



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3518

by Rep. Mark Batinick

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-155 new

Amends the General Provisions Article of the Illinois Pension Code. Provides that a Tier 1 participant of a pension fund or retirement system, except for a pension fund established under the Downstate Police, Downstate Firefighter, Chicago Police, or Chicago Firefighter Article, may irrevocably elect to have increases to his or her retirement annuity or supplemental annuity based on the annual unadjusted percentage increase in the consumer price index-u for a specified 12-month period. Requires each pension fund or retirement system to inform Tier 1 participants that they have the option to make that election. Provides that the changes apply without regard to whether the Tier 1 participant is in active service on or after the effective date of the amendatory Act. Effective immediately.

LRB101 10983 RPS 56167 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by adding  
5 Section 1-155 as follows:

6 (40 ILCS 5/1-155 new)

7 Sec. 1-155. Calculation of annual increase in annuity for  
8 Tier 1 participants.

9 (a) As used in this Section:

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

19 "Tier 1 participant" means a person who first became a  
20 participant or member before January 1, 2011 under a pension  
21 fund or retirement system established under this Code, except  
22 for a pension fund established under Article 3, 4, 5, or 6.

23 (b) A Tier 1 participant may irrevocably elect to have

1 increases to his or her retirement annuity or supplemental  
2 annuity calculated in accordance with subsection (c). A pension  
3 fund or retirement system established under this Code, except  
4 for a pension fund established under Article 3, 4, 5, or 6,  
5 shall inform Tier 1 participants that they have the option to  
6 make the election under this subsection.

7 (c) Notwithstanding any other provision of this Code, the  
8 retirement annuity or supplemental annuity for a Tier 1  
9 participant who makes the election under subsection (b) shall  
10 be subject to annual increases equal to the annual unadjusted  
11 percentage increase in the consumer price index-u for the 12  
12 months ending with the September preceding each November 1,  
13 except that:

14 (1) if the annual unadjusted percentage increase in the  
15 consumer price index-u for the 12 months ending with the  
16 September preceding each November 1 is 1% or less, then the  
17 annual increase shall be 1%; and

18 (2) if the annual unadjusted percentage increase in the  
19 consumer price index-u for the 12 months ending with the  
20 September preceding each November 1 is 5% or more, then the  
21 annual increase shall be 5%.

22 (d) Notwithstanding Section 1-103.1, this Section applies  
23 without regard to whether the Tier 1 participant is in active  
24 service on or after the effective date of this amendatory Act  
25 of the 101st General Assembly.

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

1 becoming law.