



Sen. Robert F. Martwick

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10400SB3404sam001

LRB104 18864 RPS 37002 a

1 AMENDMENT TO SENATE BILL 3404

2 AMENDMENT NO. _____. Amend Senate Bill 3404 by replacing
3 everything after the enacting clause with the following:

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, 12-133.9,
8 17-120.5, and 17-120.6 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

1 Article;

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

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

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) If an employer has elected to provide funding for an
12 accelerated pension benefit program, then as soon as practical
13 after June 30, 2026 or as soon as practical after the employer
14 has made that election, whichever is later, the fund shall
15 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.

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

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

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

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

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

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

6 (f) Before accepting a member's irrevocable election to
7 receive an accelerated pension benefit payment under this
8 Section, the fund shall verify that it has a sufficient amount
9 of moneys to pay for the accelerated pension benefit payment
10 from the contribution remitted by the employer for that
11 purpose. Moneys remitted to the fund for the purpose of the
12 accelerated pension benefit program must be kept in a separate
13 account. 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. Elections shall be processed and paid in the
19 order in which complete applications are received by the fund,
20 subject to the availability of funds. If the fund accepts the
21 member's irrevocable election to receive an accelerated
22 pension benefit payment under this Section, then the fund
23 shall transfer, from the moneys remitted to the fund for that
24 purpose, the amount of the accelerated pension benefit payment
25 into the member's eligible retirement plan or qualified
26 account. If any moneys remain in the account maintained by the

1 fund for the purpose of the accelerated pension benefit
2 program at the end of the fiscal year, the fund must remit
3 those moneys back to the employer within one month after the
4 end of the fiscal year, unless the employer notifies the fund
5 at least one month before the end of the fiscal year that the
6 funds shall remain in the account to be used for the subsequent
7 fiscal year.

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 5/3-144.4 new)

14 Sec. 3-144.4. Accelerated pension benefit payment for a
15 reduction in annual retirement pension 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 pension using the formula applicable to the Tier 1 member and
21 the present value of the automatic annual increases to the
22 Tier 1 member's retirement pension using the formula provided
23 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 pension under this Article;

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

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

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

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

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

1 payable under this Article. An eligible person is limited to
2 one calculation and offer per fiscal year.

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

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

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

17 (2) the accelerated pension benefit payment may not be
18 repaid to the fund.

19 (d) 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 (d-5) 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. Moneys remitted to the fund for the purpose of this
9 program must be kept in a separate account. If the fund
10 determines it does not have sufficient moneys to make the
11 accelerated pension benefit payment, then the fund shall not
12 accept the member's irrevocable election and shall notify the
13 member of that fact. The member may reapply for the
14 accelerated pension benefit payment after that fiscal year.
15 Elections shall be processed and paid in the order in which
16 complete applications are received by the fund, subject to the
17 availability of funds. If the fund accepts the member's
18 irrevocable election to receive an accelerated pension benefit
19 payment under this Section, then the fund shall transfer, from
20 the moneys remitted to the fund for that purpose, the amount of
21 the accelerated pension benefit payment into the member's
22 eligible retirement plan or qualified account. If any moneys
23 remain in the account at the end of the fiscal year, the fund
24 must remit those moneys back to the employer within one month
25 after the end of the fiscal year, unless the employer notifies
26 the fund at least one month before the end of the fiscal year

1 that the funds shall remain in the account to be used for the
2 accelerated pension benefit program for the subsequent fiscal
3 year.

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

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

9 (40 ILCS 5/4-138.15 new)

10 Sec. 4-138.15. 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 4-138.16.

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
24 entitled to upon attainment of the applicable retirement age.

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

1 disability benefits.

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

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

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

1 terminated creditable service, including any retirement,
2 survivor, or other benefit.

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

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

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

13 (e) 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 (f) 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. Moneys remitted to the fund for the purpose of the
3 accelerated pension benefit program must be kept in a separate
4 account. If the fund determines it does not have sufficient
5 moneys to make the accelerated pension benefit payment, then
6 the fund shall not accept the member's irrevocable election
7 and shall notify the member of that fact. The member may
8 reapply for the accelerated pension benefit payment after that
9 fiscal year. Elections shall be processed and paid in the
10 order in which complete applications are received by the fund,
11 subject to the availability of funds. If the fund accepts the
12 member's irrevocable election to receive an accelerated
13 pension benefit payment under this Section, then the fund
14 shall transfer, from the moneys remitted to the fund for that
15 purpose, the amount of the accelerated pension benefit payment
16 into the member's eligible retirement plan or qualified
17 account. If any moneys remain in the account maintained by the
18 fund for the purpose of the accelerated pension benefit
19 program at the end of the fiscal year, the fund must remit
20 those moneys back to the employer within one month after the
21 end of the fiscal year, unless the employer notifies the fund
22 at least one month before the end of the fiscal year that the
23 funds shall remain in the account to be used for the subsequent
24 fiscal year.

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 5/4-138.16 new)

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

7 (a) As used in this Section:

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

15 "Eligible person" means a person who:

16 (1) is a Tier 1 member;

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

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

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

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

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

1 (b) Until June 30, 2028, if an employer elects to provide
2 funding for an accelerated pension benefit program, then as
3 soon as practical after June 30, 2026 or as soon as practical
4 after the employer makes that election, whichever is later,
5 the fund shall implement an accelerated pension benefit
6 payment option for eligible persons. Upon the request of an
7 eligible person, if the employer has elected to provide
8 funding for an accelerated pension benefit program, the fund
9 shall calculate, using actuarial tables and other assumptions
10 adopted by the Board, an accelerated pension benefit payment
11 amount and shall offer that eligible person the opportunity to
12 irrevocably elect to have his or her automatic annual
13 increases in retirement pension calculated in accordance with
14 the formula provided under subsection (b-5) in exchange for
15 the accelerated pension benefit payment. The election under
16 this subsection must be made before the eligible person
17 receives the first payment of a retirement pension otherwise
18 payable under this Article. An eligible person is limited to
19 one calculation and offer per fiscal year.

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

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

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

8 (2) the accelerated pension benefit payment may not be
9 repaid to the fund.

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

20 (d-5) Before accepting a member's irrevocable election to
21 receive an accelerated pension benefit payment under this
22 Section, the fund shall verify that it has a sufficient amount
23 of moneys to pay for the accelerated pension benefit payment
24 from the contribution remitted by the employer for that
25 purpose. Moneys remitted to the fund for the purpose of this
26 program must be kept in a separate account. If the fund

1 determines it does not have sufficient moneys to make the
2 accelerated pension benefit payment, then the fund shall not
3 accept the member's irrevocable election and shall notify the
4 member of that fact. The member may reapply for the
5 accelerated pension benefit payment after that fiscal year.
6 Elections shall be processed and paid in the order in which
7 complete applications are received by the fund, subject to the
8 availability of funds. If the fund accepts the member's
9 irrevocable election to receive an accelerated pension benefit
10 payment under this Section, then the fund shall transfer, from
11 the moneys remitted to the fund for that purpose, the amount of
12 the accelerated pension benefit payment into the member's
13 eligible retirement plan or qualified account. If any moneys
14 remain in the account at the end of the fiscal year, the fund
15 must remit those moneys back to the employer within one month
16 after the end of the fiscal year, unless the employer notifies
17 the fund at least one month before the end of the fiscal year
18 that the funds shall remain in the account to be used for the
19 accelerated pension benefit program for the subsequent fiscal
20 year.

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

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

1 (40 ILCS 5/5-218.5 new)

2 Sec. 5-218.5. Accelerated pension benefit payment in lieu
3 of any pension benefit.

4 (a) As used in this Section:

5 "Eligible person" means a person who:

6 (1) has terminated service;

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

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

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

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

19 (b) If an employer has elected to provide funding for an
20 accelerated pension benefit program, then as soon as practical
21 after June 30, 2026 or as soon as practical after the employer
22 has made that election, whichever is later, the Fund shall
23 calculate, using actuarial tables and other assumptions
24 adopted by the Board, the present value of pension benefits
25 for each eligible person who requests that information and
26 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.

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

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

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

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

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

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

1 order in which complete applications are received by the Fund,
2 subject to the availability of funds. If the Fund accepts the
3 member's irrevocable election to receive an accelerated
4 pension benefit payment under this Section, then the Fund
5 shall transfer, from the moneys remitted to the Fund for that
6 purpose, the amount of the accelerated pension benefit payment
7 into the member's eligible retirement plan or qualified
8 account. If any moneys remain in the account maintained by the
9 Fund for the purpose of the accelerated pension benefit
10 program at the end of the fiscal year, the Fund must remit
11 those moneys back to the employer within one month after the
12 end of the fiscal year, unless the employer notifies the Fund
13 at least one month before the end of the fiscal year that the
14 funds shall remain in the account to be used for the subsequent
15 fiscal year.

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

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

21 (40 ILCS 5/5-218.6 new)

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

24 (a) As used in this Section:

25 "Accelerated pension benefit payment" means a lump sum

1 payment equal to 70% of the difference of the present value of
2 the automatic annual increases to a Tier 1 member's retirement
3 annuity and survivor's annuity using the formula applicable to
4 the Tier 1 member and the present value of the automatic annual
5 increases to the Tier 1 member's retirement annuity using the
6 formula provided under subsection (b-5).

7 "Eligible person" means a person who:

8 (1) is a Tier 1 member;

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

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

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

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

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

18 (b) Until June 30, 2028, if an employer elects to provide
19 funding for an accelerated pension benefit program, then as
20 soon as practical after June 30, 2026 or as soon as practical
21 after the employer makes that election, whichever is later,
22 the Fund shall implement an accelerated pension benefit
23 payment option for eligible persons. Upon the request of an
24 eligible person, if the employer has elected to provide
25 funding for an accelerated pension benefit program, the Fund
26 shall calculate, using actuarial tables and other assumptions

1 adopted by the Board, an accelerated pension benefit payment
2 amount and shall offer that eligible person the opportunity to
3 irrevocably elect to have his or her automatic annual
4 increases in retirement pension calculated in accordance with
5 the formula provided under subsection (b-5) in exchange for
6 the accelerated pension benefit payment. The election under
7 this subsection must be made before the eligible person
8 receives the first payment of a retirement pension otherwise
9 payable under this Article. An eligible person is limited to
10 one calculation and offer per fiscal year.

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

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

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

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

1 (d) 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 (d-5) 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. Moneys remitted to the Fund for the purpose of this
17 program must be kept in a separate account. If the Fund
18 determines it does not have sufficient moneys to make the
19 accelerated pension benefit payment, then the Fund shall not
20 accept the member's irrevocable election and shall notify the
21 member of that fact. The member may reapply for the
22 accelerated pension benefit payment after that fiscal year.
23 Elections shall be processed and paid in the order in which
24 complete applications are received by the Fund, subject to the
25 availability of funds. If the Fund accepts the member's
26 irrevocable election to receive an accelerated pension benefit

1 payment under this Section, then the Fund shall transfer, from
2 the moneys remitted to the Fund for that purpose, the amount of
3 the accelerated pension benefit payment into the member's
4 eligible retirement plan or qualified account. If any moneys
5 remain in the account at the end of the fiscal year, the Fund
6 must remit those moneys back to the employer within one month
7 after the end of the fiscal year, unless the employer notifies
8 the Fund at least one month before the end of the fiscal year
9 that the funds shall remain in the account to be used for the
10 accelerated pension benefit program for the subsequent fiscal
11 year.

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

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

17 (40 ILCS 5/6-213.5 new)

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

20 (a) As used in this Section:

21 "Eligible person" means a person who:

22 (1) has terminated service;

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

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

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

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

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

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

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

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

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

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

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

1 receives an accelerated pension benefit payment under this
2 Section must direct the Fund to pay all of that payment as a
3 rollover into another retirement plan or account qualified
4 under the Internal Revenue Code of 1986, as amended.

5 (f) Before accepting a member's irrevocable election to
6 receive an accelerated pension benefit payment under this
7 Section, the Fund shall verify that it has a sufficient amount
8 of moneys to pay for the accelerated pension benefit payment
9 from the contribution remitted by the employer for that
10 purpose. Moneys remitted to the Fund for the purpose of the
11 accelerated pension benefit program must be kept in a separate
12 account. 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. Elections shall be processed and paid in the
18 order in which complete applications are received by the Fund,
19 subject to the availability of funds. If the Fund accepts the
20 member's irrevocable election to receive an accelerated
21 pension benefit payment under this Section, then the Fund
22 shall transfer, from the moneys remitted to the Fund for that
23 purpose, the amount of the accelerated pension benefit payment
24 into the member's eligible retirement plan or qualified
25 account. If any moneys remain in the account maintained by the
26 Fund for the purpose of the accelerated pension benefit

1 program at the end of the fiscal year, the Fund must remit
2 those moneys back to the employer within one month after the
3 end of the fiscal year, unless the employer notifies the Fund
4 at least one month before the end of the fiscal year that the
5 funds shall remain in the account to be used for the subsequent
6 fiscal year.

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 Fund to cease to be a qualified plan
11 under the Internal Revenue Code of 1986.

12 (40 ILCS 5/6-213.6 new)

13 Sec. 6-213.6. Accelerated pension benefit payment for a
14 reduction in annual retirement annuity increases.

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 and survivor's annuity using the formula applicable to
20 the Tier 1 member and the present value of the automatic annual
21 increases to the Tier 1 member's retirement annuity using the
22 formula provided under subsection (b-5). "Eligible person"
23 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 6-213.5.

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

9 (b) Until June 30, 2028, if an employer elects to provide
10 funding for an accelerated pension benefit program, then as
11 soon as practical after June 30, 2026 or as soon as practical
12 after the employer makes that election, whichever is later,
13 the Fund shall implement an accelerated pension benefit
14 payment option for eligible persons. Upon the request of an
15 eligible person, if the employer has elected to provide
16 funding for an accelerated pension benefit program, the Fund
17 shall calculate, using actuarial tables and other assumptions
18 adopted by the Board, an accelerated pension benefit payment
19 amount and shall offer that eligible person the opportunity to
20 irrevocably elect to have his or her automatic annual
21 increases in retirement pension calculated in accordance with
22 the formula provided under subsection (b-5) in exchange for
23 the accelerated pension benefit payment. The election under
24 this subsection must be made before the eligible person
25 receives the first payment of a retirement pension otherwise
26 payable under this Article. An eligible person is limited to

1 one calculation and offer per fiscal year.

2 (b-5) Notwithstanding any other provision of law, the
3 retirement annuity of a person who made the election under
4 subsection (b) shall be subject to annual increases on the
5 January 1 occurring either on or after the attainment of age 67
6 or the first anniversary of the annuity start date, whichever
7 is later. Each annual increase shall be calculated at 1.5% of
8 the originally granted retirement 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. Moneys remitted to the Fund for the purpose of this
8 program must be kept in a separate account. If the Fund
9 determines it does not have sufficient moneys to make the
10 accelerated pension benefit payment, then the Fund shall not
11 accept the member's irrevocable election and shall notify the
12 member of that fact. The member may reapply for the
13 accelerated pension benefit payment after that fiscal year.
14 Elections shall be processed and paid in the order in which
15 complete applications are received by the Fund, subject to the
16 availability of funds. If the Fund accepts the member's
17 irrevocable election to receive an accelerated pension benefit
18 payment under this Section, then the Fund shall transfer, from
19 the moneys remitted to the Fund for that purpose, the amount of
20 the accelerated pension benefit payment into the member's
21 eligible retirement plan or qualified account. If any moneys
22 remain in the account at the end of the fiscal year, the Fund
23 must remit those moneys back to the employer within one month
24 after the end of the fiscal year, unless the employer notifies
25 the Fund at least one month before the end of the fiscal year
26 that the funds shall remain in the account to be used for the

1 accelerated pension benefit program for the subsequent fiscal
2 year.

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 Fund to cease to be a qualified plan
7 under the Internal Revenue Code of 1986.

8 (40 ILCS 5/8-244.5 new)

9 Sec. 8-244.5. Accelerated pension benefit payment in lieu
10 of any pension benefit.

11 (a) As used in this Section:

12 "Eligible person" means a person who:

13 (1) has terminated service;

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

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

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

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

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

1 (b) If an employer has elected to provide funding for an
2 accelerated pension benefit program, then as soon as practical
3 after June 30, 2026 or as soon as practical after the employer
4 has made that election, whichever is later, the Fund shall
5 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. A person who elects to receive
22 an accelerated pension benefit payment under this Section may
23 not elect to proceed under the Retirement Systems Reciprocal
24 Act with respect to service under this Article.

25 (c) A person's creditable service under this Article shall
26 be terminated upon the person's receipt of an accelerated

1 pension benefit payment under this Section, and no other
2 benefit shall be paid under this Article based on the
3 terminated creditable service, including any retirement,
4 survivor, or other benefit.

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

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

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

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

25 (f) Before accepting a member's irrevocable election to
26 receive an accelerated pension benefit payment under this

1 Section, the Fund shall verify that it has a sufficient amount
2 of moneys to pay for the accelerated pension benefit payment
3 from the contribution remitted by the employer for that
4 purpose. Moneys remitted to the Fund for the purpose of the
5 accelerated pension benefit program must be kept in a separate
6 account. 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. Elections shall be processed and paid in the
12 order in which complete applications are received by the Fund,
13 subject to the availability of funds. If the Fund accepts the
14 member's irrevocable election to receive an accelerated
15 pension benefit payment under this Section, then the Fund
16 shall transfer, from the moneys remitted to the Fund for that
17 purpose, the amount of the accelerated pension benefit payment
18 into the member's eligible retirement plan or qualified
19 account. If any moneys remain in the account maintained by the
20 Fund for the purpose of the accelerated pension benefit
21 program at the end of the fiscal year, the Fund must remit
22 those moneys back to the employer within one month after the
23 end of the fiscal year, unless the employer notifies the Fund
24 at least one month before the end of the fiscal year that the
25 funds shall remain in the account to be used for the subsequent
26 fiscal year.

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 Fund to cease to be a qualified plan
5 under the Internal Revenue Code of 1986.

6 (40 ILCS 5/8-244.6 new)

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

9 (a) As used in this Section:

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

17 "Eligible 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 8-244.5.

1 "Tier 1 member" means an employee 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) Until June 30, 2028, if an employer elects to provide
6 funding for an accelerated pension benefit program, then as
7 soon as practical after June 30, 2026 or as soon as practical
8 after the employer makes that election, whichever is later,
9 the Fund shall implement an accelerated pension benefit
10 payment option for eligible persons. Upon the request of an
11 eligible person, if the employer has elected to provide
12 funding for an accelerated pension benefit program, the Fund
13 shall calculate, using actuarial tables and other assumptions
14 adopted by the Board, an accelerated pension benefit payment
15 amount and shall offer that eligible person the opportunity to
16 irrevocably elect to have his or her automatic annual
17 increases in retirement pension calculated in accordance with
18 the formula provided under subsection (b-5) in exchange for
19 the accelerated pension benefit payment. The election under
20 this subsection must be made before the eligible person
21 receives the first payment of a retirement pension otherwise
22 payable under this Article. An eligible person is limited to
23 one calculation and offer per fiscal year.

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. Moneys remitted to the Fund for the purpose of this
4 program must be kept in a separate account. If the Fund
5 determines it does not have sufficient moneys to make the
6 accelerated pension benefit payment, then the Fund shall not
7 accept the member's irrevocable election and shall notify the
8 member of that fact. The member may reapply for the
9 accelerated pension benefit payment after that fiscal year.
10 Elections shall be processed and paid in the order in which
11 complete applications are received by the Fund, subject to the
12 availability of funds. If the Fund accepts the member's
13 irrevocable election to receive an accelerated pension benefit
14 payment under this Section, then the Fund shall transfer, from
15 the moneys remitted to the Fund for that purpose, the amount of
16 the accelerated pension benefit payment into the member's
17 eligible retirement plan or qualified account. If any moneys
18 remain in the account at the end of the fiscal year, the Fund
19 must remit those moneys back to the employer within one month
20 after the end of the fiscal year, unless the employer notifies
21 the Fund at least one month before the end of the fiscal year
22 that the funds shall remain in the account to be used for the
23 accelerated pension benefit program for the subsequent fiscal
24 year.

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

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

4 (40 ILCS 5/9-134.6 new)

5 Sec. 9-134.6. Accelerated pension benefit payment in lieu
6 of any pension benefit.

7 (a) As used in this Section:

8 "Eligible person" means a person who:

9 (1) has terminated service;

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

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

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

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

20 "Pension benefit" also includes applicable survivor's,
21 widow's, or disability benefits.

22 (b) If an employer has elected to provide funding for an
23 accelerated pension benefit program, then as soon as practical
24 after June 30, 2026 or as soon as practical after the employer
25 has made that election, whichever is later, the Fund shall

1 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. A person who elects to receive
18 an accelerated pension benefit payment under this Section may
19 not elect to proceed under the Retirement Systems Reciprocal
20 Act with respect to service under this Article.

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

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

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

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

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

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

1 accelerated pension benefit program must be kept in a separate
2 account. 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. Elections shall be processed and paid in the
8 order in which complete applications are received by the Fund,
9 subject to the availability of funds. If the Fund accepts the
10 member's irrevocable election to receive an accelerated
11 pension benefit payment under this Section, then the Fund
12 shall transfer, from the moneys remitted to the Fund for that
13 purpose, the amount of the accelerated pension benefit payment
14 into the member's eligible retirement plan or qualified
15 account. If any moneys remain in the account maintained by the
16 Fund for the purpose of the accelerated pension benefit
17 program at the end of the fiscal year, the Fund must remit
18 those moneys back to the employer within one month after the
19 end of the fiscal year, unless the employer notifies the Fund
20 at least one month before the end of the fiscal year that the
21 funds shall remain in the account to be used for the subsequent
22 fiscal year.

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 Fund to cease to be a qualified plan

1 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) Until June 30, 2028, if an employer elects to provide
4 funding for an accelerated pension benefit program, then as
5 soon as practical after June 30, 2026 or as soon as practical
6 after the employer makes that election, whichever is later,
7 the Fund shall implement an accelerated pension benefit
8 payment option for eligible persons. Upon the request of an
9 eligible person, if the employer has elected to provide
10 funding for an accelerated pension benefit program, the Fund
11 shall calculate, using actuarial tables and other assumptions
12 adopted by the Board, an accelerated pension benefit payment
13 amount and shall offer that eligible person the opportunity to
14 irrevocably elect to have his or her automatic annual
15 increases in retirement pension calculated in accordance with
16 the formula provided under subsection (b-5) in exchange for
17 the accelerated pension benefit payment. The election under
18 this subsection must be made before the eligible person
19 receives the first payment of a retirement pension otherwise
20 payable under this Article. An eligible person is limited to
21 one calculation and offer per fiscal year.

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

1 is later. Each annual increase shall be calculated at 1.5% of
2 the originally granted retirement annuity.

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

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

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

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

19 (d) 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 (d-5) 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. Moneys remitted to the Fund for the purpose of this
9 program must be kept in a separate account. If the Fund
10 determines it does not have sufficient moneys to make the
11 accelerated pension benefit payment, then the Fund shall not
12 accept the member's irrevocable election and shall notify the
13 member of that fact. The member may reapply for the
14 accelerated pension benefit payment after that fiscal year.
15 Elections shall be processed and paid in the order in which
16 complete applications are received by the Fund, subject to the
17 availability of funds. If the Fund accepts the member's
18 irrevocable election to receive an accelerated pension benefit
19 payment under this Section, then the Fund shall transfer, from
20 the moneys remitted to the Fund for that purpose, the amount of
21 the accelerated pension benefit payment into the member's
22 eligible retirement plan or qualified account. If any moneys
23 remain in the account at the end of the fiscal year, the Fund
24 must remit those moneys back to the employer within one month
25 after the end of the fiscal year, unless the employer notifies
26 the Fund at least one month before the end of the fiscal year

1 that the funds shall remain in the account to be used for the
2 accelerated pension benefit program for the subsequent fiscal
3 year.

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

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

9 (40 ILCS 5/10-104.6 new)

10 Sec. 10-104.6. 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 annuity under this
17 Article;

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

20 (4) has not made the election under Section 10-104.7.

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
24 entitled to upon attainment of the applicable retirement age.

25 "Pension benefit" also includes applicable survivor's,

1 widow's, or disability benefits.

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

19 Until June 30, 2028, an eligible person may irrevocably
20 elect to receive an accelerated pension benefit payment in the
21 amount that the Fund offers under this subsection in lieu of
22 receiving any pension benefit. A person who elects to receive
23 an accelerated pension benefit payment under this Section may
24 not elect to proceed under the Retirement Systems Reciprocal
25 Act with respect to service under this Article.

26 (c) A person's creditable service under this Article shall

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

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

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

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

16 (e) 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 (f) 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. Moneys remitted to the Fund for the purpose of the
6 accelerated pension benefit program must be kept in a separate
7 account. 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. Elections shall be processed and paid in the
13 order in which complete applications are received by the Fund,
14 subject to the availability of funds. If the Fund accepts the
15 member's irrevocable election to receive an accelerated
16 pension benefit payment under this Section, then the Fund
17 shall transfer, from the moneys remitted to the Fund for that
18 purpose, the amount of the accelerated pension benefit payment
19 into the member's eligible retirement plan or qualified
20 account. If any moneys remain in the account maintained by the
21 Fund for the purpose of the accelerated pension benefit
22 program at the end of the fiscal year, the Fund must remit
23 those moneys back to the employer within one month after the
24 end of the fiscal year, unless the employer notifies the Fund
25 at least one month before the end of the fiscal year that the
26 funds shall remain in the account to be used for the subsequent

1 fiscal year.

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

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

7 (40 ILCS 5/10-104.7 new)

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

11 (a) As used in this Section:

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

21 (1) is a Tier 1 member;

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

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

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

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

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

8 (b) Until June 30, 2028, if an employer elects to provide
9 funding for an accelerated pension benefit program, then as
10 soon as practical after June 30, 2026 or as soon as practical
11 after the employer makes that election, whichever is later,
12 the Fund shall implement an accelerated pension benefit
13 payment option for eligible persons. Upon the request of an
14 eligible person, if the employer has elected to provide
15 funding for an accelerated pension benefit program, the Fund
16 shall calculate, using actuarial tables and other assumptions
17 adopted by the Board, an accelerated pension benefit payment
18 amount and shall offer that eligible person the opportunity to
19 irrevocably elect to have his or her automatic annual
20 increases in retirement annuity calculated in accordance with
21 the formula provided under subsection (b-5) in exchange for
22 the accelerated pension benefit payment. The election under
23 this subsection must be made before the eligible person
24 receives the first payment of a retirement pension otherwise
25 payable under this Article. An eligible person is limited to
26 one calculation and offer per fiscal year.

1 (b-5) Notwithstanding any other provision of law, the
2 retirement annuity 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 annuity start date, whichever
6 is later. Each annual increase shall be calculated at 1.5% of
7 the originally granted retirement annuity.

8 (b-6) Notwithstanding any other provision of law, a
9 widow's annuity payable to a widow's annuity beneficiary of a
10 person who made the election under subsection (b) shall be
11 subject to annual increases on the January 1 occurring on or
12 after the first anniversary of the commencement of the
13 annuity. Each annual increase shall be calculated at 1.5% of
14 the originally granted widow's 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. Moneys remitted to the Fund for the purpose of this
14 program must be kept in a separate account. If the Fund
15 determines it does not have sufficient moneys to make the
16 accelerated pension benefit payment, then the Fund shall not
17 accept the member's irrevocable election and shall notify the
18 member of that fact. The member may reapply for the
19 accelerated pension benefit payment after that fiscal year.
20 Elections shall be processed and paid in the order in which
21 complete applications are received by the Fund, subject to the
22 availability of funds. If the Fund accepts the member's
23 irrevocable election to receive an accelerated pension benefit
24 payment under this Section, then the Fund shall transfer, from
25 the moneys remitted to the Fund for that purpose, the amount of
26 the accelerated pension benefit payment into the member's

1 eligible retirement plan or qualified account. If any moneys
2 remain in the account at the end of the fiscal year, the Fund
3 must remit those moneys back to the employer within one month
4 after the end of the fiscal year, unless the employer notifies
5 the Fund at least one month before the end of the fiscal year
6 that the funds shall remain in the account to be used for the
7 accelerated pension benefit program for the subsequent fiscal
8 year.

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

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

14 (40 ILCS 5/11-223.5 new)

15 Sec. 11-223.5. Accelerated pension benefit payment in lieu
16 of any pension benefit.

17 (a) As used in this Section:

18 "Eligible person" means a person who:

19 (1) has terminated service;

20 (2) has accrued sufficient service credit to be
21 eligible to receive a retirement annuity under this
22 Article;

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

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

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

5 "Pension benefit" also includes applicable survivor's,
6 widow's, or disability benefits.

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

24 Until June 30, 2028, an eligible person may irrevocably
25 elect to receive an accelerated pension benefit payment in the
26 amount that the Fund offers under this subsection in lieu of

1 receiving any pension benefit. A person who elects to receive
2 an accelerated pension benefit payment under this Section may
3 not elect to proceed under the Retirement Systems Reciprocal
4 Act with respect to service under this Article.

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

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

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

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

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

1 receives an accelerated pension benefit payment under this
2 Section must direct the Fund to pay all of that payment as a
3 rollover into another retirement plan or account qualified
4 under the Internal Revenue Code of 1986, as amended.

5 (f) Before accepting a member's irrevocable election to
6 receive an accelerated pension benefit payment under this
7 Section, the Fund shall verify that it has a sufficient amount
8 of moneys to pay for the accelerated pension benefit payment
9 from the contribution remitted by the employer for that
10 purpose. Moneys remitted to the Fund for the purpose of the
11 accelerated pension benefit program must be kept in a separate
12 account. 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. Elections shall be processed and paid in the
18 order in which complete applications are received by the Fund,
19 subject to the availability of funds. If the Fund accepts the
20 member's irrevocable election to receive an accelerated
21 pension benefit payment under this Section, then the Fund
22 shall transfer, from the moneys remitted to the Fund for that
23 purpose, the amount of the accelerated pension benefit payment
24 into the member's eligible retirement plan or qualified
25 account. If any moneys remain in the account maintained by the
26 Fund for the purpose of the accelerated pension benefit

1 program at the end of the fiscal year, the Fund must remit
2 those moneys back to the employer within one month after the
3 end of the fiscal year, unless the employer notifies the Fund
4 at least one month before the end of the fiscal year that the
5 funds shall remain in the account to be used for the subsequent
6 fiscal year.

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 Fund to cease to be a qualified plan
11 under the Internal Revenue Code of 1986.

12 (40 ILCS 5/11-223.6 new)

13 Sec. 11-223.6. Accelerated pension benefit payment for a
14 reduction in annual retirement annuity and widow's annuity
15 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 widow'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 11-223.5.

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

12 (b) Until June 30, 2028, if an employer elects to provide
13 funding for an accelerated pension benefit program, then as
14 soon as practical after June 30, 2026 or as soon as practical
15 after the employer makes that election, whichever is later,
16 the Fund shall implement an accelerated pension benefit
17 payment option for eligible persons. Upon the request of an
18 eligible person, if the employer has elected to provide
19 funding for an accelerated pension benefit program, the Fund
20 shall calculate, using actuarial tables and other assumptions
21 adopted by the Board, an accelerated pension benefit payment
22 amount and shall offer that eligible person the opportunity to
23 irrevocably elect to have his or her automatic annual
24 increases in retirement pension calculated in accordance with
25 the formula provided under subsection (b-5) in exchange for
26 the accelerated pension benefit payment. The election under

1 this subsection must be made before the eligible person
2 receives the first payment of a retirement pension otherwise
3 payable under this Article. An eligible person is limited to
4 one calculation and offer per fiscal year.

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

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

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

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

1 receives an accelerated pension benefit payment under this
2 Section must direct the Fund to pay all of that payment as a
3 rollover into another retirement plan or account qualified
4 under the Internal Revenue Code of 1986, as amended.

5 (d-5) Before accepting a member's irrevocable election to
6 receive an accelerated pension benefit payment under this
7 Section, the Fund shall verify that it has a sufficient amount
8 of moneys to pay for the accelerated pension benefit payment
9 from the contribution remitted by the employer for that
10 purpose. Moneys remitted to the Fund for the purpose of this
11 program must be kept in a separate account. If the Fund
12 determines it does not have sufficient moneys to make the
13 accelerated pension benefit payment, then the Fund shall not
14 accept the member's irrevocable election and shall notify the
15 member of that fact. The member may reapply for the
16 accelerated pension benefit payment after that fiscal year.
17 Elections shall be processed and paid in the order in which
18 complete applications are received by the Fund, subject to the
19 availability of funds. If the Fund accepts the member's
20 irrevocable election to receive an accelerated pension benefit
21 payment under this Section, then the Fund shall transfer, from
22 the moneys remitted to the Fund for that purpose, the amount of
23 the accelerated pension benefit payment into the member's
24 eligible retirement plan or qualified account. If any moneys
25 remain in the account at the end of the fiscal year, the Fund
26 must remit those moneys back to the employer within one month

1 after the end of the fiscal year, unless the employer notifies
2 the Fund at least one month before the end of the fiscal year
3 that the funds shall remain in the account to be used for the
4 accelerated pension benefit program for the subsequent fiscal
5 year.

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

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

11 (40 ILCS 5/12-133.8 new)

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

14 (a) As used in this Section:

15 "Eligible person" means a person who:

16 (1) has terminated service;

17 (2) has accrued sufficient service credit to be
18 eligible to receive a retirement annuity under this
19 Article;

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

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

23 "Pension benefit" means the benefits under this Article,
24 or Article 1 as it relates to those benefits, including any
25 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,
3 surviving spouse's, or disability benefits.

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

21 Until June 30, 2028, an eligible person may irrevocably
22 elect to receive an accelerated pension benefit payment in the
23 amount that the Fund offers under this subsection in lieu of
24 receiving any pension benefit. A person who elects to receive
25 an accelerated pension benefit payment under this Section may
26 not elect to proceed under the Retirement Systems Reciprocal

1 Act with respect to service under this Article.

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

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

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

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

18 (e) 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 (f) 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. Moneys remitted to the Fund for the purpose of the
8 accelerated pension benefit program must be kept in a separate
9 account. If the Fund determines it does not have sufficient
10 moneys to make the accelerated pension benefit payment, then
11 the Fund shall not accept the member's irrevocable election
12 and shall notify the member of that fact. The member may
13 reapply for the accelerated pension benefit payment after that
14 fiscal year. Elections shall be processed and paid in the
15 order in which complete applications are received by the Fund,
16 subject to the availability of funds. If the Fund accepts the
17 member's irrevocable election to receive an accelerated
18 pension benefit payment under this Section, then the Fund
19 shall transfer, from the moneys remitted to the Fund for that
20 purpose, the amount of the accelerated pension benefit payment
21 into the member's eligible retirement plan or qualified
22 account. If any moneys remain in the account maintained by the
23 Fund for the purpose of the accelerated pension benefit
24 program at the end of the fiscal year, the Fund must remit
25 those moneys back to the employer within one month after the
26 end of the fiscal year, unless the employer notifies the Fund

1 at least one month before the end of the fiscal year that the
2 funds shall remain in the account to be used for the subsequent
3 fiscal year.

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

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

9 (40 ILCS 5/12-133.9 new)

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

13 (a) As used in this Section:

14 "Accelerated pension benefit payment" means a lump sum
15 payment equal to 70% of the difference of the present value of
16 the automatic annual increases to a Tier 1 member's retirement
17 annuity and surviving spouse's annuity using the formula
18 applicable to the Tier 1 member and the present value of the
19 automatic annual increases to the Tier 1 member's retirement
20 annuity using the formula provided under subsection (b-5) and
21 surviving spouse's annuity using the formula provided under
22 subsection (b-6). "Eligible person" means a person who:

23 (1) is a Tier 1 member;

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

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

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

5 (5) has not made the election under Section 12-133.8.

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

10 (b) Until June 30, 2028, if an employer elects to provide
11 funding for an accelerated pension benefit program, then as
12 soon as practical after June 30, 2026 or as soon as practical
13 after the employer makes that election, whichever is later,
14 the Fund shall implement an accelerated pension benefit
15 payment option for eligible persons. Upon the request of an
16 eligible person, if the employer has elected to provide
17 funding for an accelerated pension benefit program, the Fund
18 shall calculate, using actuarial tables and other assumptions
19 adopted by the Board, an accelerated pension benefit payment
20 amount and shall offer that eligible person the opportunity to
21 irrevocably elect to have his or her automatic annual
22 increases in retirement pension calculated in accordance with
23 the formula provided under subsection (b-5) in exchange for
24 the accelerated pension benefit payment. The election under
25 this subsection must be made before the eligible person
26 receives the first payment of a retirement pension otherwise

1 payable under this Article. An eligible person is limited to
2 one calculation and offer per fiscal year.

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

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

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

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

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

1 (d) 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 (d-5) 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. Moneys remitted to the Fund for the purpose of this
17 program must be kept in a separate account. If the Fund
18 determines it does not have sufficient moneys to make the
19 accelerated pension benefit payment, then the Fund shall not
20 accept the member's irrevocable election and shall notify the
21 member of that fact. The member may reapply for the
22 accelerated pension benefit payment after that fiscal year.
23 Elections shall be processed and paid in the order in which
24 complete applications are received by the Fund, subject to the
25 availability of funds. If the Fund accepts the member's
26 irrevocable election to receive an accelerated pension benefit

1 payment under this Section, then the Fund shall transfer, from
2 the moneys remitted to the Fund for that purpose, the amount of
3 the accelerated pension benefit payment into the member's
4 eligible retirement plan or qualified account. If any moneys
5 remain in the account at the end of the fiscal year, the Fund
6 must remit those moneys back to the employer within one month
7 after the end of the fiscal year, unless the employer notifies
8 the Fund at least one month before the end of the fiscal year
9 that the funds shall remain in the account to be used for the
10 accelerated pension benefit program for the subsequent fiscal
11 year.

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

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

17 (40 ILCS 5/17-120.5 new)

18 Sec. 17-120.5. Accelerated pension benefit payment in lieu
19 of any pension benefit.

20 (a) As used in this Section:

21 "Eligible person" means a person who:

22 (1) has terminated service;

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

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

3 (4) has not made the election under Section 17-120.6.

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

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

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

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

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

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

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

24 (e) 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 (f) 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. Moneys remitted to the Fund for the purpose of the
14 accelerated pension benefit program must be kept in a separate
15 account. If the Fund determines it does not have sufficient
16 moneys to make the accelerated pension benefit payment, then
17 the Fund shall not accept the member's irrevocable election
18 and shall notify the member of that fact. The member may
19 reapply for the accelerated pension benefit payment after that
20 fiscal year. Elections shall be processed and paid in the
21 order in which complete applications are received by the Fund,
22 subject to the availability of funds. If the Fund accepts the
23 member's irrevocable election to receive an accelerated
24 pension benefit payment under this Section, then the Fund
25 shall transfer, from the moneys remitted to the Fund for that
26 purpose, the amount of the accelerated pension benefit payment

1 into the member's eligible retirement plan or qualified
2 account. If any moneys remain in the account maintained by the
3 Fund for the purpose of the accelerated pension benefit
4 program at the end of the fiscal year, the Fund must remit
5 those moneys back to the employer within one month after the
6 end of the fiscal year, unless the employer notifies the Fund
7 at least one month before the end of the fiscal year that the
8 funds shall remain in the account to be used for the subsequent
9 fiscal year.

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

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

15 (40 ILCS 5/17-120.6 new)

16 Sec. 17-120.6. Accelerated pension benefit payment for a
17 reduction in annual retirement annuity and surviving spouse's
18 annuity increases.

19 (a) As used in this Section:

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

1 annuity using the formula provided under subsection (b-5) and
2 surviving spouse's annuity using the formula provided under
3 subsection (b-6). "Eligible person" means a person who:

4 (1) is a Tier 1 member;

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

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

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

11 (5) has not made the election under Section 17-120.5.

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

16 (b) Until June 30, 2028, if an employer elects to provide
17 funding for an accelerated pension benefit program, then as
18 soon as practical after June 30, 2026 or as soon as practical
19 after the employer makes that election, whichever is later,
20 the Fund shall implement an accelerated pension benefit
21 payment option for eligible persons. Upon the request of an
22 eligible person, if the employer has elected to provide
23 funding for an accelerated pension benefit program, the Fund
24 shall calculate, using actuarial tables and other assumptions
25 adopted by the Board, an accelerated pension benefit payment
26 amount and shall offer that eligible person the opportunity to

1 irrevocably elect to have his or her automatic annual
2 increases in retirement pension calculated in accordance with
3 the formula provided under subsection (b-5) in exchange for
4 the accelerated pension benefit payment. The election under
5 this subsection must be made before the eligible person
6 receives the first payment of a retirement pension otherwise
7 payable under this Article. An eligible person is limited to
8 one calculation and offer per fiscal year.

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

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

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

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

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

7 (d) 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 (d-5) 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. Moneys remitted to the Fund for the purpose of this
23 program must be kept in a separate account. If the Fund
24 determines it does not have sufficient moneys to make the
25 accelerated pension benefit payment, then the Fund shall not
26 accept the member's irrevocable election and shall notify the

1 member of that fact. The member may reapply for the
2 accelerated pension benefit payment after that fiscal year.
3 Elections shall be processed and paid in the order in which
4 complete applications are received by the Fund, subject to the
5 availability of funds. If the Fund accepts the member's
6 irrevocable election to receive an accelerated pension benefit
7 payment under this Section, then the Fund shall transfer, from
8 the moneys remitted to the Fund for that purpose, the amount of
9 the accelerated pension benefit payment into the member's
10 eligible retirement plan or qualified account. If any moneys
11 remain in the account at the end of the fiscal year, the Fund
12 must remit those moneys back to the employer within one month
13 after the end of the fiscal year, unless the employer notifies
14 the Fund at least one month before the end of the fiscal year
15 that the funds shall remain in the account to be used for the
16 accelerated pension benefit program for the subsequent fiscal
17 year.

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 Fund to cease to be a qualified plan
22 under the Internal Revenue Code of 1986.

23 Section 10. The Counties Code is amended by adding Section
24 3-14050 as follows:

1 (55 ILCS 5/3-14050 new)

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

4 (a) The county board of a county of more than 3,000,000
5 inhabitants may establish an accelerated pension benefit
6 program for the pension funds established under Articles 9 and
7 10 of the Illinois Pension Code. The accelerated pension
8 benefit program shall provide eligible participants the option
9 to elect an accelerated pension benefit payment in accordance
10 with the applicable provisions of Articles 9 and 10 of the
11 Illinois Pension Code authorizing accelerated pension benefit
12 payments.

13 (b) If the county elects to establish the accelerated
14 pension benefit program for a fiscal year beginning in 2026,
15 the county must notify the pension fund and remit contribution
16 to the pension fund in an amount determined by the county at
17 least 30 days before the program is to be implemented. If the
18 county elects to establish the accelerated pension benefit
19 program for a fiscal year beginning in 2027, the county shall
20 remit to the pension fund, not later than 30 days prior to the
21 beginning of the fiscal year for which the accelerated pension
22 benefit program is to be made available, a contribution to the
23 pension fund in an amount determined by the county. The
24 contribution shall constitute the total funding available to
25 that pension fund for accelerated pension benefit payments for
26 that fiscal year, and accelerated pension benefit payments

1 shall be issued by the applicable pension fund in accordance
2 with the provisions concerning accelerated pension benefit
3 payment until the contributed amount is exhausted. The
4 contribution for the accelerated pension benefit payments may
5 be made using any lawful funding mechanism authorized under
6 this Code, including, but not limited to:

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

8 (2) lawful appropriations from available county
9 revenues;

10 (3) transfers from lawfully available funds; or

11 (4) any combination thereof.

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

15 At least one month prior to the end of the fiscal year, the
16 county must notify the pension fund if the county would desire
17 any remaining moneys to be rolled over into the next fiscal
18 year for the accelerated pension benefit program. If the
19 county does not notify the pension fund, the moneys shall be
20 remitted back to the county. If an accelerated pension benefit
21 program is not authorized under the applicable Article of the
22 Illinois Pension Code for the following fiscal year, then the
23 pension fund shall remit the moneys back to the county.

24 (c) This Section shall be construed as supplemental to
25 existing county powers and shall not be interpreted to impair
26 any existing contractual obligation or pension benefit

1 protected under the Illinois Constitution.

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

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

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

6 (a) The corporate authorities of a municipality may
7 establish an accelerated pension benefit program for the
8 pension funds established under Article 3, 4, 5, 6, 8, 11, 12,
9 or 17 of the Illinois Pension Code to which the municipality
10 contributes. The accelerated pension benefit program shall
11 provide eligible participants the option to elect an
12 accelerated pension benefit payment with regard to employees
13 of that municipality who participate in a pension fund
14 established under Article 3, 4, 5, 6, 8, 11, 12, or 17 of the
15 Illinois Pension Code in accordance with the applicable
16 provisions of the Illinois Pension Code authorizing
17 accelerated pension benefit payments.

18 (b) If the municipality elects to establish the
19 accelerated pension benefit program for a fiscal year
20 beginning in 2026, the municipality must notify the pension
21 fund and remit a contribution to the pension fund in an amount
22 determined by the municipality at least 30 days before the
23 program is to be implemented. If the municipality elects to
24 establish the accelerated pension benefit program for a fiscal

1 year beginning in 2027, the municipality shall remit to the
2 pension fund, not later than 30 days prior to the beginning of
3 the fiscal year for which the accelerated pension benefit
4 program is to be made available, a contribution to the pension
5 fund in an amount determined by the municipality. The
6 contribution shall constitute the total funding available to
7 that pension fund for accelerated pension benefit payments for
8 that fiscal year, and accelerated pension benefit payments
9 shall be issued by the applicable pension fund in accordance
10 with the provisions concerning accelerated pension benefit
11 payment until the contributed amount is exhausted. The
12 contribution for the accelerated pension benefit payments may
13 be made using any lawful funding mechanism authorized under
14 this Code, including, but not limited to:

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

16 (2) lawful appropriations from available municipal
17 revenues;

18 (3) transfers from lawfully available funds; or

19 (4) any combination thereof.

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

23 At least one month prior to the end of the fiscal year, the
24 municipality must notify the pension fund if it would like any
25 remaining moneys rolled over into the next fiscal year for the
26 accelerated pension benefit program. If the municipality does

1 not notify the pension fund, the moneys shall be remitted back
2 to the municipality. If an accelerated pension benefit program
3 is not authorized under the applicable Article of the Illinois
4 Pension Code for the following fiscal year, then the pension
5 fund shall remit the moneys back to the municipality.

6 (c) This Section shall be construed as supplemental to
7 existing municipal powers and shall not be interpreted to
8 impair any existing contractual obligation or pension benefit
9 protected under the Illinois Constitution.

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.50 as follows:

12 (30 ILCS 805/8.50 new)

13 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and
14 8 of this Act, no reimbursement by the State is required for
15 the implementation of any mandate created by this amendatory
16 Act of the 104th General Assembly.

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