

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 4-108.5 and 6-164 as follows:

6 (40 ILCS 5/4-108.5)

7 Sec. 4-108.5. Service for providing certain fire  
8 protection services.

9 (a) A firefighter for a participating municipality who was  
10 employed as an active firefighter providing fire protection for  
11 a village or incorporated town with a population of greater  
12 than 10,000 but less than 11,000 located in a county with a  
13 population of greater than 600,000 and less than 700,000, as  
14 estimated by the United States Census on July 1, 2004, may  
15 elect to establish creditable service for periods of that  
16 employment in which the firefighter provided fire protection  
17 services for the participating municipality if, by May 1, 2007,  
18 the firefighter (i) makes written application to the Board and  
19 (ii) pays into the pension fund the amount that the person  
20 would have contributed had deductions from salary been made for  
21 this purpose at the time the service was rendered, plus  
22 interest thereon at 6% per annum compounded annually from the  
23 time the service was rendered until the date of payment.

1 (b) Time spent providing fire protection on a part-time  
2 basis for a village or incorporated town with a population of  
3 greater than 10,000 but less than 11,000 located in a county  
4 with a population of greater than 600,000 and less than  
5 700,000, as estimated by the United States Census on July 1,  
6 2004, shall be calculated at the rate of one year of creditable  
7 service for each 5 years of time spent providing such fire  
8 protection, if the firefighter (i) has at least 5 years of  
9 creditable service as an active firefighter, (ii) has at least  
10 5 years of such service with a qualifying village or  
11 incorporated town, (iii) applies for the creditable service  
12 within 30 days after the effective date of this amendatory Act  
13 of the 94th General Assembly, and (iv) contributes to the Fund  
14 an amount representing employee contributions for the number of  
15 years of creditable service granted under this subsection (b)  
16 based on the salary and contribution rate in effect for the  
17 firefighter at the date of entry into the fund, as determined  
18 by the Board. The amount of creditable service granted under  
19 this subsection (b) may not exceed 3 years.

20 (c) This subsection applies only to a person who was first  
21 employed by a municipality in 2008 to provide fire protection  
22 services on a full-time basis as a firefighter or fire chief,  
23 but was prevented from participating in a pension fund under  
24 this Article until 2015 by reason of the employing  
25 municipality's delay in establishing a pension fund as required  
26 under this Article. Such a person may elect to establish

1 creditable service for periods of such employment by that  
2 municipality during which he or she did not participate, by  
3 applying to the board in writing and paying to the pension fund  
4 the employee contributions that he or she would have made had  
5 deductions from salary been made for employee contributions at  
6 the time the service was rendered, together with interest  
7 thereon at the rate of 6% per annum, compounded annually, from  
8 the time the service was rendered to the date of payment;  
9 except that the granting of such creditable service is  
10 contingent upon the consent of the governing body of the  
11 municipality and payment to the pension fund by the  
12 municipality of the corresponding employer contributions, plus  
13 interest.

14 For the purposes of Sections 4-109, 4-109.1, and 4-114, and  
15 notwithstanding any other provision of this Article, for a  
16 person who establishes creditable service under this  
17 subsection (c), the date upon which the person first became a  
18 participating firefighter under this Article shall be deemed to  
19 be no later than the first day of employment for which such  
20 creditable service has been granted.

21 (Source: P.A. 97-813, eff. 7-13-12.)

22 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

23 Sec. 6-164. Automatic annual increase; retirement after  
24 September 1, 1959.

25 (a) A fireman qualifying for a minimum annuity who retires

1 from service after September 1, 1959 shall, upon either the  
2 first of the month following the first anniversary of his date  
3 of retirement if he is age 60 (age 55 if born before January 1,  
4 1966) or over on that anniversary date, or upon the first of  
5 the month following his attainment of age 60 (age 55 if born  
6 before January 1, 1966) if that occurs after the first  
7 anniversary of his retirement date, have his then fixed and  
8 payable monthly annuity increased by 1 1/2%, and such first  
9 fixed annuity as granted at retirement increased by an  
10 additional 1 1/2% in January of each year thereafter up to a  
11 maximum increase of 30%. Beginning July 1, 1982 for firemen  
12 born before January 1, 1930, and beginning January 1, 1990 for  
13 firemen born after December 31, 1929 and before January 1,  
14 1940, and beginning January 1, 1996 for firemen born after  
15 December 31, 1939 but before January 1, 1945, and beginning  
16 January 1, 2004, for firemen born after December 31, 1944 but  
17 before January 1, 1955, and beginning January 1, 2017, for  
18 firemen born after December 31, 1954 but before January 1,  
19 1966, such increases shall be 3% and such firemen shall not be  
20 subject to the 30% maximum increase.

21 Any fireman born before January 1, 1945 who qualifies for a  
22 minimum annuity and retires after September 1, 1967 but has not  
23 received the initial increase under this subsection before  
24 January 1, 1996 is entitled to receive the initial increase  
25 under this subsection on (1) January 1, 1996, (2) the first  
26 anniversary of the date of retirement, or (3) attainment of age

1 55, whichever occurs last. The changes to this Section made by  
2 this amendatory Act of 1995 apply beginning January 1, 1996 and  
3 apply without regard to whether the fireman or annuitant  
4 terminated service before the effective date of this amendatory  
5 Act of 1995.

6 Any fireman born before January 1, 1955 who qualifies for a  
7 minimum annuity and retires after September 1, 1967 but has not  
8 received the initial increase under this subsection before  
9 January 1, 2004 is entitled to receive the initial increase  
10 under this subsection on (1) January 1, 2004, (2) the first  
11 anniversary of the date of retirement, or (3) attainment of age  
12 55, whichever occurs last. The changes to this Section made by  
13 this amendatory Act of the 93rd General Assembly apply without  
14 regard to whether the fireman or annuitant terminated service  
15 before the effective date of this amendatory Act.

16 Any fireman born after December 31, 1954 but before January  
17 1, 1966 who qualifies for a minimum annuity and retires after  
18 September 1, 1967 ~~but has not received the initial increase~~  
19 ~~under this subsection before January 1, 2017~~ is entitled to  
20 receive an ~~initial~~ increase under this subsection on (1)  
21 January 1, 2017, (2) the first anniversary of the date of  
22 retirement, or (3) attainment of age 55, whichever occurs last,  
23 in an amount equal to an increase of 3% of his then fixed and  
24 payable monthly annuity upon the first of the month following  
25 the first anniversary of his date of retirement if he is age 55  
26 or over on that anniversary date or upon the first of the month

1 following his attainment of age 55 if that date occurs after  
2 the first anniversary of his retirement date and such first  
3 fixed annuity as granted at retirement shall be increased by an  
4 additional 3% in January of each year thereafter. In the case  
5 of a fireman born after December 31, 1954 but before January 1,  
6 1966 who received an increase in any year of 1.5%, that fireman  
7 shall receive an increase for any such year so that the total  
8 increase is equal to 3% for each year the fireman would have  
9 been otherwise eligible had the fireman not received any  
10 increase for each complete year following the date of  
11 retirement or attainment of age 55, whichever occurs later. The  
12 changes to this subsection made by this amendatory Act of the  
13 99th General Assembly apply without regard to whether the  
14 fireman or annuitant terminated service before the effective  
15 date of this amendatory Act. The changes to this subsection  
16 made by this amendatory Act of the 100th General Assembly are a  
17 declaration of existing law and shall not be construed as a new  
18 enactment.

19 (b) Subsection (a) of this Section is not applicable to an  
20 employee receiving a term annuity.

21 (c) To help defray the cost of such increases in annuity,  
22 there shall be deducted, beginning September 1, 1959, from each  
23 payment of salary to a fireman, 1/8 of 1% of each such salary  
24 payment and an additional 1/8 of 1% beginning on September 1,  
25 1961, and September 1, 1963, respectively, concurrently with  
26 and in addition to the salary deductions otherwise made for

1 annuity purposes.

2 Each such additional 1/8 of 1% deduction from salary which  
3 shall, on September 1, 1963, result in a total increase of 3/8  
4 of 1% of salary, shall be credited to the Automatic Increase  
5 Reserve, to be used, together with city contributions as  
6 provided in this Article, to defray the cost of the annuity  
7 increments specified in this Section. Any balance in such  
8 reserve as of the beginning of each calendar year shall be  
9 credited with interest at the rate of 3% per annum.

10 The salary deductions provided in this Section are not  
11 subject to refund, except to the fireman himself in any case in  
12 which: (i) the fireman withdraws prior to qualification for  
13 minimum annuity or Tier 2 monthly retirement annuity and  
14 applies for refund, (ii) the fireman applies for an annuity of  
15 a type that is not subject to annual increases under this  
16 Section, or (iii) a term annuity becomes payable. In such  
17 cases, the total of such salary deductions shall be refunded to  
18 the fireman, without interest, and charged to the  
19 aforementioned reserve.

20 (d) Notwithstanding any other provision of this Article,  
21 the Tier 2 monthly retirement annuity of a person who first  
22 becomes a fireman under this Article on or after January 1,  
23 2011 shall be increased on the January 1 occurring either on or  
24 after (i) the attainment of age 60 or (ii) the first  
25 anniversary of the annuity start date, whichever is later. Each  
26 annual increase shall be calculated at 3% or one-half the

1 annual unadjusted percentage increase (but not less than zero)  
2 in the consumer price index-u for the 12 months ending with the  
3 September preceding each November 1, whichever is less, of the  
4 originally granted retirement annuity. If the annual  
5 unadjusted percentage change in the consumer price index-u for  
6 a 12-month period ending in September is zero or, when compared  
7 with the preceding period, decreases, then the annuity shall  
8 not be increased.

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

18 (Source: P.A. 99-905, eff. 11-29-16.)

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.