



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB3404

Introduced 2/4/2026, by Sen. Robert F. Martwick

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Downstate Police, Downstate Firefighter, Chicago Police, Chicago Firefighter, Chicago Municipal, Cook County, Cook County Forest Preserve, Chicago Laborers, and Chicago Park District Articles of the Illinois Pension Code. Establishes an accelerated pension benefit payment in lieu of any pension benefit under which an eligible person may elect to receive an amount determined by the Fund to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. Establishes an accelerated pension benefit payment for a reduction in annual retirement annuity and survivor's annuity increases, as applicable, under which a Tier 1 member may elect to receive an accelerated pension benefit payment equal to 70% of the difference of the present value of the automatic annual increases to a Tier 1 member's retirement annuity and survivor's annuity using the formula applicable to the Tier 1 member and the present value of the automatic annual increases to the Tier 1 member's retirement annuity using a specified formula and survivor's annuity using a specified formula. Amends the Counties Code and the Illinois Municipal Code. Requires municipalities and counties with more than 3,000,000 inhabitants to establish an accelerated pension benefit program to implement the accelerated pension benefit payments. Provides that the county or municipality shall remit to the pension funds a contribution, which may be a contribution of zero dollars, that shall constitute the total funding for accelerated pension benefit payments for that fiscal year. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 18864 RPS 32309 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 adding  
5 Sections 3-144.3, 3-144.4, 4-138.15, 4-138.16, 5-218.5,  
6 5-218.6, 6-213.5, 6-213.6, 8-244.5, 8-244.6, 9-134.6, 9-134.7,  
7 10-104.6, 10-104.7, 11-223.5, 11-223.6, 12-133.8, and 12-133.9  
8 as follows:

9 (40 ILCS 5/3-144.3 new)

10 Sec. 3-144.3. Accelerated pension benefit payment in lieu  
11 of any pension benefit.

12 (a) As used in this Section:

13 "Eligible person" means a person who:

14 (1) has terminated service;

15 (2) has accrued sufficient service credit to be  
16 eligible to receive a retirement pension under this  
17 Article;

18 (3) has not received any retirement pension under this  
19 Article; and

20 (4) has not made the election under Section 3-144.4.

21 "Pension benefit" means the benefits under this Article,  
22 or Article 1 as it relates to those benefits, including any  
23 anticipated annual increases, that an eligible person is

1 entitled to upon attainment of the applicable retirement age.  
2 "Pension benefit" also includes applicable survivor's or  
3 disability benefits.

4 (b) As soon as practical after June 30, 2026, the fund  
5 shall calculate, using actuarial tables and other assumptions  
6 adopted by the Board, the present value of pension benefits  
7 for each eligible person who requests that information and  
8 shall offer each eligible person the opportunity to  
9 irrevocably elect to receive an amount determined by the fund  
10 to be equal to 60% of the present value of his or her pension  
11 benefits in lieu of receiving any pension benefit. The offer  
12 shall specify the dollar amount that the eligible person will  
13 receive if he or she so elects and shall expire when a  
14 subsequent offer is made to an eligible person. An eligible  
15 person is limited to one calculation and offer per fiscal  
16 year. The fund shall make a good faith effort to contact every  
17 eligible person to notify him or her of the election.

18 Until June 30, 2028, an eligible person may irrevocably  
19 elect to receive an accelerated pension benefit payment in the  
20 amount that the fund offers under this subsection in lieu of  
21 receiving any pension benefit.

22 (c) A person's creditable service under this Article shall  
23 be terminated upon the person's receipt of an accelerated  
24 pension benefit payment under this Section, and no other  
25 benefit shall be paid under this Article based on the  
26 terminated creditable service, including any retirement,

1 survivor, or other benefit.

2 (d) If a person who has received an accelerated pension  
3 benefit payment under this Section returns to active service  
4 under this Article, then:

5 (1) Any benefits under the fund earned as a result of  
6 that return to active service shall be based solely on the  
7 person's creditable service arising from the return to  
8 active service.

9 (2) The accelerated pension benefit payment may not be  
10 repaid to the fund, and the terminated creditable service  
11 may not under any circumstances be reinstated.

12 (e) As a condition of receiving an accelerated pension  
13 benefit payment, the accelerated pension benefit payment must  
14 be transferred into a tax qualified retirement plan or  
15 account. The accelerated pension benefit payment under this  
16 Section may be subject to withholding or payment of applicable  
17 taxes, but to the extent permitted by federal law, a person who  
18 receives an accelerated pension benefit payment under this  
19 Section must direct the fund to pay all of that payment as a  
20 rollover into another retirement plan or account qualified  
21 under the Internal Revenue Code of 1986, as amended.

22 (f) Before accepting a member's irrevocable election to  
23 receive an accelerated pension benefit payment under this  
24 Section, the fund shall verify that it has a sufficient amount  
25 of moneys to pay for the accelerated pension benefit payment  
26 from the contribution remitted by the employer for that

1 purpose. If the fund determines it does not have sufficient  
2 moneys to make the accelerated pension benefit payment, then  
3 the fund shall not accept the member's irrevocable election  
4 and shall notify the member of that fact. The member may  
5 reapply for the accelerated pension benefit payment after that  
6 fiscal year. If the fund accepts the member's irrevocable  
7 election to receive an accelerated pension benefit payment  
8 under this Section, then the fund shall transfer, from the  
9 moneys remitted to the fund for that purpose, the amount of the  
10 accelerated pension benefit payment into the member's eligible  
11 retirement plan or qualified account.

12 (g) The Board shall adopt any rules, including emergency  
13 rules, necessary to implement this Section.

14 (h) No provision of this Section shall be interpreted in a  
15 way that would cause the applicable fund to cease to be a  
16 qualified plan under the Internal Revenue Code of 1986.

17 (40 ILCS 5/3-144.4 new)

18 Sec. 3-144.4. Accelerated pension benefit payment for a  
19 reduction in annual retirement pension increases.

20 (a) As used in this Section:

21 "Accelerated pension benefit payment" means a lump-sum  
22 payment equal to 70% of the difference of the present value of  
23 the automatic annual increases to a Tier 1 member's retirement  
24 pension using the formula applicable to the Tier 1 member and  
25 the present value of the automatic annual increases to the

1 Tier 1 member's retirement pension using the formula provided  
2 under subsection (b-5).

3 "Eligible person" means a person who:

4 (1) is a Tier 1 member;

5 (2) has submitted an application for a retirement  
6 pension under this Article;

7 (3) meets the age and service requirements for  
8 receiving a retirement pension under this Article;

9 (4) has not received any retirement pension under this  
10 Article; and

11 (5) has not made the election under Section 3-144.3.

12 "Tier 1 member" means a person who first became a police  
13 officer under this Article before January 1, 2011.

14 (b) As soon as practical after June 30, 2026 and until June  
15 30, 2028, the fund shall implement an accelerated pension  
16 benefit payment option for eligible persons. Upon the request  
17 of an eligible person, the fund shall calculate, using  
18 actuarial tables and other assumptions adopted by the Board,  
19 an accelerated pension benefit payment amount and shall offer  
20 that eligible person the opportunity to irrevocably elect to  
21 have his or her automatic annual increases in retirement  
22 pension calculated in accordance with the formula provided  
23 under subsection (b-5) in exchange for the accelerated pension  
24 benefit payment. The election under this subsection must be  
25 made before the eligible person receives the first payment of  
26 a retirement pension otherwise payable under this Article.

1       (b-5) Notwithstanding any other provision of law, the  
2 retirement pension of a person who made the election under  
3 subsection (b) shall be subject to annual increases on the  
4 January 1 occurring either on or after the attainment of age 67  
5 or the first anniversary of the pension start date, whichever  
6 is later. Each annual increase shall be calculated at 1.5% of  
7 the originally granted retirement pension.

8       (c) If a person who has received an accelerated pension  
9 benefit payment returns to active service under this Article,  
10 then:

11           (1) the calculation of any future automatic annual  
12 increase in retirement pension shall be calculated in  
13 accordance with the formula provided under subsection  
14 (b-5); and

15           (2) the accelerated pension benefit payment may not be  
16 repaid to the fund.

17       (d) As a condition of receiving an accelerated pension  
18 benefit payment, the accelerated pension benefit payment must  
19 be transferred into a tax qualified retirement plan or  
20 account. The accelerated pension benefit payment under this  
21 Section may be subject to withholding or payment of applicable  
22 taxes, but to the extent permitted by federal law, a person who  
23 receives an accelerated pension benefit payment under this  
24 Section must direct the fund to pay all of that payment as a  
25 rollover into another retirement plan or account qualified  
26 under the Internal Revenue Code of 1986, as amended.

1       (d-5) Before accepting a member's irrevocable election to  
2 receive an accelerated pension benefit payment under this  
3 Section, the fund shall verify that it has a sufficient amount  
4 of moneys to pay for the accelerated pension benefit payment  
5 from the contribution remitted by the employer for that  
6 purpose. If the fund determines it does not have sufficient  
7 moneys to make the accelerated pension benefit payment, then  
8 the fund shall not accept the member's irrevocable election  
9 and shall notify the member of that fact. The member may  
10 reapply for the accelerated pension benefit payment after that  
11 fiscal year. If the fund accepts the member's irrevocable  
12 election to receive an accelerated pension benefit payment  
13 under this Section, then the fund shall transfer, from the  
14 moneys remitted to the fund for that purpose, the amount of the  
15 accelerated pension benefit payment into the member's eligible  
16 retirement plan or qualified account.

17       (e) The Board shall adopt any rules, including emergency  
18 rules, necessary to implement this Section.

19       (f) No provision of this Section shall be interpreted in a  
20 way that would cause the applicable fund to cease to be a  
21 qualified plan under the Internal Revenue Code of 1986.

22       (40 ILCS 5/4-138.15 new)

23       Sec. 4-138.15. Accelerated pension benefit payment in lieu  
24 of any pension benefit.

25       (a) As used in this Section:

1 "Eligible person" means a person who:

2 (1) has terminated service;

3 (2) has accrued sufficient service credit to be  
4 eligible to receive a retirement pension under this  
5 Article;

6 (3) has not received any retirement pension under this  
7 Article; and

8 (4) has not made the election under Section 4-138.16.

9 "Pension benefit" means the benefits under this Article,  
10 or Article 1 as it relates to those benefits, including any  
11 anticipated annual increases, that an eligible person is  
12 entitled to upon attainment of the applicable retirement age.  
13 "Pension benefit" also includes applicable survivor's or  
14 disability benefits.

15 (b) As soon as practical after June 30, 2026, the fund  
16 shall calculate, using actuarial tables and other assumptions  
17 adopted by the Board, the present value of pension benefits  
18 for each eligible person who requests that information and  
19 shall offer each eligible person the opportunity to  
20 irrevocably elect to receive an amount determined by the fund  
21 to be equal to 60% of the present value of his or her pension  
22 benefits in lieu of receiving any pension benefit. The offer  
23 shall specify the dollar amount that the eligible person will  
24 receive if he or she so elects and shall expire when a  
25 subsequent offer is made to an eligible person. An eligible  
26 person is limited to one calculation and offer per fiscal

1 year. The fund shall make a good faith effort to contact every  
2 eligible person to notify him or her of the election.

3 Until June 30, 2028, an eligible person may irrevocably  
4 elect to receive an accelerated pension benefit payment in the  
5 amount that the fund offers under this subsection in lieu of  
6 receiving any pension benefit.

7 (c) A person's creditable service under this Article shall  
8 be terminated upon the person's receipt of an accelerated  
9 pension benefit payment under this Section, and no other  
10 benefit shall be paid under this Article based on the  
11 terminated creditable service, including any retirement,  
12 survivor, or other benefit.

13 (d) If a person who has received an accelerated pension  
14 benefit payment under this Section returns to active service  
15 under this Article, then:

16 (1) Any benefits under the fund earned as a result of  
17 that return to active service shall be based solely on the  
18 person's creditable service arising from the return to  
19 active service.

20 (2) The accelerated pension benefit payment may not be  
21 repaid to the fund, and the terminated creditable service  
22 may not under any circumstances be reinstated.

23 (e) As a condition of receiving an accelerated pension  
24 benefit payment, the accelerated pension benefit payment must  
25 be transferred into a tax qualified retirement plan or  
26 account. The accelerated pension benefit payment under this

1 Section may be subject to withholding or payment of applicable  
2 taxes, but to the extent permitted by federal law, a person who  
3 receives an accelerated pension benefit payment under this  
4 Section must direct the fund to pay all of that payment as a  
5 rollover into another retirement plan or account qualified  
6 under the Internal Revenue Code of 1986, as amended.

7 (f) Before accepting a member's irrevocable election to  
8 receive an accelerated pension benefit payment under this  
9 Section, the fund shall verify that it has a sufficient amount  
10 of moneys to pay for the accelerated pension benefit payment  
11 from the contribution remitted by the employer for that  
12 purpose. If the fund determines it does not have sufficient  
13 moneys to make the accelerated pension benefit payment, then  
14 the fund shall not accept the member's irrevocable election  
15 and shall notify the member of that fact. The member may  
16 reapply for the accelerated pension benefit payment after that  
17 fiscal year. If the fund accepts the member's irrevocable  
18 election to receive an accelerated pension benefit payment  
19 under this Section, then the fund shall transfer, from the  
20 moneys remitted to the fund for that purpose, the amount of the  
21 accelerated pension benefit payment into the member's eligible  
22 retirement plan or qualified account.

23 (g) The Board shall adopt any rules, including emergency  
24 rules, necessary to implement this Section.

25 (h) No provision of this Section shall be interpreted in a  
26 way that would cause the applicable fund to cease to be a

1 qualified plan under the Internal Revenue Code of 1986.

2 (40 ILCS 5/4-138.16 new)

3 Sec. 4-138.16. Accelerated pension benefit payment for a  
4 reduction in annual retirement pension increases.

5 (a) As used in this Section:

6 "Accelerated pension benefit payment" means a lump-sum  
7 payment equal to 70% of the difference of the present value of  
8 the automatic annual increases to a Tier 1 member's retirement  
9 pension using the formula applicable to the Tier 1 member and  
10 the present value of the automatic annual increases to the  
11 Tier 1 member's retirement pension using the formula provided  
12 under subsection (b-5).

13 "Eligible person" means a person who:

14 (1) is a Tier 1 member;

15 (2) has submitted an application for a retirement  
16 pension under this Article;

17 (3) meets the age and service requirements for  
18 receiving a retirement pension under this Article;

19 (4) has not received any retirement pension under this  
20 Article; and

21 (5) has not made the election under Section 4-138.15.

22 "Tier 1 member" means a person who first became a  
23 firefighter before January 1, 2011.

24 (b) As soon as practical after June 30, 2026 and until June  
25 30, 2028, the fund shall implement an accelerated pension

1 benefit payment option for eligible persons. Upon the request  
2 of an eligible person, the fund shall calculate, using  
3 actuarial tables and other assumptions adopted by the Board,  
4 an accelerated pension benefit payment amount and shall offer  
5 that eligible person the opportunity to irrevocably elect to  
6 have his or her automatic annual increases in retirement  
7 pension calculated in accordance with the formula provided  
8 under subsection (b-5) in exchange for the accelerated pension  
9 benefit payment. The election under this subsection must be  
10 made before the eligible person receives the first payment of  
11 a retirement pension otherwise payable under this Article.

12 (b-5) Notwithstanding any other provision of law, the  
13 retirement pension of a person who made the election under  
14 subsection (b) shall be subject to annual increases on the  
15 January 1 occurring either on or after the attainment of age 67  
16 or the first anniversary of the pension start date, whichever  
17 is later. Each annual increase shall be calculated at 1.5% of  
18 the originally granted retirement pension.

19 (c) If a person who has received an accelerated pension  
20 benefit payment returns to active service under this Article,  
21 then:

22 (1) the calculation of any future automatic annual  
23 increase in retirement pension shall be calculated in  
24 accordance with the formula provided under subsection  
25 (b-5); and

26 (2) the accelerated pension benefit payment may not be

1       repaid to the fund.

2       (d) As a condition of receiving an accelerated pension  
3 benefit payment, the accelerated pension benefit payment must  
4 be transferred into a tax qualified retirement plan or  
5 account. The accelerated pension benefit payment under this  
6 Section may be subject to withholding or payment of applicable  
7 taxes, but to the extent permitted by federal law, a person who  
8 receives an accelerated pension benefit payment under this  
9 Section must direct the fund to pay all of that payment as a  
10 rollover into another retirement plan or account qualified  
11 under the Internal Revenue Code of 1986, as amended.

12       (d-5) Before accepting a member's irrevocable election to  
13 receive an accelerated pension benefit payment under this  
14 Section, the fund shall verify that it has a sufficient amount  
15 of moneys to pay for the accelerated pension benefit payment  
16 from the contribution remitted by the employer for that  
17 purpose. If the fund determines it does not have sufficient  
18 moneys to make the accelerated pension benefit payment, then  
19 the fund shall not accept the member's irrevocable election  
20 and shall notify the member of that fact. The member may  
21 reapply for the accelerated pension benefit payment after that  
22 fiscal year. If the fund accepts the member's irrevocable  
23 election to receive an accelerated pension benefit payment  
24 under this Section, then the fund shall transfer, from the  
25 moneys remitted to the fund for that purpose, the amount of the  
26 accelerated pension benefit payment into the member's eligible

1 retirement plan or qualified account.

2 (e) The Board shall adopt any rules, including emergency  
3 rules, necessary to implement this Section.

4 (f) No provision of this Section shall be interpreted in a  
5 way that would cause the applicable fund to cease to be a  
6 qualified plan under the Internal Revenue Code of 1986.

7 (40 ILCS 5/5-218.5 new)

8 Sec. 5-218.5. Accelerated pension benefit payment in lieu  
9 of any pension benefit.

10 (a) As used in this Section:

11 "Eligible person" means a person who:

12 (1) has terminated service;

13 (2) has accrued sufficient service credit to be  
14 eligible to receive a retirement annuity under this  
15 Article;

16 (3) has not received any retirement annuity under this  
17 Article; and

18 (4) has not made the election under Section 5-218.6.

19 "Pension benefit" means the benefits under this Article,  
20 or Article 1 as it relates to those benefits, including any  
21 anticipated annual increases, that an eligible person is  
22 entitled to upon attainment of the applicable retirement age.

23 "Pension benefit" also includes applicable survivor's or  
24 disability benefits.

25 (b) As soon as practical after June 30, 2026, the Fund

1 shall calculate, using actuarial tables and other assumptions  
2 adopted by the Board, the present value of pension benefits  
3 for each eligible person who requests that information and  
4 shall offer each eligible person the opportunity to  
5 irrevocably elect to receive an amount determined by the Fund  
6 to be equal to 60% of the present value of his or her pension  
7 benefits in lieu of receiving any pension benefit. The offer  
8 shall specify the dollar amount that the eligible person will  
9 receive if he or she so elects and shall expire when a  
10 subsequent offer is made to an eligible person. An eligible  
11 person is limited to one calculation and offer per fiscal  
12 year. The Fund shall make a good faith effort to contact every  
13 eligible person to notify him or her of the election.

14 Until June 30, 2028, an eligible person may irrevocably  
15 elect to receive an accelerated pension benefit payment in the  
16 amount that the Fund offers under this subsection in lieu of  
17 receiving any pension benefit.

18 (c) A person's creditable service under this Article shall  
19 be terminated upon the person's receipt of an accelerated  
20 pension benefit payment under this Section, and no other  
21 benefit shall be paid under this Article based on the  
22 terminated creditable service, including any retirement,  
23 survivor, or other benefit.

24 (d) If a person who has received an accelerated pension  
25 benefit payment under this Section returns to active service  
26 under this Article, then:

1           (1) Any benefits under the Fund earned as a result of  
2           that return to active service shall be based solely on the  
3           person's creditable service arising from the return to  
4           active service.

5           (2) The accelerated pension benefit payment may not be  
6           repaid to the Fund, and the terminated creditable service  
7           may not under any circumstances be reinstated.

8           (e) As a condition of receiving an accelerated pension  
9           benefit payment, the accelerated pension benefit payment must  
10           be transferred into a tax qualified retirement plan or  
11           account. The accelerated pension benefit payment under this  
12           Section may be subject to withholding or payment of applicable  
13           taxes, but to the extent permitted by federal law, a person who  
14           receives an accelerated pension benefit payment under this  
15           Section must direct the Fund to pay all of that payment as a  
16           rollover into another retirement plan or account qualified  
17           under the Internal Revenue Code of 1986, as amended.

18           (f) Before accepting a member's irrevocable election to  
19           receive an accelerated pension benefit payment under this  
20           Section, the Fund shall verify that it has a sufficient amount  
21           of moneys to pay for the accelerated pension benefit payment  
22           from the contribution remitted by the employer for that  
23           purpose. If the Fund determines it does not have sufficient  
24           moneys to make the accelerated pension benefit payment, then  
25           the Fund shall not accept the member's irrevocable election  
26           and shall notify the member of that fact. The member may

1 reapply for the accelerated pension benefit payment after that  
2 fiscal year. If the Fund accepts the member's irrevocable  
3 election to receive an accelerated pension benefit payment  
4 under this Section, then the Fund shall transfer, from the  
5 moneys remitted to the Fund for that purpose, the amount of the  
6 accelerated pension benefit payment into the member's eligible  
7 retirement plan or qualified account.

8 (g) The Board shall adopt any rules, including emergency  
9 rules, necessary to implement this Section.

10 (h) No provision of this Section shall be interpreted in a  
11 way that would cause the applicable Fund to cease to be a  
12 qualified plan under the Internal Revenue Code of 1986.

13 (40 ILCS 5/5-218.6 new)

14 Sec. 5-218.6. Accelerated pension benefit payment for a  
15 reduction in annual retirement annuity increases.

16 (a) As used in this Section:

17 "Accelerated pension benefit payment" means a lump-sum  
18 payment equal to 70% of the difference of the present value of  
19 the automatic annual increases to a Tier 1 member's retirement  
20 annuity and survivor's annuity using the formula applicable to  
21 the Tier 1 member and the present value of the automatic annual  
22 increases to the Tier 1 member's retirement annuity using the  
23 formula provided under subsection (b-5).

24 "Eligible person" means a person who:

25 (1) is a Tier 1 member;

1           (2) has submitted an application for a retirement  
2           annuity under this Article;

3           (3) meets the age and service requirements for  
4           receiving a retirement annuity under this Article;

5           (4) has not received any retirement annuity under this  
6           Article; and

7           (5) has not made the election under Section 5-218.5.

8           "Tier 1 member" means a person who first became a  
9           policeman before January 1, 2011.

10          (b) As soon as practical after June 30, 2026 and until June  
11          30, 2028, the Fund shall implement an accelerated pension  
12          benefit payment option for eligible persons. Upon the request  
13          of an eligible person, the Fund shall calculate, using  
14          actuarial tables and other assumptions adopted by the Board,  
15          an accelerated pension benefit payment amount and shall offer  
16          that eligible person the opportunity to irrevocably elect to  
17          have his or her automatic annual increases in retirement  
18          annuity calculated in accordance with the formula provided  
19          under subsection (b-5) in exchange for the accelerated pension  
20          benefit payment. The election under this subsection must be  
21          made before the eligible person receives the first payment of  
22          a retirement annuity otherwise payable under this Article.

23          (b-5) Notwithstanding any other provision of law, the  
24          retirement annuity of a person who made the election under  
25          subsection (b) shall be subject to annual increases on the  
26          January 1 occurring either on or after the attainment of age 67

1 or the first anniversary of the annuity start date, whichever  
2 is later. Each annual increase shall be calculated at 1.5% of  
3 the originally granted retirement annuity.

4 (c) If a person who has received an accelerated pension  
5 benefit payment returns to active service under this Article,  
6 then:

7 (1) the calculation of any future automatic annual  
8 increase in retirement annuity shall be calculated in  
9 accordance with the formula provided under subsection  
10 (b-5); and

11 (2) the accelerated pension benefit payment may not be  
12 repaid to the Fund.

13 (d) As a condition of receiving an accelerated pension  
14 benefit payment, the accelerated pension benefit payment must  
15 be transferred into a tax qualified retirement plan or  
16 account. The accelerated pension benefit payment under this  
17 Section may be subject to withholding or payment of applicable  
18 taxes, but to the extent permitted by federal law, a person who  
19 receives an accelerated pension benefit payment under this  
20 Section must direct the Fund to pay all of that payment as a  
21 rollover into another retirement plan or account qualified  
22 under the Internal Revenue Code of 1986, as amended.

23 (d-5) Before accepting a member's irrevocable election to  
24 receive an accelerated pension benefit payment under this  
25 Section, the Fund shall verify that it has a sufficient amount  
26 of moneys to pay for the accelerated pension benefit payment

1 from the contribution remitted by the employer for that  
2 purpose. If the Fund determines it does not have sufficient  
3 moneys to make the accelerated pension benefit payment, then  
4 the Fund shall not accept the member's irrevocable election  
5 and shall notify the member of that fact. The member may  
6 reapply for the accelerated pension benefit payment after that  
7 fiscal year. If the Fund accepts the member's irrevocable  
8 election to receive an accelerated pension benefit payment  
9 under this Section, then the Fund shall transfer, from the  
10 moneys remitted to the Fund for that purpose, the amount of the  
11 accelerated pension benefit payment into the member's eligible  
12 retirement plan or qualified account.

13 (e) The Board shall adopt any rules, including emergency  
14 rules, necessary to implement this Section.

15 (f) No provision of this Section shall be interpreted in a  
16 way that would cause the applicable Fund to cease to be a  
17 qualified plan under the Internal Revenue Code of 1986.

18 (40 ILCS 5/6-213.5 new)

19 Sec. 6-213.5. Accelerated pension benefit payment in lieu  
20 of any pension benefit.

21 (a) As used in this Section:

22 "Eligible person" means a person who:

23 (1) has terminated service;

24 (2) has accrued sufficient service credit to be  
25 eligible to receive a retirement annuity under this

1       Article;

2           (3) has not received any retirement annuity under this

3       Article; and

4           (4) has not made the election under Section 6-213.6.

5       "Pension benefit" means the benefits under this Article,

6       or Article 1 as it relates to those benefits, including any

7       anticipated annual increases, that an eligible person is

8       entitled to upon attainment of the applicable retirement age.

9       "Pension benefit" also includes applicable survivor's or

10       disability benefits.

11       (b) As soon as practical after June 30, 2026, the Fund

12       shall calculate, using actuarial tables and other assumptions

13       adopted by the Board, the present value of pension benefits

14       for each eligible person who requests that information and

15       shall offer each eligible person the opportunity to

16       irrevocably elect to receive an amount determined by the Fund

17       to be equal to 60% of the present value of his or her pension

18       benefits in lieu of receiving any pension benefit. The offer

19       shall specify the dollar amount that the eligible person will

20       receive if he or she so elects and shall expire when a

21       subsequent offer is made to an eligible person. An eligible

22       person is limited to one calculation and offer per fiscal

23       year. The Fund shall make a good faith effort to contact every

24       eligible person to notify him or her of the election.

25       Until June 30, 2028, an eligible person may irrevocably

26       elect to receive an accelerated pension benefit payment in the

1 amount that the Fund offers under this subsection in lieu of  
2 receiving any pension benefit.

3 (c) A person's creditable service under this Article shall  
4 be terminated upon the person's receipt of an accelerated  
5 pension benefit payment under this Section, and no other  
6 benefit shall be paid under this Article based on the  
7 terminated creditable service, including any retirement,  
8 survivor, or other benefit.

9 (d) If a person who has received an accelerated pension  
10 benefit payment under this Section returns to active service  
11 under this Article, then:

12 (1) Any benefits under the Fund earned as a result of  
13 that return to active service shall be based solely on the  
14 person's creditable service arising from the return to  
15 active service.

16 (2) The accelerated pension benefit payment may not be  
17 repaid to the Fund, and the terminated creditable service  
18 may not under any circumstances be reinstated.

19 (e) As a condition of receiving an accelerated pension  
20 benefit payment, the accelerated pension benefit payment must  
21 be transferred into a tax qualified retirement plan or  
22 account. The accelerated pension benefit payment under this  
23 Section may be subject to withholding or payment of applicable  
24 taxes, but to the extent permitted by federal law, a person who  
25 receives an accelerated pension benefit payment under this  
26 Section must direct the Fund to pay all of that payment as a

1 rollover into another retirement plan or account qualified  
2 under the Internal Revenue Code of 1986, as amended.

3 (f) Before accepting a member's irrevocable election to  
4 receive an accelerated pension benefit payment under this  
5 Section, the Fund shall verify that it has a sufficient amount  
6 of moneys to pay for the accelerated pension benefit payment  
7 from the contribution remitted by the employer for that  
8 purpose. If the Fund determines it does not have sufficient  
9 moneys to make the accelerated pension benefit payment, then  
10 the Fund shall not accept the member's irrevocable election  
11 and shall notify the member of that fact. The member may  
12 reapply for the accelerated pension benefit payment after that  
13 fiscal year. If the Fund accepts the member's irrevocable  
14 election to receive an accelerated pension benefit payment  
15 under this Section, then the Fund shall transfer, from the  
16 moneys remitted to the Fund for that purpose, the amount of the  
17 accelerated pension benefit payment into the member's eligible  
18 retirement plan or qualified account.

19 (g) The Board shall adopt any rules, including emergency  
20 rules, necessary to implement this Section.

21 (h) No provision of this Section shall be interpreted in a  
22 way that would cause the applicable Fund to cease to be a  
23 qualified plan under the Internal Revenue Code of 1986.

24 (40 ILCS 5/6-213.6 new)

25 Sec. 6-213.6. Accelerated pension benefit payment for a

1 reduction in annual retirement annuity increases.

2 (a) As used in this Section:

3 "Accelerated pension benefit payment" means a lump-sum  
4 payment equal to 70% of the difference of the present value of  
5 the automatic annual increases to a Tier 1 member's retirement  
6 annuity and survivor's annuity using the formula applicable to  
7 the Tier 1 member and the present value of the automatic annual  
8 increases to the Tier 1 member's retirement annuity using the  
9 formula provided under subsection (b-5). "Eligible person"  
10 means a person who:

11 (1) is a Tier 1 member;

12 (2) has submitted an application for a retirement  
13 annuity under this Article;

14 (3) meets the age and service requirements for  
15 receiving a retirement annuity under this Article;

16 (4) has not received any retirement annuity under this  
17 Article; and

18 (5) has not made the election under Section 6-213.5.

19 "Tier 1 member" means a person who first became a fireman  
20 under this Article before January 1, 2011.

21 (b) As soon as practical after June 30, 2026 and until June  
22 30, 2028, the Fund shall implement an accelerated pension  
23 benefit payment option for eligible persons. Upon the request  
24 of an eligible person, the Fund shall calculate, using  
25 actuarial tables and other assumptions adopted by the Board,  
26 an accelerated pension benefit payment amount and shall offer

1 that eligible person the opportunity to irrevocably elect to  
2 have his or her automatic annual increases in retirement  
3 annuity calculated in accordance with the formula provided  
4 under subsection (b-5) in exchange for the accelerated pension  
5 benefit payment. The election under this subsection must be  
6 made before the eligible person receives the first payment of  
7 a retirement annuity otherwise payable under this Article.

8 (b-5) Notwithstanding any other provision of law, the  
9 retirement annuity of a person who made the election under  
10 subsection (b) shall be subject to annual increases on the  
11 January 1 occurring either on or after the attainment of age 67  
12 or the first anniversary of the annuity start date, whichever  
13 is later. Each annual increase shall be calculated at 1.5% of  
14 the originally granted retirement annuity.

15 (c) If a person who has received an accelerated pension  
16 benefit payment returns to active service under this Article,  
17 then:

18 (1) the calculation of any future automatic annual  
19 increase in retirement annuity shall be calculated in  
20 accordance with the formula provided under subsection  
21 (b-5); and

22 (2) the accelerated pension benefit payment may not be  
23 repaid to the Fund.

24 (d) As a condition of receiving an accelerated pension  
25 benefit payment, the accelerated pension benefit payment must  
26 be transferred into a tax qualified retirement plan or

1 account. The accelerated pension benefit payment under this  
2 Section may be subject to withholding or payment of applicable  
3 taxes, but to the extent permitted by federal law, a person who  
4 receives an accelerated pension benefit payment under this  
5 Section must direct the Fund to pay all of that payment as a  
6 rollover into another retirement plan or account qualified  
7 under the Internal Revenue Code of 1986, as amended.

8 (d-5) Before accepting a member's irrevocable election to  
9 receive an accelerated pension benefit payment under this  
10 Section, the Fund shall verify that it has a sufficient amount  
11 of moneys to pay for the accelerated pension benefit payment  
12 from the contribution remitted by the employer for that  
13 purpose. If the Fund determines it does not have sufficient  
14 moneys to make the accelerated pension benefit payment, then  
15 the Fund shall not accept the member's irrevocable election  
16 and shall notify the member of that fact. The member may  
17 reapply for the accelerated pension benefit payment after that  
18 fiscal year. If the Fund accepts the member's irrevocable  
19 election to receive an accelerated pension benefit payment  
20 under this Section, then the Fund shall transfer, from the  
21 moneys remitted to the Fund for that purpose, the amount of the  
22 accelerated pension benefit payment into the member's eligible  
23 retirement plan or qualified account.

24 (e) The Board shall adopt any rules, including emergency  
25 rules, necessary to implement this Section.

26 (f) No provision of this Section shall be interpreted in a

1 way that would cause the applicable Fund to cease to be a  
2 qualified plan under the Internal Revenue Code of 1986.

3 (40 ILCS 5/8-244.5 new)

4 Sec. 8-244.5. Accelerated pension benefit payment in lieu  
5 of any pension benefit.

6 (a) As used in this Section:

7 "Eligible person" means a person who:

8 (1) has terminated service;

9 (2) has accrued sufficient service credit to be  
10 eligible to receive a retirement annuity under this  
11 Article;

12 (3) has not received any retirement annuity under this  
13 Article; and

14 (4) has not made the election under Section 8-244.6.

15 "Pension benefit" means the benefits under this Article,  
16 or Article 1 as it relates to those benefits, including any  
17 anticipated annual increases, that an eligible person is  
18 entitled to upon attainment of the applicable retirement age.

19 "Pension benefit" also includes applicable survivor's or  
20 disability benefits.

21 (b) As soon as practical after June 30, 2026, the Fund  
22 shall calculate, using actuarial tables and other assumptions  
23 adopted by the Board, the present value of pension benefits  
24 for each eligible person who requests that information and  
25 shall offer each eligible person the opportunity to

1 irrevocably elect to receive an amount determined by the Fund  
2 to be equal to 60% of the present value of his or her pension  
3 benefits in lieu of receiving any pension benefit. The offer  
4 shall specify the dollar amount that the eligible person will  
5 receive if he or she so elects and shall expire when a  
6 subsequent offer is made to an eligible person. An eligible  
7 person is limited to one calculation and offer per fiscal  
8 year. The Fund shall make a good faith effort to contact every  
9 eligible person to notify him or her of the election.

10 Until June 30, 2028, an eligible person may irrevocably  
11 elect to receive an accelerated pension benefit payment in the  
12 amount that the Fund offers under this subsection in lieu of  
13 receiving any pension benefit. A person who elects to receive  
14 an accelerated pension benefit payment under this Section may  
15 not elect to proceed under the Retirement Systems Reciprocal  
16 Act with respect to service under this Article.

17 (c) A person's creditable service under this Article shall  
18 be terminated upon the person's receipt of an accelerated  
19 pension benefit payment under this Section, and no other  
20 benefit shall be paid under this Article based on the  
21 terminated creditable service, including any retirement,  
22 survivor, or other benefit.

23 (d) If a person who has received an accelerated pension  
24 benefit payment under this Section returns to active service  
25 under this Article, then:

26 (1) Any benefits under the Fund earned as a result of

1       that return to active service shall be based solely on the  
2       person's creditable service arising from the return to  
3       active service.

4           (2) The accelerated pension benefit payment may not be  
5       repaid to the Fund, and the terminated creditable service  
6       may not under any circumstances be reinstated.

7       (e) As a condition of receiving an accelerated pension  
8       benefit payment, the accelerated pension benefit payment must  
9       be transferred into a tax qualified retirement plan or  
10       account. The accelerated pension benefit payment under this  
11       Section may be subject to withholding or payment of applicable  
12       taxes, but to the extent permitted by federal law, a person who  
13       receives an accelerated pension benefit payment under this  
14       Section must direct the Fund to pay all of that payment as a  
15       rollover into another retirement plan or account qualified  
16       under the Internal Revenue Code of 1986, as amended.

17       (f) Before accepting a member's irrevocable election to  
18       receive an accelerated pension benefit payment under this  
19       Section, the Fund shall verify that it has a sufficient amount  
20       of moneys to pay for the accelerated pension benefit payment  
21       from the contribution remitted by the employer for that  
22       purpose. If the Fund determines it does not have sufficient  
23       moneys to make the accelerated pension benefit payment, then  
24       the Fund shall not accept the member's irrevocable election  
25       and shall notify the member of that fact. The member may  
26       reapply for the accelerated pension benefit payment after that

1 fiscal year. If the Fund accepts the member's irrevocable  
2 election to receive an accelerated pension benefit payment  
3 under this Section, then the Fund shall transfer, from the  
4 moneys remitted to the Fund for that purpose, the amount of the  
5 accelerated pension benefit payment into the member's eligible  
6 retirement plan or qualified account.

7 (g) The Board shall adopt any rules, including emergency  
8 rules, necessary to implement this Section.

9 (h) No provision of this Section shall be interpreted in a  
10 way that would cause the applicable Fund to cease to be a  
11 qualified plan under the Internal Revenue Code of 1986.

12 (40 ILCS 5/8-244.6 new)

13 Sec. 8-244.6. Accelerated pension benefit payment for a  
14 reduction in annual retirement annuity.

15 (a) As used in this Section:

16 "Accelerated pension benefit payment" means a lump-sum  
17 payment equal to 70% of the difference of the present value of  
18 the automatic annual increases to a Tier 1 member's retirement  
19 annuity using the formula applicable to the Tier 1 member and  
20 the present value of the automatic annual increases to the  
21 Tier 1 member's retirement annuity using the formula provided  
22 under subsection (b-5).

23 "Eligible person" means a person who:

24 (1) is a Tier 1 member;

25 (2) has submitted an application for a retirement

1 annuity under this Article;

2 (3) meets the age and service requirements for  
3 receiving a retirement annuity under this Article;

4 (4) has not received any retirement annuity under this  
5 Article; and

6 (5) has not made the election under Section 8-244.5.

7 "Tier 1 member" means an employee who first became a  
8 participant under this Article or any reciprocal retirement  
9 system or pension Fund established under this Code before  
10 January 1, 2011.

11 (b) As soon as practical after June 30, 2026 and until June  
12 30, 2028, the Fund shall implement an accelerated pension  
13 benefit payment option for eligible persons. Upon the request  
14 of an eligible person, the Fund shall calculate, using  
15 actuarial tables and other assumptions adopted by the Board,  
16 an accelerated pension benefit payment amount and shall offer  
17 that eligible person the opportunity to irrevocably elect to  
18 have his or her automatic annual increases in retirement  
19 annuity calculated in accordance with the formula provided  
20 under subsection (b-5) in exchange for the accelerated pension  
21 benefit payment. The election under this subsection must be  
22 made before the eligible person receives the first payment of  
23 a retirement annuity otherwise payable under this Article.

24 (b-5) Notwithstanding any other provision of law, the  
25 retirement annuity of a person who made the election under  
26 subsection (b) shall be subject to annual increases on the

1 January 1 occurring either on or after the attainment of age 67  
2 or the first anniversary of the annuity start date, whichever  
3 is later. Each annual increase shall be calculated at 1.5% of  
4 the originally granted retirement annuity.

5 (c) If a person who has received an accelerated pension  
6 benefit payment returns to active service under this Article,  
7 then:

8 (1) the calculation of any future automatic annual  
9 increase in retirement annuity shall be calculated in  
10 accordance with the formula provided under subsection  
11 (b-5); and

12 (2) the accelerated pension benefit payment may not be  
13 repaid to the Fund.

14 (d) As a condition of receiving an accelerated pension  
15 benefit payment, the accelerated pension benefit payment must  
16 be transferred into a tax qualified retirement plan or  
17 account. The accelerated pension benefit payment under this  
18 Section may be subject to withholding or payment of applicable  
19 taxes, but to the extent permitted by federal law, a person who  
20 receives an accelerated pension benefit payment under this  
21 Section must direct the Fund to pay all of that payment as a  
22 rollover into another retirement plan or account qualified  
23 under the Internal Revenue Code of 1986, as amended.

24 (d-5) Before accepting a member's irrevocable election to  
25 receive an accelerated pension benefit payment under this  
26 Section, the Fund shall verify that it has a sufficient amount

1 of moneys to pay for the accelerated pension benefit payment  
2 from the contribution remitted by the employer for that  
3 purpose. If the Fund determines it does not have sufficient  
4 moneys to make the accelerated pension benefit payment, then  
5 the Fund shall not accept the member's irrevocable election  
6 and shall notify the member of that fact. The member may  
7 reapply for the accelerated pension benefit payment after that  
8 fiscal year. If the Fund accepts the member's irrevocable  
9 election to receive an accelerated pension benefit payment  
10 under this Section, then the Fund shall transfer, from the  
11 moneys remitted to the Fund for that purpose, the amount of the  
12 accelerated pension benefit payment into the member's eligible  
13 retirement plan or qualified account.

14 (e) The Board shall adopt any rules, including emergency  
15 rules, necessary to implement this Section.

16 (f) No provision of this Section shall be interpreted in a  
17 way that would cause the applicable Fund to cease to be a  
18 qualified plan under the Internal Revenue Code of 1986.

19 (40 ILCS 5/9-134.6 new)

20 Sec. 9-134.6. Accelerated pension benefit payment in lieu  
21 of any pension benefit.

22 (a) As used in this Section:

23 "Eligible person" means a person who:

24 (1) has terminated service;

25 (2) has accrued sufficient service credit to be

1 eligible to receive a retirement annuity under this  
2 Article;

3 (3) has not received any retirement annuity under this  
4 Article; and

5 (4) has not made the election under Section 9-134.7.

6 "Pension benefit" means the benefits under this Article,  
7 or Article 1 as it relates to those benefits, including any  
8 anticipated annual increases, that an eligible person is  
9 entitled to upon attainment of the applicable retirement age.  
10 "Pension benefit" also includes applicable survivor's,  
11 widow's, or disability benefits.

12 (b) As soon as practical after June 30, 2026, the Fund  
13 shall calculate, using actuarial tables and other assumptions  
14 adopted by the Board, the present value of pension benefits  
15 for each eligible person who requests that information and  
16 shall offer each eligible person the opportunity to  
17 irrevocably elect to receive an amount determined by the Fund  
18 to be equal to 60% of the present value of his or her pension  
19 benefits in lieu of receiving any pension benefit. The offer  
20 shall specify the dollar amount that the eligible person will  
21 receive if he or she so elects and shall expire when a  
22 subsequent offer is made to an eligible person. An eligible  
23 person is limited to one calculation and offer per fiscal  
24 year. The Fund shall make a good faith effort to contact every  
25 eligible person to notify him or her of the election.

26 Until June 30, 2028, an eligible person may irrevocably

1 elect to receive an accelerated pension benefit payment in the  
2 amount that the Fund offers under this subsection in lieu of  
3 receiving any pension benefit. A person who elects to receive  
4 an accelerated pension benefit payment under this Section may  
5 not elect to proceed under the Retirement Systems Reciprocal  
6 Act with respect to service under this Article.

7 (c) A person's creditable service under this Article shall  
8 be terminated upon the person's receipt of an accelerated  
9 pension benefit payment under this Section, and no other  
10 benefit shall be paid under this Article based on the  
11 terminated creditable service, including any retirement,  
12 survivor, or other benefit.

13 (d) If a person who has received an accelerated pension  
14 benefit payment under this Section returns to active service  
15 under this Article, then:

16 (1) Any benefits under the Fund earned as a result of  
17 that return to active service shall be based solely on the  
18 person's creditable service arising from the return to  
19 active service.

20 (2) The accelerated pension benefit payment may not be  
21 repaid to the Fund, and the terminated creditable service  
22 may not under any circumstances be reinstated.

23 (e) As a condition of receiving an accelerated pension  
24 benefit payment, the accelerated pension benefit payment must  
25 be transferred into a tax qualified retirement plan or  
26 account. The accelerated pension benefit payment under this

1 Section may be subject to withholding or payment of applicable  
2 taxes, but to the extent permitted by federal law, a person who  
3 receives an accelerated pension benefit payment under this  
4 Section must direct the Fund to pay all of that payment as a  
5 rollover into another retirement plan or account qualified  
6 under the Internal Revenue Code of 1986, as amended.

7 (f) Before accepting a member's irrevocable election to  
8 receive an accelerated pension benefit payment under this  
9 Section, the Fund shall verify that it has a sufficient amount  
10 of moneys to pay for the accelerated pension benefit payment  
11 from the contribution remitted by the employer for that  
12 purpose. If the Fund determines it does not have sufficient  
13 moneys to make the accelerated pension benefit payment, then  
14 the Fund shall not accept the member's irrevocable election  
15 and shall notify the member of that fact. The member may  
16 reapply for the accelerated pension benefit payment after that  
17 fiscal year. If the Fund accepts the member's irrevocable  
18 election to receive an accelerated pension benefit payment  
19 under this Section, then the Fund shall transfer, from the  
20 moneys remitted to the Fund for that purpose, the amount of the  
21 accelerated pension benefit payment into the member's eligible  
22 retirement plan or qualified account.

23 (g) The Board shall adopt any rules, including emergency  
24 rules, necessary to implement this Section.

25 (h) No provision of this Section shall be interpreted in a  
26 way that would cause the applicable Fund to cease to be a

1 qualified plan under the Internal Revenue Code of 1986.

2 (40 ILCS 5/9-134.7 new)

3 Sec. 9-134.7. Accelerated pension benefit payment for a  
4 reduction in annual retirement annuity and widow's annuity  
5 increases.

6 (a) As used in this Section:

7 "Accelerated pension benefit payment" means a lump-sum  
8 payment equal to 70% of the difference of the present value of  
9 the automatic annual increases to a Tier 1 member's retirement  
10 annuity and widow's annuity using the formula applicable to  
11 the Tier 1 member and the present value of the automatic annual  
12 increases to the Tier 1 member's retirement annuity using the  
13 formula provided under subsection (b-5) and widow's annuity  
14 using the formula provided under subsection (b-6). "Eligible  
15 person" means a person who:

16 (1) is a Tier 1 member;

17 (2) has submitted an application for a retirement  
18 annuity under this Article;

19 (3) meets the age and service requirements for  
20 receiving a retirement annuity under this Article;

21 (4) has not received any retirement annuity under this  
22 Article; and

23 (5) has not made the election under Section 9-134.6.

24 "Tier 1 member" means a person who first became a  
25 participant under this Article or any reciprocal retirement

1 system or pension fund established under this Code before  
2 January 1, 2011.

3 (b) As soon as practical after June 30, 2026 and until June  
4 30, 2028, the Fund shall implement an accelerated pension  
5 benefit payment option for eligible persons. Upon the request  
6 of an eligible person, the Fund shall calculate, using  
7 actuarial tables and other assumptions adopted by the Board,  
8 an accelerated pension benefit payment amount and shall offer  
9 that eligible person the opportunity to irrevocably elect to  
10 have his or her automatic annual increases in retirement  
11 annuity calculated in accordance with the formula provided  
12 under subsection (b-5) and any increases in widow's annuity  
13 payable to his or her widow's annuity beneficiary calculated  
14 in accordance with the formula provided under subsection (b-6)  
15 in exchange for the accelerated pension benefit payment. The  
16 election under this subsection must be made before the  
17 eligible person receives the first payment of a retirement  
18 annuity otherwise payable under this Article.

19 (b-5) Notwithstanding any other provision of law, the  
20 retirement annuity of a person who made the election under  
21 subsection (b) shall be subject to annual increases on the  
22 January 1 occurring either on or after the attainment of age 67  
23 or the first anniversary of the annuity start date, whichever  
24 is later. Each annual increase shall be calculated at 1.5% of  
25 the originally granted retirement annuity.

26 (b-6) Notwithstanding any other provision of law, a

1 widow's annuity payable to a widow's annuity beneficiary of a  
2 person who made the election under subsection (b) shall be  
3 subject to annual increases on the January 1 occurring on or  
4 after the first anniversary of the commencement of the  
5 annuity. Each annual increase shall be calculated at 1.5% of  
6 the originally granted widow's annuity.

7 (c) If a person who has received an accelerated pension  
8 benefit payment returns to active service under this Article,  
9 then:

10 (1) the calculation of any future automatic annual  
11 increase in retirement annuity shall be calculated in  
12 accordance with the formula provided under subsection  
13 (b-5); and

14 (2) the accelerated pension benefit payment may not be  
15 repaid to the Fund.

16 (d) As a condition of receiving an accelerated pension  
17 benefit payment, the accelerated pension benefit payment must  
18 be transferred into a tax qualified retirement plan or  
19 account. The accelerated pension benefit payment under this  
20 Section may be subject to withholding or payment of applicable  
21 taxes, but to the extent permitted by federal law, a person who  
22 receives an accelerated pension benefit payment under this  
23 Section must direct the Fund to pay all of that payment as a  
24 rollover into another retirement plan or account qualified  
25 under the Internal Revenue Code of 1986, as amended.

26 (d-5) Before accepting a member's irrevocable election to

1 receive an accelerated pension benefit payment under this  
2 Section, the Fund shall verify that it has a sufficient amount  
3 of moneys to pay for the accelerated pension benefit payment  
4 from the contribution remitted by the employer for that  
5 purpose. If the Fund determines it does not have sufficient  
6 moneys to make the accelerated pension benefit payment, then  
7 the Fund shall not accept the member's irrevocable election  
8 and shall notify the member of that fact. The member may  
9 reapply for the accelerated pension benefit payment after that  
10 fiscal year. If the Fund accepts the member's irrevocable  
11 election to receive an accelerated pension benefit payment  
12 under this Section, then the Fund shall transfer, from the  
13 moneys remitted to the Fund for that purpose, the amount of the  
14 accelerated pension benefit payment into the member's eligible  
15 retirement plan or qualified account.

16 (e) The Board shall adopt any rules, including emergency  
17 rules, necessary to implement this Section.

18 (f) No provision of this Section shall be interpreted in a  
19 way that would cause the applicable Fund to cease to be a  
20 qualified plan under the Internal Revenue Code of 1986.

21 (40 ILCS 5/10-104.6 new)

22 Sec. 10-104.6. Accelerated pension benefit payment in lieu  
23 of any pension benefit.

24 (a) As used in this Section:

25 "Eligible person" means a person who:

- 1           (1) has terminated service;  
2           (2) has accrued sufficient service credit to be  
3           eligible to receive a retirement annuity under this  
4           Article;  
5           (3) has not received any retirement annuity under this  
6           Article; and  
7           (4) has not made the election under Section 10-104.7.

8           "Pension benefit" means the benefits under this Article,  
9           or Article 1 as it relates to those benefits, including any  
10           anticipated annual increases, that an eligible person is  
11           entitled to upon attainment of the applicable retirement age.  
12           "Pension benefit" also includes applicable survivor's,  
13           widow's, or disability benefits.

14           (b) As soon as practical after June 30, 2026, the Fund  
15           shall calculate, using actuarial tables and other assumptions  
16           adopted by the Board, the present value of pension benefits  
17           for each eligible person who requests that information and  
18           shall offer each eligible person the opportunity to  
19           irrevocably elect to receive an amount determined by the Fund  
20           to be equal to 60% of the present value of his or her pension  
21           benefits in lieu of receiving any pension benefit. The offer  
22           shall specify the dollar amount that the eligible person will  
23           receive if he or she so elects and shall expire when a  
24           subsequent offer is made to an eligible person. An eligible  
25           person is limited to one calculation and offer per fiscal  
26           year. The Fund shall make a good faith effort to contact every

1 eligible person to notify him or her of the election.

2 Until June 30, 2028, an eligible person may irrevocably  
3 elect to receive an accelerated pension benefit payment in the  
4 amount that the Fund offers under this subsection in lieu of  
5 receiving any pension benefit. A person who elects to receive  
6 an accelerated pension benefit payment under this Section may  
7 not elect to proceed under the Retirement Systems Reciprocal  
8 Act with respect to service under this Article.

9 (c) A person's creditable service under this Article shall  
10 be terminated upon the person's receipt of an accelerated  
11 pension benefit payment under this Section, and no other  
12 benefit shall be paid under this Article based on the  
13 terminated creditable service, including any retirement,  
14 survivor, or other benefit.

15 (d) If a person who has received an accelerated pension  
16 benefit payment under this Section returns to active service  
17 under this Article, then:

18 (1) Any benefits under the Fund earned as a result of  
19 that return to active service shall be based solely on the  
20 person's creditable service arising from the return to  
21 active service.

22 (2) The accelerated pension benefit payment may not be  
23 repaid to the Fund, and the terminated creditable service  
24 may not under any circumstances be reinstated.

25 (e) As a condition of receiving an accelerated pension  
26 benefit payment, the accelerated pension benefit payment must

1 be transferred into a tax qualified retirement plan or  
2 account. The accelerated pension benefit payment under this  
3 Section may be subject to withholding or payment of applicable  
4 taxes, but to the extent permitted by federal law, a person who  
5 receives an accelerated pension benefit payment under this  
6 Section must direct the Fund to pay all of that payment as a  
7 rollover into another retirement plan or account qualified  
8 under the Internal Revenue Code of 1986, as amended.

9 (f) Before accepting a member's irrevocable election to  
10 receive an accelerated pension benefit payment under this  
11 Section, the Fund shall verify that it has a sufficient amount  
12 of moneys to pay for the accelerated pension benefit payment  
13 from the contribution remitted by the employer for that  
14 purpose. If the Fund determines it does not have sufficient  
15 moneys to make the accelerated pension benefit payment, then  
16 the Fund shall not accept the member's irrevocable election  
17 and shall notify the member of that fact. The member may  
18 reapply for the accelerated pension benefit payment after that  
19 fiscal year. If the Fund accepts the member's irrevocable  
20 election to receive an accelerated pension benefit payment  
21 under this Section, then the Fund shall transfer, from the  
22 moneys remitted to the Fund for that purpose, the amount of the  
23 accelerated pension benefit payment into the member's eligible  
24 retirement plan or qualified account.

25 (g) The Board shall adopt any rules, including emergency  
26 rules, necessary to implement this Section.

1       (h) No provision of this Section shall be interpreted in a  
2 way that would cause the applicable Fund to cease to be a  
3 qualified plan under the Internal Revenue Code of 1986.

4       (40 ILCS 5/10-104.7 new)

5       Sec. 10-104.7. Accelerated pension benefit payment for a  
6 reduction in annual retirement annuity and widow's annuity  
7 increases.

8       (a) As used in this Section:

9       "Accelerated pension benefit payment" means a lump-sum  
10 payment equal to 70% of the difference of the present value of  
11 the automatic annual increases to a Tier 1 member's retirement  
12 annuity and widow's annuity using the formula applicable to  
13 the Tier 1 member and the present value of the automatic annual  
14 increases to the Tier 1 member's retirement annuity using the  
15 formula provided under subsection (b-5) and widow's annuity  
16 using the formula provided under subsection (b-6). "Eligible  
17 person" means a person who:

18           (1) is a Tier 1 member;

19           (2) has submitted an application for a retirement  
20 annuity under this Article;

21           (3) meets the age and service requirements for  
22 receiving a retirement annuity under this Article;

23           (4) has not received any retirement annuity under this  
24 Article; and

25           (5) has not made the election under Section 10-104.6.

1       "Tier 1 member" means a person who first became a  
2 participant under this Article or any reciprocal retirement  
3 system or pension fund established under this Code before  
4 January 1, 2011.

5       (b) As soon as practical after June 30, 2026 and until June  
6 30, 2028, the Fund shall implement an accelerated pension  
7 benefit payment option for eligible persons. Upon the request  
8 of an eligible person, the Fund shall calculate, using  
9 actuarial tables and other assumptions adopted by the Board,  
10 an accelerated pension benefit payment amount and shall offer  
11 that eligible person the opportunity to irrevocably elect to  
12 have his or her automatic annual increases in retirement  
13 annuity calculated in accordance with the formula provided  
14 under subsection (b-5) and any increases in widow's annuity  
15 payable to his or her widow's annuity beneficiary calculated  
16 in accordance with the formula provided under subsection (b-6)  
17 in exchange for the accelerated pension benefit payment. The  
18 election under this subsection must be made before the  
19 eligible person receives the first payment of a retirement  
20 annuity otherwise payable under this Article.

21       (b-5) Notwithstanding any other provision of law, the  
22 retirement annuity of a person who made the election under  
23 subsection (b) shall be subject to annual increases on the  
24 January 1 occurring either on or after the attainment of age 67  
25 or the first anniversary of the annuity start date, whichever  
26 is later. Each annual increase shall be calculated at 1.5% of

1 the originally granted retirement annuity.

2 (b-6) Notwithstanding any other provision of law, a  
3 widow's annuity payable to a widow's annuity beneficiary of a  
4 person who made the election under subsection (b) shall be  
5 subject to annual increases on the January 1 occurring on or  
6 after the first anniversary of the commencement of the  
7 annuity. Each annual increase shall be calculated at 1.5% of  
8 the originally granted widow's annuity.

9 (c) If a person who has received an accelerated pension  
10 benefit payment returns to active service under this Article,  
11 then:

12 (1) the calculation of any future automatic annual  
13 increase in retirement annuity shall be calculated in  
14 accordance with the formula provided under subsection  
15 (b-5); and

16 (2) the accelerated pension benefit payment may not be  
17 repaid to the Fund.

18 (d) As a condition of receiving an accelerated pension  
19 benefit payment, the accelerated pension benefit payment must  
20 be transferred into a tax qualified retirement plan or  
21 account. The accelerated pension benefit payment under this  
22 Section may be subject to withholding or payment of applicable  
23 taxes, but to the extent permitted by federal law, a person who  
24 receives an accelerated pension benefit payment under this  
25 Section must direct the Fund to pay all of that payment as a  
26 rollover into another retirement plan or account qualified

1 under the Internal Revenue Code of 1986, as amended.

2 (d-5) Before accepting a member's irrevocable election to  
3 receive an accelerated pension benefit payment under this  
4 Section, the Fund shall verify that it has a sufficient amount  
5 of moneys to pay for the accelerated pension benefit payment  
6 from the contribution remitted by the employer for that  
7 purpose. If the Fund determines it does not have sufficient  
8 moneys to make the accelerated pension benefit payment, then  
9 the Fund shall not accept the member's irrevocable election  
10 and shall notify the member of that fact. The member may  
11 reapply for the accelerated pension benefit payment after that  
12 fiscal year. If the Fund accepts the member's irrevocable  
13 election to receive an accelerated pension benefit payment  
14 under this Section, then the Fund shall transfer, from the  
15 moneys remitted to the Fund for that purpose, the amount of the  
16 accelerated pension benefit payment into the member's eligible  
17 retirement plan or qualified account.

18 (e) The Board shall adopt any rules, including emergency  
19 rules, necessary to implement this Section.

20 (f) No provision of this Section shall be interpreted in a  
21 way that would cause the applicable Fund to cease to be a  
22 qualified plan under the Internal Revenue Code of 1986.

23 (40 ILCS 5/11-223.5 new)

24 Sec. 11-223.5. Accelerated pension benefit payment in lieu  
25 of any pension benefit.

1 (a) As used in this Section:

2 "Eligible person" means a person who:

3 (1) has terminated service;

4 (2) has accrued sufficient service credit to be  
5 eligible to receive a retirement annuity under this  
6 Article;

7 (3) has not received any retirement annuity under this  
8 Article; and

9 (4) has not made the election under Section 11-223.6.

10 "Pension benefit" means the benefits under this Article,  
11 or Article 1 as it relates to those benefits, including any  
12 anticipated annual increases, that an eligible person is  
13 entitled to upon attainment of the applicable retirement age.  
14 "Pension benefit" also includes applicable survivor's,  
15 widow's, or disability benefits.

16 (b) As soon as practical after June 30, 2026, the Fund  
17 shall calculate, using actuarial tables and other assumptions  
18 adopted by the Board, the present value of pension benefits  
19 for each eligible person who requests that information and  
20 shall offer each eligible person the opportunity to  
21 irrevocably elect to receive an amount determined by the Fund  
22 to be equal to 60% of the present value of his or her pension  
23 benefits in lieu of receiving any pension benefit. The offer  
24 shall specify the dollar amount that the eligible person will  
25 receive if he or she so elects and shall expire when a  
26 subsequent offer is made to an eligible person. An eligible

1 person is limited to one calculation and offer per fiscal  
2 year. The Fund shall make a good faith effort to contact every  
3 eligible person to notify him or her of the election.

4 Until June 30, 2028, an eligible person may irrevocably  
5 elect to receive an accelerated pension benefit payment in the  
6 amount that the Fund offers under this subsection in lieu of  
7 receiving any pension benefit. A person who elects to receive  
8 an accelerated pension benefit payment under this Section may  
9 not elect to proceed under the Retirement Systems Reciprocal  
10 Act with respect to service under this Article.

11 (c) A person's creditable service under this Article shall  
12 be terminated upon the person's receipt of an accelerated  
13 pension benefit payment under this Section, and no other  
14 benefit shall be paid under this Article based on the  
15 terminated creditable service, including any retirement,  
16 survivor, widow, or other benefit.

17 (d) If a person who has received an accelerated pension  
18 benefit payment under this Section returns to active service  
19 under this Article, then:

20 (1) Any benefits under the Fund earned as a result of  
21 that return to active service shall be based solely on the  
22 person's creditable service arising from the return to  
23 active service.

24 (2) The accelerated pension benefit payment may not be  
25 repaid to the Fund, and the terminated creditable service  
26 may not under any circumstances be reinstated.

1       (e) As a condition of receiving an accelerated pension  
2 benefit payment, the accelerated pension benefit payment must  
3 be transferred into a tax qualified retirement plan or  
4 account. The accelerated pension benefit payment under this  
5 Section may be subject to withholding or payment of applicable  
6 taxes, but to the extent permitted by federal law, a person who  
7 receives an accelerated pension benefit payment under this  
8 Section must direct the Fund to pay all of that payment as a  
9 rollover into another retirement plan or account qualified  
10 under the Internal Revenue Code of 1986, as amended.

11       (f) Before accepting a member's irrevocable election to  
12 receive an accelerated pension benefit payment under this  
13 Section, the Fund shall verify that it has a sufficient amount  
14 of moneys to pay for the accelerated pension benefit payment  
15 from the contribution remitted by the employer for that  
16 purpose. If the Fund determines it does not have sufficient  
17 moneys to make the accelerated pension benefit payment, then  
18 the Fund shall not accept the member's irrevocable election  
19 and shall notify the member of that fact. The member may  
20 reapply for the accelerated pension benefit payment after that  
21 fiscal year. If the Fund accepts the member's irrevocable  
22 election to receive an accelerated pension benefit payment  
23 under this Section, then the Fund shall transfer, from the  
24 moneys remitted to the Fund for that purpose, the amount of the  
25 accelerated pension benefit payment into the member's eligible  
26 retirement plan or qualified account.

1       (g) The Board shall adopt any rules, including emergency  
2 rules, necessary to implement this Section.

3       (h) No provision of this Section shall be interpreted in a  
4 way that would cause the applicable Fund to cease to be a  
5 qualified plan under the Internal Revenue Code of 1986.

6           (40 ILCS 5/11-223.6 new)

7       Sec. 11-223.6. Accelerated pension benefit payment for a  
8 reduction in annual retirement annuity and widow's annuity  
9 increases.

10       (a) As used in this Section:

11       "Accelerated pension benefit payment" means a lump-sum  
12 payment equal to 70% of the difference of the present value of  
13 the automatic annual increases to a Tier 1 member's retirement  
14 annuity and widow's annuity using the formula applicable to  
15 the Tier 1 member and the present value of the automatic annual  
16 increases to the Tier 1 member's retirement annuity using the  
17 formula provided under subsection (b-5).

18       "Eligible person" means a person who:

19           (1) is a Tier 1 member;

20           (2) has submitted an application for a retirement  
21 annuity under this Article;

22           (3) meets the age and service requirements for  
23 receiving a retirement annuity under this Article;

24           (4) has not received any retirement annuity under this  
25 Article; and

1           (5) has not made the election under Section 11-223.5.

2           "Tier 1 member" means a person who first became a  
3 participant under this Article or any reciprocal retirement  
4 system or pension fund established under this Code before  
5 January 1, 2011.

6           (b) As soon as practical after June 30, 2026 and until June  
7 30, 2028, the Fund shall implement an accelerated pension  
8 benefit payment option for eligible persons. Upon the request  
9 of an eligible person, the Fund shall calculate, using  
10 actuarial tables and other assumptions adopted by the Board,  
11 an accelerated pension benefit payment amount and shall offer  
12 that eligible person the opportunity to irrevocably elect to  
13 have his or her automatic annual increases in retirement  
14 annuity calculated in accordance with the formula provided  
15 under subsection (b-5) in exchange for the accelerated pension  
16 benefit payment. The election under this subsection must be  
17 made before the eligible person receives the first payment of  
18 a retirement annuity otherwise payable under this Article.

19           (b-5) Notwithstanding any other provision of law, the  
20 retirement annuity of a person who made the election under  
21 subsection (b) shall be subject to annual increases on the  
22 January 1 occurring either on or after the attainment of age 67  
23 or the first anniversary of the annuity start date, whichever  
24 is later. Each annual increase shall be calculated at 1.5% of  
25 the originally granted retirement annuity.

26           (c) If a person who has received an accelerated pension

1 benefit payment returns to active service under this Article,  
2 then:

3 (1) the calculation of any future automatic annual  
4 increase in retirement annuity shall be calculated in  
5 accordance with the formula provided under subsection  
6 (b-5); and

7 (2) the accelerated pension benefit payment may not be  
8 repaid to the Fund.

9 (d) As a condition of receiving an accelerated pension  
10 benefit payment, the accelerated pension benefit payment must  
11 be transferred into a tax qualified retirement plan or  
12 account. The accelerated pension benefit payment under this  
13 Section may be subject to withholding or payment of applicable  
14 taxes, but to the extent permitted by federal law, a person who  
15 receives an accelerated pension benefit payment under this  
16 Section must direct the Fund to pay all of that payment as a  
17 rollover into another retirement plan or account qualified  
18 under the Internal Revenue Code of 1986, as amended.

19 (d-5) Upon receipt of a member's irrevocable election to  
20 receive an accelerated pension benefit payment under this  
21 Section, the Fund shall submit a voucher to the Comptroller  
22 for payment of the member's accelerated pension benefit  
23 payment. The Comptroller shall transfer the amount of the  
24 voucher to the Fund, and the Fund shall transfer the amount  
25 into a member's eligible retirement plan or qualified account.

26 (e) The Board shall adopt any rules, including emergency

1 rules, necessary to implement this Section.

2 (f) No provision of this Section shall be interpreted in a  
3 way that would cause the applicable Fund to cease to be a  
4 qualified plan under the Internal Revenue Code of 1986.

5 (40 ILCS 5/12-133.8 new)

6 Sec. 12-133.8. Accelerated pension benefit payment in lieu  
7 of any pension benefit.

8 (a) As used in this Section:

9 "Eligible person" means a person who:

10 (1) has terminated service;

11 (2) has accrued sufficient service credit to be  
12 eligible to receive a retirement annuity under this  
13 Article;

14 (3) has not received any retirement annuity under this  
15 Article; and

16 (4) has not made the election under Section 12-133.9.

17 "Pension benefit" means the benefits under this Article,  
18 or Article 1 as it relates to those benefits, including any  
19 anticipated annual increases, that an eligible person is  
20 entitled to upon attainment of the applicable retirement age.

21 "Pension benefit" also includes applicable survivor's,  
22 surviving spouse's, or disability benefits.

23 (b) As soon as practical after June 30, 2026, the Fund  
24 shall calculate, using actuarial tables and other assumptions  
25 adopted by the Board, the present value of pension benefits

1 for each eligible person who requests that information and  
2 shall offer each eligible person the opportunity to  
3 irrevocably elect to receive an amount determined by the Fund  
4 to be equal to 60% of the present value of his or her pension  
5 benefits in lieu of receiving any pension benefit. The offer  
6 shall specify the dollar amount that the eligible person will  
7 receive if he or she so elects and shall expire when a  
8 subsequent offer is made to an eligible person. An eligible  
9 person is limited to one calculation and offer per fiscal  
10 year. The Fund shall make a good faith effort to contact every  
11 eligible person to notify him or her of the election.

12 Until June 30, 2028, an eligible person may irrevocably  
13 elect to receive an accelerated pension benefit payment in the  
14 amount that the Fund offers under this subsection in lieu of  
15 receiving any pension benefit. A person who elects to receive  
16 an accelerated pension benefit payment under this Section may  
17 not elect to proceed under the Retirement Systems Reciprocal  
18 Act with respect to service under this Article.

19 (c) A person's creditable service under this Article shall  
20 be terminated upon the person's receipt of an accelerated  
21 pension benefit payment under this Section, and no other  
22 benefit shall be paid under this Article based on the  
23 terminated creditable service, including any retirement,  
24 survivor, or other benefit.

25 (d) If a person who has received an accelerated pension  
26 benefit payment under this Section returns to active service

1 under this Article, then:

2 (1) Any benefits under the Fund earned as a result of  
3 that return to active service shall be based solely on the  
4 person's creditable service arising from the return to  
5 active service.

6 (2) The accelerated pension benefit payment may not be  
7 repaid to the Fund, and the terminated creditable service  
8 may not under any circumstances be reinstated.

9 (e) As a condition of receiving an accelerated pension  
10 benefit payment, the accelerated pension benefit payment must  
11 be transferred into a tax qualified retirement plan or  
12 account. The accelerated pension benefit payment under this  
13 Section may be subject to withholding or payment of applicable  
14 taxes, but to the extent permitted by federal law, a person who  
15 receives an accelerated pension benefit payment under this  
16 Section must direct the Fund to pay all of that payment as a  
17 rollover into another retirement plan or account qualified  
18 under the Internal Revenue Code of 1986, as amended.

19 (f) Before accepting a member's irrevocable election to  
20 receive an accelerated pension benefit payment under this  
21 Section, the Fund shall verify that it has a sufficient amount  
22 of moneys to pay for the accelerated pension benefit payment  
23 from the contribution remitted by the employer for that  
24 purpose. If the Fund determines it does not have sufficient  
25 moneys to make the accelerated pension benefit payment, then  
26 the Fund shall not accept the member's irrevocable election

1 and shall notify the member of that fact. The member may  
2 reapply for the accelerated pension benefit payment after that  
3 fiscal year. If the Fund accepts the member's irrevocable  
4 election to receive an accelerated pension benefit payment  
5 under this Section, then the Fund shall transfer, from the  
6 moneys remitted to the Fund for that purpose, the amount of the  
7 accelerated pension benefit payment into the member's eligible  
8 retirement plan or qualified account.

9 (g) The Board shall adopt any rules, including emergency  
10 rules, necessary to implement this Section.

11 (h) No provision of this Section shall be interpreted in a  
12 way that would cause the applicable Fund to cease to be a  
13 qualified plan under the Internal Revenue Code of 1986.

14 (40 ILCS 5/12-133.9 new)

15 Sec. 12-133.9. Accelerated pension benefit payment for a  
16 reduction in annual retirement annuity and surviving spouse's  
17 annuity increases.

18 (a) As used in this Section:

19 "Accelerated pension benefit payment" means a lump-sum  
20 payment equal to 70% of the difference of the present value of  
21 the automatic annual increases to a Tier 1 member's retirement  
22 annuity and surviving spouse's annuity using the formula  
23 applicable to the Tier 1 member and the present value of the  
24 automatic annual increases to the Tier 1 member's retirement  
25 annuity using the formula provided under subsection (b-5) and

1 surviving spouse's annuity using the formula provided under  
2 subsection (b-6). "Eligible person" means a person who:

3 (1) is a Tier 1 member;

4 (2) has submitted an application for a retirement  
5 annuity under this Article;

6 (3) meets the age and service requirements for  
7 receiving a retirement annuity under this Article;

8 (4) has not received any retirement annuity under this  
9 Article; and

10 (5) has not made the election under Section 12-133.9.

11 "Tier 1 member" means a person who first became a  
12 participant under this Article or any reciprocal retirement  
13 system or pension fund established under this Code before  
14 January 1, 2011.

15 (b) As soon as practical after June 30, 2026 and until June  
16 30, 2028, the Fund shall implement an accelerated pension  
17 benefit payment option for eligible persons. Upon the request  
18 of an eligible person, the Fund shall calculate, using  
19 actuarial tables and other assumptions adopted by the Board,  
20 an accelerated pension benefit payment amount and shall offer  
21 that eligible person the opportunity to irrevocably elect to  
22 have his or her automatic annual increases in retirement  
23 annuity calculated in accordance with the formula provided  
24 under subsection (b-5) and any increases in surviving spouse's  
25 annuity payable to his or her surviving spouse's annuity  
26 beneficiary calculated in accordance with the formula provided

1 under subsection (b-6) in exchange for the accelerated pension  
2 benefit payment. The election under this subsection must be  
3 made before the eligible person receives the first payment of  
4 a retirement annuity otherwise payable under this Article.

5 (b-5) Notwithstanding any other provision of law, the  
6 retirement annuity of a person who made the election under  
7 subsection (b) shall be subject to annual increases on the  
8 January 1 occurring either on or after the attainment of age 67  
9 or the first anniversary of the annuity start date, whichever  
10 is later. Each annual increase shall be calculated at 1.5% of  
11 the originally granted retirement annuity.

12 (b-6) Notwithstanding any other provision of law, a  
13 surviving spouse's annuity payable to a surviving spouse's  
14 annuity beneficiary of a person who made the election under  
15 subsection (b) shall be subject to annual increases on the  
16 January 1 occurring on or after the first anniversary of the  
17 commencement of the annuity. Each annual increase shall be  
18 calculated at 1.5% of the originally granted surviving  
19 spouse's annuity.

20 (c) If a person who has received an accelerated pension  
21 benefit payment returns to active service under this Article,  
22 then:

23 (1) the calculation of any future automatic annual  
24 increase in retirement annuity shall be calculated in  
25 accordance with the formula provided under subsection  
26 (b-5); and

1           (2) the accelerated pension benefit payment may not be  
2           repaid to the Fund.

3           (d) As a condition of receiving an accelerated pension  
4           benefit payment, the accelerated pension benefit payment must  
5           be transferred into a tax qualified retirement plan or  
6           account. The accelerated pension benefit payment under this  
7           Section may be subject to withholding or payment of applicable  
8           taxes, but to the extent permitted by federal law, a person who  
9           receives an accelerated pension benefit payment under this  
10           Section must direct the Fund to pay all of that payment as a  
11           rollover into another retirement plan or account qualified  
12           under the Internal Revenue Code of 1986, as amended.

13           (d-5) Before accepting a member's irrevocable election to  
14           receive an accelerated pension benefit payment under this  
15           Section, the Fund shall verify that it has a sufficient amount  
16           of moneys to pay for the accelerated pension benefit payment  
17           from the contribution remitted by the employer for that  
18           purpose. If the Fund determines it does not have sufficient  
19           moneys to make the accelerated pension benefit payment, then  
20           the Fund shall not accept the member's irrevocable election  
21           and shall notify the member of that fact. The member may  
22           reapply for the accelerated pension benefit payment after that  
23           fiscal year. If the Fund accepts the member's irrevocable  
24           election to receive an accelerated pension benefit payment  
25           under this Section, then the Fund shall transfer, from the  
26           moneys remitted to the Fund for that purpose, the amount of the

1 accelerated pension benefit payment into the member's eligible  
2 retirement plan or qualified account.

3 (e) The Board shall adopt any rules, including emergency  
4 rules, necessary to implement this Section.

5 (f) No provision of this Section shall be interpreted in a  
6 way that would cause the applicable Fund to cease to be a  
7 qualified plan under the Internal Revenue Code of 1986.

8 Section 10. The Counties Code is amended by adding Section  
9 3-14050 as follows:

10 (55 ILCS 5/3-14050 new)

11 Sec. 3-14050. Accelerated pension benefit program;  
12 counties with more than 3,000,000 inhabitants.

13 (a) The county board of a county of more than 3,000,000  
14 inhabitants shall establish an accelerated pension benefit  
15 program for the pension funds established under Articles 9 and  
16 10 of the Illinois Pension Code. The accelerated pension  
17 benefit program shall provide eligible participants the option  
18 to elect an accelerated pension benefit payment in accordance  
19 with the applicable provisions of Articles 9 and 10 of the  
20 Illinois Pension Code authorizing accelerated pension benefit  
21 payments.

22 (b) The county shall remit to the pension fund, not later  
23 than 30 days prior to the beginning of the fiscal year for  
24 which the accelerated pension benefit program is to be made

1 available, a contribution to the pension fund in an amount  
2 determined by the county, which may be a contribution of zero  
3 dollars. The contribution shall constitute the total funding  
4 available to that pension fund for accelerated pension benefit  
5 payments for that fiscal year, and accelerated pension benefit  
6 payments shall be issued by the applicable pension fund in  
7 accordance with the provisions concerning accelerated pension  
8 benefit payment until the contributed amount is exhausted. The  
9 contribution for the accelerated pension benefit payments may  
10 be made using any lawful funding mechanism authorized under  
11 this Code, including, but not limited to:

12 (1) the issuance of bonds authorized under this Code;

13 (2) lawful appropriations from available county  
14 revenues;

15 (3) transfers from lawfully available funds; or

16 (4) any combination thereof.

17 Nothing in this Section shall be construed to expand or  
18 limit the county's authority to issue bonds beyond those  
19 otherwise provided in this Code.

20 (c) This Section shall be construed as supplemental to  
21 existing county powers and shall not be interpreted to impair  
22 any existing contractual obligation or pension benefit  
23 protected under the Illinois Constitution.

24 Section 15. The Illinois Municipal Code is amended by  
25 adding Section 10-4-13 as follows:

1 (65 ILCS 5/10-4-13 new)

2 Sec. 10-4-13. Accelerated pension benefit program.

3 (a) The corporate authorities of a municipality shall  
4 establish an accelerated pension benefit Program for the  
5 pension funds established under Article 3, 4, 5, 6, 8, 11, or  
6 12 of the Illinois Pension Code to which the municipality  
7 contributes. The accelerated pension benefit program shall  
8 provide eligible participants the option to elect an  
9 accelerated pension benefit payment with regard to employees  
10 of that municipality who participate in a pension fund  
11 established under Article 3, 4, 5, 6, 8, 11, or 12 of the  
12 Illinois Pension Code in accordance with the applicable  
13 provisions of the Illinois Pension Code authorizing  
14 accelerated pension benefit payments.

15 (b) The municipality shall remit to the pension fund, not  
16 later than 30 days prior to the beginning of the fiscal year  
17 for which the accelerated pension benefit program is to be  
18 made available, a contribution to the pension fund in an  
19 amount determined by the municipality, which may be a  
20 contribution of zero dollars. The contribution shall  
21 constitute the total funding available to that pension fund  
22 for accelerated pension benefit payments for that fiscal year,  
23 and accelerated pension benefit payments shall be issued by  
24 the applicable pension fund in accordance with the provisions  
25 concerning accelerated pension benefit payment until the

1 contributed amount is exhausted. The contribution for the  
2 accelerated pension benefit payments may be made using any  
3 lawful funding mechanism authorized under this Code,  
4 including, but not limited to:

5 (1) the issuance of bonds authorized under this Code;

6 (2) lawful appropriations from available municipal  
7 revenues;

8 (3) transfers from lawfully available funds; or

9 (4) any combination thereof.

10 Nothing in this Section shall be construed to expand or  
11 limit the municipality's authority to issue bonds beyond those  
12 otherwise provided in this Code.

13 (c) This Section shall be construed as supplemental to  
14 existing municipal powers and shall not be interpreted to  
15 impair any existing contractual obligation or pension benefit  
16 protected under the Illinois Constitution.

17 Section 90. The State Mandates Act is amended by adding  
18 Section 8.50 as follows:

19 (30 ILCS 805/8.50 new)

20 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and  
21 8 of this Act, no reimbursement by the State is required for  
22 the implementation of any mandate created by this amendatory  
23 Act of the 104th General Assembly.

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.

1 INDEX

2 Statutes amended in order of appearance

- 3 40 ILCS 5/3-144.3 new
- 4 40 ILCS 5/3-144.4 new
- 5 40 ILCS 5/4-138.15 new
- 6 40 ILCS 5/4-138.16 new
- 7 40 ILCS 5/5-218.5 new
- 8 40 ILCS 5/5-218.6 new
- 9 40 ILCS 5/6-213.5 new
- 10 40 ILCS 5/6-213.6 new
- 11 40 ILCS 5/8-244.5 new
- 12 40 ILCS 5/8-244.6 new
- 13 40 ILCS 5/9-134.6 new
- 14 40 ILCS 5/9-134.7 new
- 15 40 ILCS 5/10-104.6 new
- 16 40 ILCS 5/10-104.7 new
- 17 40 ILCS 5/11-223.5 new
- 18 40 ILCS 5/11-223.6 new
- 19 40 ILCS 5/12-133.8 new
- 20 40 ILCS 5/12-133.9 new
- 21 55 ILCS 5/3-14050 new
- 22 65 ILCS 5/10-4-13 new
- 23 30 ILCS 805/8.50 new