



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2453

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-167.1
30 ILCS 805/8.43 new

from Ch. 108 1/2, par. 5-167.1

Amends the Chicago Police Article of the Illinois Pension Code. Removes a birthdate restriction on eligibility at age 55 for a 3% automatic annual increase in retirement annuity that is not subject to a maximum increase of 30%. Makes a related change. Specifies the timing of an initial increase in retirement annuity for persons who have not received the initial increase before January 1, 2020. Effective immediately.

LRB101 08099 RPS 53162 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 5-167.1 as follows:

6 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

7 Sec. 5-167.1. Automatic increase in annuity; retirement
8 from service after September 1, 1967.

9 (a) A policeman who retires from service after September 1,
10 1967 with at least 20 years of service credit shall, upon
11 either the first of the month following the first anniversary
12 of his date of retirement if he is age 55 ~~60 (age 55 if born~~
13 ~~before January 1, 1966)~~ or over on that anniversary date, or
14 upon the first of the month following his attainment of age 55
15 ~~60 (age 55 if born before January 1, 1966)~~ if it occurs after
16 the first anniversary of his retirement date, have his then
17 fixed and payable monthly annuity increased by 3% ~~4 1/2%~~ and
18 such first fixed annuity as granted at retirement increased by
19 an additional 3% ~~4 1/2%~~ in January of each year thereafter ~~up~~
20 ~~to a maximum increase of 30%. Beginning January 1, 1983 for~~
21 ~~policemen born before January 1, 1930, and beginning January 1,~~
22 ~~1988 for policemen born on or after January 1, 1930 but before~~
23 ~~January 1, 1940, and beginning January 1, 1996 for policemen~~

1 ~~born on or after January 1, 1940 but before January 1, 1945,~~
2 ~~and beginning January 1, 2000 for policemen born on or after~~
3 ~~January 1, 1945 but before January 1, 1950, and beginning~~
4 ~~January 1, 2005 for policemen born on or after January 1, 1950~~
5 ~~but before January 1, 1955, and beginning January 1, 2017 for~~
6 ~~policemen born on or after January 1, 1955 but before January~~
7 ~~1, 1966, such increases shall be 3% and such policemen shall~~
8 ~~not be subject to the 30% maximum increase.~~

9 Any policeman born before January 1, 1945 who qualifies for
10 a minimum annuity and retires after September 1, 1967 but has
11 not received the initial increase under this subsection before
12 January 1, 1996 is entitled to receive the initial increase
13 under this subsection on (1) January 1, 1996, (2) the first
14 anniversary of the date of retirement, or (3) attainment of age
15 55, whichever occurs last. The changes to this Section made by
16 Public Act 89-12 apply beginning January 1, 1996 and without
17 regard to whether the policeman or annuitant terminated service
18 before the effective date of that Act.

19 Any policeman born before January 1, 1950 who qualifies for
20 a minimum annuity and retires after September 1, 1967 but has
21 not received the initial increase under this subsection before
22 January 1, 2000 is entitled to receive the initial increase
23 under this subsection on (1) January 1, 2000, (2) the first
24 anniversary of the date of retirement, or (3) attainment of age
25 55, whichever occurs last. The changes to this Section made by
26 this amendatory Act of the 92nd General Assembly apply without

1 regard to whether the policeman or annuitant terminated service
2 before the effective date of this amendatory Act.

3 Any policeman born before January 1, 1955 who qualifies for
4 a minimum annuity and retires after September 1, 1967 but has
5 not received the initial increase under this subsection before
6 January 1, 2005 is entitled to receive the initial increase
7 under this subsection on (1) January 1, 2005, (2) the first
8 anniversary of the date of retirement, or (3) attainment of age
9 55, whichever occurs last. The changes to this Section made by
10 this amendatory Act of the 94th General Assembly apply without
11 regard to whether the policeman or annuitant terminated service
12 before the effective date of this amendatory Act.

13 Any policeman born before January 1, 1966 who qualifies for
14 a minimum annuity and retires after September 1, 1967 but has
15 not received the initial increase under this subsection before
16 January 1, 2017 is entitled to receive an initial increase
17 under this subsection on (1) January 1, 2017, (2) the first
18 anniversary of the date of retirement, or (3) attainment of age
19 55, whichever occurs last, in an amount equal to 3% for each
20 complete year following the date of retirement or attainment of
21 age 55, whichever occurs later. The changes to this subsection
22 made by this amendatory Act of the 99th General Assembly apply
23 without regard to whether the policeman or annuitant terminated
24 service before the effective date of this amendatory Act.

25 Any policeman born after January 1, 1966 who qualifies for
26 a minimum annuity and retires after September 1, 1967 but has

1 not received the initial increase under this subsection before
2 January 1, 2020 is entitled to receive the initial increase
3 under this subsection on (1) January 1, 2020, (2) the first
4 anniversary of the date of retirement, or (3) attainment of age
5 55, whichever occurs last. The changes to this Section made by
6 this amendatory Act of the 101st General Assembly apply without
7 regard to whether the policeman or annuitant terminated service
8 before the effective date of this amendatory Act.

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

11 (c) To help defray the cost of such increases in annuity,
12 there shall be deducted, beginning September 1, 1967, from each
13 payment of salary to a policeman, 1/2 of 1% of each salary
14 payment concurrently with and in addition to the salary
15 deductions otherwise made for annuity purposes.

16 The city, in addition to the contributions otherwise made
17 by it for annuity purposes under other provisions of this
18 Article, shall make matching contributions concurrently with
19 such salary deductions.

20 Each such 1/2 of 1% deduction from salary and each such
21 contribution by the city of 1/2 of 1% of salary shall be
22 credited to the Automatic Increase Reserve, to be used to
23 defray the cost of the annuity increase provided by this
24 Section. Any balance in such reserve as of the beginning of
25 each calendar year shall be credited with interest at the rate
26 of 3% per annum.

1 Such deductions from salary and city contributions shall
2 continue while the policeman is in service.

3 The salary deductions provided in this Section are not
4 subject to refund, except to the policeman himself, in any case
5 in which: (i) the policeman withdraws prior to qualification
6 for minimum annuity or Tier 2 monthly retirement annuity and
7 applies for refund, (ii) the policeman applies for an annuity
8 of a type that is not subject to annual increases under this
9 Section, or (iii) a term annuity becomes payable. In such
10 cases, the total of such salary deductions shall be refunded to
11 the policeman, without interest, and charged to the Automatic
12 Increase Reserve.

13 (d) Notwithstanding any other provision of this Article,
14 the Tier 2 monthly retirement annuity of a person who first
15 becomes a policeman under this Article on or after the
16 effective date of this amendatory Act of the 97th General
17 Assembly shall be increased on the January 1 occurring either
18 on or after (i) the attainment of age 60 or (ii) the first
19 anniversary of the annuity start date, whichever is later. Each
20 annual increase shall be calculated at 3% or one-half the
21 annual unadjusted percentage increase (but not less than zero)
22 in the consumer price index-u for the 12 months ending with the
23 September preceding each November 1, whichever is less, of the
24 originally granted retirement annuity. If the annual
25 unadjusted percentage change in the consumer price index-u for
26 a 12-month period ending in September is zero or, when compared

1 with the preceding period, decreases, then the annuity shall
2 not be increased.

3 For the purposes of this subsection (d), "consumer price
4 index-u" means the index published by the Bureau of Labor
5 Statistics of the United States Department of Labor that
6 measures the average change in prices of goods and services
7 purchased by all urban consumers, United States city average,
8 all items, 1982-84 = 100. The new amount resulting from each
9 annual adjustment shall be determined by the Public Pension
10 Division of the Department of Insurance and made available to
11 the boards of the pension funds by November 1 of each year.
12 (Source: P.A. 99-905, eff. 11-29-16.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.43 as follows:

15 (30 ILCS 805/8.43 new)

16 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
17 of this Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this amendatory Act of
19 the 101st General Assembly.

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