



Sen. Robert F. Martwick

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10400SB3404sam002

LRB104 18864 RPS 37143 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 the city 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 city has
4 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 city for that purpose.
4 Moneys remitted to the Fund for the purpose of the accelerated
5 pension benefit program must be kept in a separate account. If
6 the Fund determines it does not have sufficient moneys to make
7 the accelerated pension benefit payment, then the Fund shall
8 not accept the member's irrevocable election and shall notify
9 the member of that fact. The member may reapply for the
10 accelerated pension benefit payment after that fiscal year.
11 Elections shall be processed and paid in the order in which
12 complete applications are received by the Fund, subject to the
13 availability of funds. If the Fund accepts the member's
14 irrevocable election to receive an accelerated pension benefit
15 payment under this Section, then the Fund shall transfer, from
16 the moneys remitted to the Fund for that purpose, the amount of
17 the accelerated pension benefit payment into the member's
18 eligible retirement plan or qualified account. If any moneys
19 remain in the account maintained by the Fund for the purpose of
20 the accelerated pension benefit program at the end of the
21 fiscal year, the Fund must remit those moneys back to the city
22 within one month after the end of the fiscal year, unless the
23 city notifies the Fund at least one month before the end of the
24 fiscal year that the funds shall remain in the account to be
25 used for the subsequent fiscal year.

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

1 rules, necessary to implement this Section.

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

5 (40 ILCS 5/8-244.6 new)

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

8 (a) As used in this Section:

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

16 "Eligible person" means a person who:

17 (1) is a Tier 1 member;

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

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

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

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

25 "Tier 1 member" means an employee who first became a

1 participant under this Article or any reciprocal retirement
2 system or pension fund established under this Code before
3 January 1, 2011.

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

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

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

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

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

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

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

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

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

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

25 (f) 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 5/9-134.6 new)

3 Sec. 9-134.6. Accelerated pension benefit payment in lieu
4 of any pension benefit.

5 (a) As used in this Section:

6 "Eligible person" means a person who:

7 (1) has terminated service;

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

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

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

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

18 "Pension benefit" also includes applicable survivor's,
19 widow's, or disability benefits.

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

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

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

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

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

1 under this Article, then:

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

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

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

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

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

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

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

1 (40 ILCS 5/9-134.7 new)

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

5 (a) As used in this Section:

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

15 (1) is a Tier 1 member;

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

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

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

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

23 "Tier 1 member" means a person who first became a
24 participant under this Article or any reciprocal retirement
25 system or pension fund established under this Code before
26 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 annuity 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 annuity start date, whichever
25 is later. Each annual increase shall be calculated at 1.5% of
26 the originally granted retirement annuity.

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

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

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

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

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

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

1 year.

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

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

7 (40 ILCS 5/10-104.6 new)

8 Sec. 10-104.6. Accelerated pension benefit payment in lieu
9 of any pension benefit.

10 (a) As used in this Section:

11 "Eligible person" means a person who:

12 (1) has terminated service;

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

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

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

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

25 (b) If an employer has elected to provide funding for an

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

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

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

1 benefit shall be paid under this Article based on the
2 terminated creditable service, including any retirement,
3 survivor, or other benefit.

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

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

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

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

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

1 rules, necessary to implement this Section.

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

5 (40 ILCS 5/10-104.7 new)

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

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 and widow's annuity using the formula applicable to
14 the Tier 1 member and the present value of the automatic annual
15 increases to the Tier 1 member's retirement annuity using the
16 formula provided under subsection (b-5) and widow's annuity
17 using the formula provided under subsection (b-6). "Eligible
18 person" means a person who:

19 (1) is a Tier 1 member;

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

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

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

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

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

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

25 (b-5) Notwithstanding any other provision of law, the
26 retirement annuity of a person who made the election under

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

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

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

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

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

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

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

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

9 (f) 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 5/11-223.5 new)

13 Sec. 11-223.5. Accelerated pension benefit payment in lieu
14 of any pension benefit.

15 (a) As used in this Section:

16 "Eligible person" means a person who:

17 (1) has terminated service;

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

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

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

24 "Pension benefit" means the benefits under this Article,
25 or Article 1 as it relates to those benefits, including any

1 anticipated annual increases, that an eligible person is
2 entitled to upon attainment of the applicable retirement age.
3 "Pension benefit" also includes applicable survivor's,
4 widow's, or disability benefits.

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

22 Until June 30, 2028, an eligible person may irrevocably
23 elect to receive an accelerated pension benefit payment in the
24 amount that the Fund offers under this subsection in lieu of
25 receiving any pension benefit. A person who elects to receive
26 an accelerated pension benefit payment under this Section may

1 not elect to proceed under the Retirement Systems Reciprocal
2 Act with respect to service under this Article.

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

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

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

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

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

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

3 (f) Before accepting a member's irrevocable election to
4 receive an accelerated pension benefit payment under this
5 Section, the Fund shall verify that it has a sufficient amount
6 of moneys to pay for the accelerated pension benefit payment
7 from the contribution remitted by the city for that purpose.
8 Moneys remitted to the Fund for the purpose of the accelerated
9 pension benefit program must be kept in a separate account. If
10 the Fund determines it does not have sufficient moneys to make
11 the accelerated pension benefit payment, then the Fund shall
12 not accept the member's irrevocable election and shall notify
13 the 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 maintained by the Fund for the purpose of
24 the accelerated pension benefit program at the end of the
25 fiscal year, the Fund must remit those moneys back to the city
26 within one month after the end of the fiscal year, unless the

1 city notifies the Fund at least one month before the end of the
2 fiscal year that the funds shall remain in the account to be
3 used for the subsequent 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 5/11-223.6 new)

10 Sec. 11-223.6. Accelerated pension benefit payment for a
11 reduction in annual retirement annuity and widow's annuity
12 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 widow's annuity using the formula applicable to
18 the Tier 1 member and the present value of the automatic annual
19 increases to the Tier 1 member's retirement annuity using the
20 formula provided under subsection (b-5).

21 "Eligible person" means a person who:

22 (1) is a Tier 1 member;

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

25 (3) meets the age and service requirements for

1 receiving a retirement annuity under this Article;

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

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

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

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

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

1 benefit program for the subsequent fiscal year.

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

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

7 (40 ILCS 5/12-133.8 new)

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

10 (a) As used in this Section:

11 "Eligible person" means a person who:

12 (1) has terminated service;

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

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

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

19 "Pension benefit" means the benefits under this Article,
20 or Article 1 as it relates to those benefits, including any
21 anticipated annual increases, that an eligible person is
22 entitled to upon attainment of the applicable retirement age.
23 "Pension benefit" also includes applicable survivor's,
24 surviving spouse's, or disability benefits.

25 (b) If the city has elected to provide funding for an

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

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

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

1 benefit shall be paid under this Article based on the
2 terminated creditable service, including any retirement,
3 survivor, or other benefit.

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

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

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

14 (e) 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 (f) 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 city for that purpose.
3 Moneys remitted to the Fund for the purpose of the accelerated
4 pension benefit program must be kept in a separate account. If
5 the Fund determines it does not have sufficient moneys to make
6 the accelerated pension benefit payment, then the Fund shall
7 not accept the member's irrevocable election and shall notify
8 the 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 maintained by the Fund for the purpose of
19 the accelerated pension benefit program at the end of the
20 fiscal year, the Fund must remit those moneys back to the city
21 within one month after the end of the fiscal year, unless the
22 city notifies the Fund at least one month before the end of the
23 fiscal year that the funds shall remain in the account to be
24 used for the subsequent 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 Fund to cease to be a qualified plan
3 under the Internal Revenue Code of 1986.

4 (40 ILCS 5/12-133.9 new)

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

8 (a) As used in this Section:

9 "Accelerated pension benefit payment" means a lump sum
10 payment equal to 70% of the difference of the present value of
11 the automatic annual increases to a Tier 1 member's retirement
12 annuity and surviving spouse's annuity using the formula
13 applicable to the Tier 1 member and the present value of the
14 automatic annual increases to the Tier 1 member's retirement
15 annuity using the formula provided under subsection (b-5) and
16 surviving spouse's annuity using the formula provided under
17 subsection (b-6). "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 12-133.8.

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

5 (b) Until June 30, 2028, if the city 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 city makes that election, whichever is later, the
9 Fund shall implement an accelerated pension benefit payment
10 option for eligible persons. Upon the request of an eligible
11 person, if the city has elected to provide funding for an
12 accelerated pension benefit program, the Fund shall calculate,
13 using actuarial tables and other assumptions adopted by the
14 Board, an accelerated pension benefit payment amount and shall
15 offer that eligible person the opportunity to irrevocably
16 elect to have his or her automatic annual increases in
17 retirement pension calculated in accordance with the formula
18 provided under subsection (b-5) in exchange for the
19 accelerated pension benefit payment. The election under this
20 subsection must be made before the eligible person receives
21 the first payment of a retirement pension otherwise payable
22 under this Article. An eligible person is limited to one
23 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 (b-6) Notwithstanding any other provision of law, a
6 surviving spouse's annuity payable to a surviving spouse's
7 annuity beneficiary of a person who made the election under
8 subsection (b) shall be subject to annual increases on the
9 January 1 occurring on or after the first anniversary of the
10 commencement of the annuity. Each annual increase shall be
11 calculated at 1.5% of the originally granted surviving
12 spouse's annuity.

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

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

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

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

1 those moneys back to the city within one month after the end of
2 the fiscal year, unless the city notifies the Fund at least one
3 month before the end of the fiscal year that the funds shall
4 remain in the account to be used for the accelerated pension
5 benefit program for the subsequent fiscal 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 5/17-120.5 new)

12 Sec. 17-120.5. 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 17-120.6.

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 5/17-120.6 new)

10 Sec. 17-120.6. 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 17-120.5.

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 Section 10. The Counties Code is amended by adding Section
18 3-14050 as follows:

19 (55 ILCS 5/3-14050 new)

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

22 (a) The county board of a county of more than 3,000,000
23 inhabitants may establish an accelerated pension benefit
24 program for the pension funds established under Articles 9 and

1 10 of the Illinois Pension Code. The accelerated pension
2 benefit program shall provide eligible participants the option
3 to elect an accelerated pension benefit payment in accordance
4 with the applicable provisions of Articles 9 and 10 of the
5 Illinois Pension Code authorizing accelerated pension benefit
6 payments.

7 (b) If the county elects to establish the accelerated
8 pension benefit program for a fiscal year beginning in 2026,
9 the county must notify the pension fund and remit a
10 contribution to the pension fund in an amount determined by
11 the county at least 30 days before the program is to be
12 implemented. If the county elects to establish the accelerated
13 pension benefit program for a fiscal year beginning in 2027,
14 the county shall remit to the pension fund, not later than 30
15 days prior to the beginning of the fiscal year for which the
16 accelerated pension benefit program is to be made available, a
17 contribution to the pension fund in an amount determined by
18 the county. The contribution shall constitute the total
19 funding available to that pension fund for accelerated pension
20 benefit payments for that fiscal year, and accelerated pension
21 benefit payments shall be issued by the applicable pension
22 fund in accordance with the provisions concerning accelerated
23 pension benefit payment until the contributed amount is
24 exhausted. The contribution for the accelerated pension
25 benefit payments may be made using any lawful funding
26 mechanism authorized under this Code, including, but not

1 limited to:

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

3 (2) lawful appropriations from available county
4 revenues;

5 (3) transfers from lawfully available funds; or

6 (4) any combination thereof.

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

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

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

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

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

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

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

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

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

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

11 (2) lawful appropriations from available municipal
12 revenues;

13 (3) transfers from lawfully available funds; or

14 (4) any combination thereof.

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

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

1 municipality.

2 (c) This Section shall be construed as supplemental to
3 existing municipal powers and shall not be interpreted to
4 impair any existing contractual obligation or pension benefit
5 protected under the Illinois Constitution.

6 Section 20. The School Code is amended by adding Section
7 34-89 as follows:

8 (105 ILCS 5/34-89 new)

9 Sec. 34-89. Accelerated pension benefit program.

10 (a) The board may establish an accelerated pension benefit
11 program for the pension fund established under Article 17 of
12 the Illinois Pension Code. The accelerated pension benefit
13 program shall provide eligible participants the option to
14 elect an accelerated pension benefit payment with regard to
15 teachers who participate under Article 17 of the Illinois
16 Pension Code in accordance with the applicable provisions of
17 Article 17 of the Illinois Pension Code authorizing
18 accelerated pension benefit payments.

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

1 pension benefit program for a fiscal year beginning in 2027,
2 the board shall remit to the pension fund, not later than 30
3 days prior to the beginning of the fiscal year for which the
4 accelerated pension benefit program is to be made available, a
5 contribution to the pension fund in an amount determined by
6 the board. The contribution shall constitute the total funding
7 available to that pension fund for accelerated pension benefit
8 payments for that fiscal year, and accelerated pension benefit
9 payments shall be issued by the applicable pension fund in
10 accordance with the provisions concerning accelerated pension
11 benefit 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 board'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 board 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 board does not

1 notify the pension fund, the moneys shall be remitted back to
2 the board. If an accelerated pension benefit program is not
3 authorized under Article 17 of the Illinois Pension Code for
4 the following fiscal year, then the pension fund shall remit
5 the moneys back to the board.

6 (c) This Section shall be construed as supplemental to
7 existing board powers and shall not be interpreted to impair
8 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."