

SB1711



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1711

Introduced 2/5/2025, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-229
30 ILCS 805/8.49 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Provides that, beginning in 2026, the limit on salary for all purposes under the Code for Tier 2 firemen shall annually be increased by the lesser of (i) 3% or (ii) the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 10762 RPS 20842 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 Illinois Pension Code is amended by
5 changing Section 6-229 as follows:

6 (40 ILCS 5/6-229)

7 Sec. 6-229. Provisions applicable to new hires; Tier 2.

8 (a) Notwithstanding any other provision of this Article,
9 the provisions of this Section apply to a person who first
10 becomes a fireman under this Article on or after January 1,
11 2011, and to certain qualified survivors of such a fireman.
12 Such persons, and the benefits and restrictions that apply
13 specifically to them under this Article, may be referred to as
14 "Tier 2".

15 (b) A fireman who has withdrawn from service, has attained
16 age 50 or more, and has 10 or more years of service in that
17 capacity shall be entitled, upon proper application being
18 received by the Fund, to receive a Tier 2 monthly retirement
19 annuity for his service as a fireman. The Tier 2 monthly
20 retirement annuity shall be computed by multiplying 2.5% for
21 each year of such service by his or her final average salary,
22 subject to an annuity reduction factor of one-half of 1% for
23 each month that the fireman's age at retirement is under age

1 55. The Tier 2 monthly retirement annuity is in lieu of any age
2 and service annuity or other form of retirement annuity under
3 this Article.

4 The maximum retirement annuity under this subsection (b)
5 shall be 75% of final average salary.

6 For the purposes of this subsection (b), "final average
7 salary" means the greater of (1) the average monthly salary
8 obtained by dividing the total salary of the fireman during
9 the 96 consecutive months of service within the last 120
10 months of service in which the total salary was the highest by
11 the number of months of service in that period or (2) the
12 average monthly salary obtained by dividing the total salary
13 of the fireman during the 48 consecutive months of service
14 within the last 60 months of service in which the total salary
15 was the highest by the number of months of service in that
16 period.

17 Beginning on January 1, 2011, for all purposes under this
18 Code (including without limitation the calculation of benefits
19 and employee contributions), the annual salary based on the
20 plan year of a member or participant to whom this Section
21 applies shall not exceed \$106,800; however, through 2025, that
22 amount shall annually thereafter be increased by the lesser of
23 (i) 3% of that amount, including all previous adjustments, or
24 (ii) one-half the annual unadjusted percentage increase (but
25 not less than zero) in the consumer price index-u for the 12
26 months ending with the September preceding each November 1,

1 including all previous adjustments; however, beginning in
2 2026, that amount shall annually thereafter be increased by
3 the lesser of (i) 3% of that amount, including all previous
4 adjustments, or (ii) the annual unadjusted percentage increase
5 (but not less than zero) in the consumer price index-u for the
6 12 months ending with the September preceding each November 1,
7 including all previous adjustments.

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

18 (c) Notwithstanding any other provision of this Article,
19 for a person who first becomes a fireman under this Article on
20 or after January 1, 2011, eligibility for and the amount of the
21 annuity to which the qualified surviving spouse, children, and
22 parents of the fireman are entitled under this subsection (c)
23 shall be determined as follows:

24 (1) The surviving spouse of a deceased fireman to whom
25 this Section applies shall be deemed qualified to receive
26 a Tier 2 surviving spouse's annuity under this paragraph

1 (1) if: (i) the deceased fireman meets the requirements
2 specified under subdivision (A), (B), (C), or (D) of this
3 paragraph (1); and (ii) the surviving spouse would not
4 otherwise be excluded from receiving a widow's annuity
5 under the eligibility requirements for a widow's annuity
6 set forth in Section 6-142. The Tier 2 surviving spouse's
7 annuity is in lieu of the widow's annuity determined under
8 any other Section of this Article and is subject to the
9 requirements of Section 6-143.2.

10 As used in this subsection (c), "earned pension" means
11 a Tier 2 monthly retirement annuity determined under
12 subsection (b) of this Section, including any increases
13 the fireman had received pursuant to Section 6-164.

14 (A) If the deceased fireman was receiving an
15 earned pension at the date of his or her death, the
16 Tier 2 surviving spouse's annuity under this paragraph
17 (1) shall be in the amount of $66 \frac{2}{3}\%$ of the fireman's
18 earned pension at the date of death.

19 (B) If the deceased fireman was not receiving an
20 earned pension but had at least 10 years of service at
21 the time of death, the Tier 2 surviving spouse's
22 annuity under this paragraph (1) shall be the greater
23 of: (i) 30% of the salary attached to the rank of first
24 class firefighter in the classified career service at
25 the time of the fireman's death; or (ii) $66 \frac{2}{3}\%$ of the
26 Tier 2 monthly retirement annuity that the deceased

1 fireman would have been eligible to receive under
2 subsection (b) of this Section, based upon the actual
3 service accrued through the day before the fireman's
4 death, but determined as though the fireman was at
5 least age 55 on the day before his or her death and
6 retired on that day.

7 (C) If the deceased fireman was an active fireman
8 with at least 1 1/2 but less than 10 years of service
9 at the time of death, the Tier 2 surviving spouse's
10 annuity under this paragraph (1) shall be in the
11 amount of 30% of the salary attached to the rank of
12 first class firefighter in the classified career
13 service at the time of the fireman's death.

14 (D) Notwithstanding subdivisions (A), (B), and (C)
15 of this paragraph (1), if the performance of an act or
16 acts of duty results directly in the death of a fireman
17 subject to this Section, or prevents him from
18 subsequently resuming active service in the fire
19 department, then a surviving spouse who would
20 otherwise meet the eligibility requirements for a
21 death in the line of duty widow's annuity granted
22 under Section 6-140 shall be deemed to be qualified
23 for a Tier 2 surviving spouse's annuity under this
24 subdivision (D); except that no such annuity shall be
25 paid to the surviving spouse of a fireman who dies
26 while in receipt of disability benefits when the

1 fireman's death was caused by an intervening illness
2 or injury unrelated to the illness or injury that had
3 prevented him from subsequently resuming active
4 service in the fire department. The Tier 2 surviving
5 spouse's annuity calculated under this subdivision (D)
6 shall be in lieu of, but in the same amount and paid in
7 the same manner as, the widow's annuity provided under
8 Section 6-140; except that the salary used for
9 computing a Tier 2 surviving spouse's annuity under
10 this subdivision (D) shall be subject to the Tier 2
11 salary cap provided under subsection (b) of this
12 Section.

13 (E) Notwithstanding any other provision of this
14 Article, the monthly Tier 2 surviving spouse's annuity
15 under subdivision (A) or (B) of this paragraph (1)
16 shall be increased on the January 1 next occurring
17 after (i) attainment of age 60 by the recipient of the
18 Tier 2 surviving spouse's annuity or (ii) the first
19 anniversary of the Tier 2 surviving spouse's annuity
20 start date, whichever is later, and on each January 1
21 thereafter, by 3% or one-half the annual unadjusted
22 percentage increase in the consumer price index-u for
23 the 12 months ending with September preceding each
24 November 1, whichever is less, of the originally
25 granted Tier 2 surviving spouse's annuity. If the
26 annual unadjusted percentage change in the consumer

1 price index-u for a 12-month period ending in
2 September is zero or, when compared with the preceding
3 period, decreases, then the annuity shall not be
4 increased.

5 (F) Notwithstanding the other provisions of this
6 paragraph (1), for a qualified surviving spouse who is
7 entitled to a Tier 2 surviving spouse's annuity under
8 subdivision (A), (B), (C), or (D) of this paragraph
9 (1), that Tier 2 surviving spouse's annuity shall not
10 be less than the amount of the minimum widow's annuity
11 established from time to time under Section 6-128.4.

12 (2) Surviving children of a deceased fireman subject
13 to this Section who would otherwise meet the eligibility
14 requirements for a child's annuity set forth in Sections
15 6-147 and 6-148 shall be deemed qualified to receive a
16 Tier 2 child's annuity under this subsection (c), which
17 shall be in lieu of, but in the same amount and paid in the
18 same manner as, the child's annuity provided under those
19 Sections; except that any salary used for computing a Tier
20 2 child's annuity shall be subject to the Tier 2 salary cap
21 provided under subsection (b) of this Section. For
22 purposes of determining any pro rata reduction in child's
23 annuities under this subsection (c), references in Section
24 6-148 to the combined annuities of the family shall be
25 deemed to refer to the combined Tier 2 surviving spouse's
26 annuity, if any, and the Tier 2 child's annuities payable

1 under this subsection (c).

2 (3) Surviving parents of a deceased fireman subject to
3 this Section who would otherwise meet the eligibility
4 requirements for a parent's annuity set forth in Section
5 6-149 shall be deemed qualified to receive a Tier 2
6 parent's annuity under this subsection (c), which shall be
7 in lieu of, but in the same amount and paid in the same
8 manner as, the parent's annuity provided under Section
9 6-149; except that any salary used for computing a Tier 2
10 parent's annuity shall be subject to the Tier 2 salary cap
11 provided under subsection (b) of this Section. For the
12 purposes of this Section, a reference to "annuity" in
13 Section 6-149 includes: (i) in the context of a widow, a
14 Tier 2 surviving spouse's annuity and (ii) in the context
15 of a child, a Tier 2 child's annuity.

16 (d) The General Assembly finds and declares that the
17 provisions of this Section, as enacted by Public Act 96-1495,
18 require clarification relating to necessary eligibility
19 standards and the manner of determining and paying the
20 intended Tier 2 benefits and contributions in order to enable
21 the Fund to unambiguously implement and administer benefits
22 for Tier 2 members. The changes to this Section and the
23 conforming changes to Sections 6-150, 6-158, 6-164 (except for
24 the changes to subsection (a) of that Section), 6-166, and
25 6-167 made by this amendatory Act of the 99th General Assembly
26 are enacted to clarify the provisions of this Section as

1 enacted by Public Act 96-1495, and are hereby declared to
2 represent and be consistent with the original and continuing
3 intent of this Section and Public Act 96-1495.

4 (e) The changes to Sections 6-150, 6-158, 6-164 (except
5 for the changes to subsection (a) of that Section), 6-166, and
6 6-167 made by this amendatory Act of the 99th General Assembly
7 are intended to be retroactive to January 1, 2011 (the
8 effective date of Public Act 96-1495) and, for the purposes of
9 Section 1-103.1 of this Code, they apply without regard to
10 whether the relevant fireman was in service on or after the
11 effective date of this amendatory Act of the 99th General
12 Assembly.

13 (Source: P.A. 103-579, eff. 12-8-23.)

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.49 as follows:

16 (30 ILCS 805/8.49 new)

17 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and
18 8 of this Act, no reimbursement by the State is required for
19 the implementation of any mandate created by this amendatory
20 Act of the 104th General Assembly.

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