otherwise result in  
4 any retroactive adjustment of any employee contributions.

5 (40 ILCS 5/5-238 rep.)

6 (40 ILCS 5/6-229 rep.)

7 Section 15. The Illinois Pension Code is amended by  
8 repealing Sections 5-238 and 6-229.

9 Section 20. The Public Safety Employee Benefits Act is  
10 amended by adding Section 11 as follows:

11 (820 ILCS 320/11 new)

12 Sec. 11. Retired police officers and firefighters. A unit  
13 of local government that provides health insurance to police  
14 officers and firefighters shall maintain the health insurance  
15 plans of these employees after retirement and shall contribute  
16 toward the cost of the annuitant's coverage under the unit of  
17 local government's health insurance plan an amount equal to 4%  
18 of that cost for each full year of creditable service upon  
19 which the annuitant's retirement annuity is based, up to a  
20 maximum of 100% for an annuitant with 25 or more years of  
21 creditable service.

22 On or before November 15, 2025 and on or before November 15  
23 of each year thereafter, the unit of local government shall

1 calculate and certify to the State Comptroller the health  
2 insurance costs of the unit of local government's active and  
3 retired police officers and firefighters for the next fiscal  
4 year for the purposes of disbursement under Section 6z-139 of  
5 the State Finance Act.

6 Section 90. The State Mandates Act is amended by adding  
7 Section 8.49 as follows:

8 (30 ILCS 805/8.49 new)

9 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and  
10 8 of this Act, no reimbursement by the State is required for  
11 the implementation of any mandate created by this amendatory  
12 Act of the 104th General Assembly.

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

1

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3	30 ILCS 105/5.1030 new	
4	30 ILCS 105/6z-144 new	
5	40 ILCS 5/1-160	
6	40 ILCS 5/3-111	from Ch. 108 1/2, par. 3-111
7	40 ILCS 5/3-111.1	from Ch. 108 1/2, par. 3-111.1
8	40 ILCS 5/3-112	from Ch. 108 1/2, par. 3-112
9	40 ILCS 5/3-125	from Ch. 108 1/2, par. 3-125
10	40 ILCS 5/3-148.5 new	
11	40 ILCS 5/4-109	from Ch. 108 1/2, par. 4-109
12	40 ILCS 5/4-109.1	from Ch. 108 1/2, par. 4-109.1
13	40 ILCS 5/4-114	from Ch. 108 1/2, par. 4-114
14	40 ILCS 5/4-118	from Ch. 108 1/2, par. 4-118
15	40 ILCS 5/4-138.15 new	
16	40 ILCS 5/5-155	from Ch. 108 1/2, par. 5-155
17	40 ILCS 5/5-167.1	from Ch. 108 1/2, par. 5-167.1
18	40 ILCS 5/5-168	from Ch. 108 1/2, par. 5-168
19	40 ILCS 5/5-169	from Ch. 108 1/2, par. 5-169
20	40 ILCS 5/5-239 new	
21	40 ILCS 5/6-165	from Ch. 108 1/2, par. 6-165
22	40 ILCS 5/6-210	from Ch. 108 1/2, par. 6-210
23	40 ILCS 5/6-231 new	
24	40 ILCS 5/7-142.1	from Ch. 108 1/2, par. 7-142.1
25	40 ILCS 5/7-171	from Ch. 108 1/2, par. 7-171

1	40 ILCS 5/7-172	from Ch. 108 1/2, par. 7-172
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3	40 ILCS 5/15-108.1	
4	40 ILCS 5/15-108.2	
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6	40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
7	40 ILCS 5/15-198	
8	40 ILCS 5/15-203 new	
9	40 ILCS 5/5-238 rep.	
10	40 ILCS 5/6-229 rep.	
11	820 ILCS 320/11 new	
12	30 ILCS 805/8.49 new	