



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4390

Introduced 1/14/2026, by Rep. John M. Cabello

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Provides that the amendatory Act may be referred to as the Pension Equity Act. Provides that, beginning on January 1, 2027, for all purposes under the Code (including, without limitation, the calculation of benefits and employee contributions), the annual earnings of a Tier 2 sheriff's law enforcement employee shall not include overtime and shall not exceed \$145,649.97 (instead of \$108,600, as adjusted annually beginning in 2011) plus the lesser of (i) 3% of that amount or (ii) the annual unadjusted percentage increase (instead of one-half the annual unadjusted percentage increase) in the consumer price index-u for the 12 months ending with September 2026. Provides that, beginning on January 1, 2028, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) the annual unadjusted percentage increase (instead of one-half the annual percentage increase) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments. Provides that, as soon as practical on or after the effective date of the amendatory Act, with regard to benefits earned for the years 2012 through 2026, the Fund shall recalculate benefits for Tier 2 sheriff's law enforcement employees based on the annual salary limitation that was in effect for that year for Tier 2 police officers under the Downstate Police Article. Provides that the changes shall not result in any retroactive adjustment of any employee contributions. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 16796 RPS 30205 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 1. This Act may be referred to as the Pension
5 Equity Act.

6 Section 5. The Illinois Pension Code is amended by
7 changing Section 7-142.1 as follows:

8 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

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

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

12 Any sheriff's law enforcement employee who has 20 or more
13 years of service in that capacity and who terminates service
14 prior to January 1, 1988 shall be entitled at his option to
15 receive a monthly retirement annuity for his service as a
16 sheriff's law enforcement employee computed by multiplying 2%
17 for each year of such service up to 10 years, 2 1/4% for each
18 year of such service above 10 years and up to 20 years, and 2
19 1/2% for each year of such service above 20 years, by his
20 annual final rate of earnings and dividing by 12.

21 Any sheriff's law enforcement employee who has 20 or more
22 years of service in that capacity and who terminates service

1 on or after January 1, 1988 and before July 1, 2004 shall be
2 entitled at his option to receive a monthly retirement annuity
3 for his service as a sheriff's law enforcement employee
4 computed by multiplying 2.5% for each year of such service up
5 to 20 years, 2% for each year of such service above 20 years
6 and up to 30 years, and 1% for each year of such service above
7 30 years, by his annual final rate of earnings and dividing by
8 12.

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

16 If a sheriff's law enforcement employee has service in any
17 other capacity, his retirement annuity for service as a
18 sheriff's law enforcement employee may be computed under this
19 Section and the retirement annuity for his other service under
20 Section 7-142.

21 In no case shall the total monthly retirement annuity for
22 persons who retire before July 1, 2004 exceed 75% of the
23 monthly final rate of earnings. In no case shall the total
24 monthly retirement annuity for persons who retire on or after
25 July 1, 2004 exceed 80% of the monthly final rate of earnings.

26 (b) Whenever continued group insurance coverage is elected

1 in accordance with the provisions of Section 367h of the
2 Illinois Insurance Code, as now or hereafter amended, the
3 total monthly premium for such continued group insurance
4 coverage or such portion thereof as is not paid by the
5 municipality shall, upon request of the person electing such
6 continued group insurance coverage, be deducted from any
7 monthly pension benefit otherwise payable to such person
8 pursuant to this Section, to be remitted by the Fund to the
9 insurance company or other entity providing the group
10 insurance coverage.

11 (c) A sheriff's law enforcement employee who began service
12 in that capacity prior to the effective date of this
13 amendatory Act of the 97th General Assembly and who has
14 service in any other capacity may convert up to 10 years of
15 that service into service as a sheriff's law enforcement
16 employee by paying to the Fund an amount equal to (1) the
17 additional employee contribution required under Section
18 7-173.1, plus (2) the additional employer contribution
19 required under Section 7-172, plus (3) interest on items (1)
20 and (2) at the prescribed rate from the date of the service to
21 the date of payment. Application must be received by the Board
22 while the employee is an active participant in the Fund.
23 Payment must be received while the member is an active
24 participant, except that one payment will be permitted after
25 termination of participation.

26 (d) The changes to subsections (a) and (b) of this Section

1 made by this amendatory Act of the 94th General Assembly apply
2 only to persons in service on or after July 1, 2004. In the
3 case of such a person who begins to receive a retirement
4 annuity before the effective date of this amendatory Act of
5 the 94th General Assembly, the annuity shall be recalculated
6 prospectively to reflect those changes, with the resulting
7 increase beginning to accrue on the first annuity payment date
8 following the effective date of this amendatory Act.

9 (e) Any elected county officer who was entitled to receive
10 a stipend from the State on or after July 1, 2009 and on or
11 before June 30, 2010 may establish earnings credit for the
12 amount of stipend not received, if the elected county official
13 applies in writing to the fund within 6 months after the
14 effective date of this amendatory Act of the 96th General
15 Assembly and pays to the fund an amount equal to (i) employee
16 contributions on the amount of stipend not received, (ii)
17 employer contributions determined by the Board equal to the
18 employer's normal cost of the benefit on the amount of stipend
19 not received, plus (iii) interest on items (i) and (ii) at the
20 actuarially assumed rate.

21 (f) Notwithstanding any other provision of this Article,
22 the provisions of this subsection (f) apply to a person who
23 first becomes a sheriff's law enforcement employee under this
24 Article on or after January 1, 2011.

25 A sheriff's law enforcement employee age 55 or more who
26 has 10 or more years of service in that capacity shall be

1 entitled at his option to receive a monthly retirement annuity
2 for his or her service as a sheriff's law enforcement employee
3 computed by multiplying 2.5% for each year of such service by
4 his or her final rate of earnings.

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

10 The maximum retirement annuity under this subsection (f)
11 shall be 75% of final rate of earnings.

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

18 Notwithstanding any other provision of this Article,
19 beginning on January 1, 2011 and until January 1, 2027, for all
20 purposes under this Code (including without limitation the
21 calculation of benefits and employee contributions), the
22 annual earnings of a sheriff's law enforcement employee to
23 whom this Section applies shall not include overtime and shall
24 not exceed \$106,800; however, that amount shall annually
25 thereafter be increased by the lesser of (i) 3% of that amount,
26 including all previous adjustments, or (ii) one-half the

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

5 Notwithstanding any other provision of this Article,
6 beginning on January 1, 2027, for all purposes under this Code
7 (including without limitation the calculation of benefits and
8 employee contributions), the annual earnings of a sheriff's
9 law enforcement employee to whom this Section applies shall
10 not include overtime and shall not exceed \$145,649.97 plus the
11 lesser of (i) 3% of that amount or (ii) the annual unadjusted
12 percentage increase (but not less than zero) in the consumer
13 price index-u for the 12 months ending with September 2026;
14 however, beginning on January 1 2028, that amount shall
15 annually thereafter be increased by the lesser of (i) 3% of
16 that amount, including all previous adjustments, or (ii) the
17 annual unadjusted percentage increase (but not less than zero)
18 in the consumer price index-u for the 12 months ending with the
19 September preceding each November 1, including all previous
20 adjustments.

21 As soon as practical on or after the effective date of this
22 amendatory Act of the 104th General Assembly, with regard to
23 benefits earned for the years 2012 through 2026, the Fund
24 shall recalculate benefits for sheriff's law enforcement
25 employees to whom this Section applies based on the annual
26 salary limitation that was in effect for that year under

1 subsection (d) of Section 3-111.

2 Nothing in this amendatory Act of the 104th General
3 Assembly shall cause or otherwise result in any retroactive
4 adjustment of any employee contributions. The changes made to
5 this Section by this amendatory Act of the 104th General
6 Assembly apply without regard to whether the sheriff's law
7 enforcement employee was in service on or after the effective
8 date of this amendatory Act of the 104th General Assembly.

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

24 (h) Notwithstanding any other provision of this Article,
25 for a person who first becomes a sheriff's law enforcement
26 employee under this Article on or after January 1, 2011, the

1 annuity to which the surviving spouse, children, or parents
2 are entitled under this subsection (h) shall be in the amount
3 of 66 2/3% of the sheriff's law enforcement employee's earned
4 annuity at the date of death.

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

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

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

2 Section 90. The State Mandates Act is amended by adding
3 Section 8.50 as follows:

4 (30 ILCS 805/8.50 new)

5 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and
6 8 of this Act, no reimbursement by the State is required for
7 the implementation of any mandate created by this amendatory
8 Act of the 104th General Assembly.

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

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/7-142.1 from Ch. 108 1/2, par. 7-142.1

4 30 ILCS 805/8.50 new