

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Administrative Procedure Act is
5 amended by adding Section 5-45.21 as follows:

6 (5 ILCS 100/5-45.21 new)

7 Sec. 5-45.21. Emergency rulemaking; deferred retirement
8 option plan. To provide for the expeditious and timely
9 implementation of Section 14-147.7 of the Illinois Pension
10 Code, emergency rules implementing the deferred retirement
11 option plan under Section 14-147.7 of the Illinois Pension
12 Code and maintaining the deferred retirement option plan's
13 compliance with applicable federal laws and regulations may be
14 adopted in accordance with Section 5-45 by the Board of
15 Trustees of the State Employees' Retirement System of
16 Illinois. The adoption of emergency rules authorized by
17 Section 5-45 and this Section is deemed to be necessary for the
18 public interest, safety, and welfare.

19 This Section is repealed one year after the effective date
20 of this amendatory Act of the 102nd General Assembly.

21 Section 10. The Department of Revenue Law of the Civil
22 Administrative Code of Illinois is amended by adding Section

1 2505-306 as follows:

2 (20 ILCS 2505/2505-306 new)

3 Sec. 2505-306. Retiring investigators; purchase of service
4 firearm and badge. The Director shall establish a program to
5 allow a Department investigator who is honorably retiring in
6 good standing to purchase either one or both of the following:
7 (1) any badge previously issued to the investigator by the
8 Department; or (2) if the investigator has a currently valid
9 Firearm Owner's Identification Card, the service firearm
10 issued or previously issued to the investigator by the
11 Department. The cost of the firearm shall be the replacement
12 value of the firearm and not the firearm's fair market value.

13 Section 15. The State Finance Act is amended by adding
14 Sections 5.970 and 6z-130 as follows:

15 (30 ILCS 105/5.970 new)

16 Sec. 5.970. The Law Enforcement Recruitment and Retention
17 Fund.

18 (30 ILCS 105/6z-130 new)

19 Sec. 6z-130. The Law Enforcement Recruitment and Retention
20 Fund. The Law Enforcement Recruitment and Retention Fund is
21 hereby created as a special fund in the State treasury. Moneys
22 in the fund shall consist of moneys transferred from the

1 General Revenue Fund to the Law Enforcement Recruitment and
2 Retention Fund. This fund shall be used by the Illinois Law
3 Enforcement Recruitment and Retention Board to provide grants
4 pursuant to Section 3.2 of the Illinois Police Training Act
5 and may be used to reimburse the Illinois Law Enforcement
6 Training Standards Board pursuant to subsection (c) of Section
7 3.2 of the Illinois Police Training Act.

8 Section 20. The Illinois Pension Code is amended by
9 changing Sections 1-160 and 14-152.1 and by adding Sections
10 7-142.2, 14-147.7, and 24-105.3 as follows:

11 (40 ILCS 5/1-160)

12 Sec. 1-160. Provisions applicable to new hires.

13 (a) The provisions of this Section apply to a person who,
14 on or after January 1, 2011, first becomes a member or a
15 participant under any reciprocal retirement system or pension
16 fund established under this Code, other than a retirement
17 system or pension fund established under Article 2, 3, 4, 5, 6,
18 7, 15, or 18 of this Code, notwithstanding any other provision
19 of this Code to the contrary, but do not apply to any
20 self-managed plan established under this Code or to any
21 participant of the retirement plan established under Section
22 22-101; except that this Section applies to a person who
23 elected to establish alternative credits by electing in
24 writing after January 1, 2011, but before August 8, 2011,

1 under Section 7-145.1 of this Code. Notwithstanding anything
2 to the contrary in this Section, for purposes of this Section,
3 a person who is a Tier 1 regular employee as defined in Section
4 7-109.4 of this Code or who participated in a retirement
5 system under Article 15 prior to January 1, 2011 shall be
6 deemed a person who first became a member or participant prior
7 to January 1, 2011 under any retirement system or pension fund
8 subject to this Section. The changes made to this Section by
9 Public Act 98-596 are a clarification of existing law and are
10 intended to be retroactive to January 1, 2011 (the effective
11 date of Public Act 96-889), notwithstanding the provisions of
12 Section 1-103.1 of this Code.

13 This Section does not apply to a person who first becomes a
14 noncovered employee under Article 14 on or after the
15 implementation date of the plan created under Section 1-161
16 for that Article, unless that person elects under subsection
17 (b) of Section 1-161 to instead receive the benefits provided
18 under this Section and the applicable provisions of that
19 Article.

20 This Section does not apply to a person who first becomes a
21 member or participant under Article 16 on or after the
22 implementation date of the plan created under Section 1-161
23 for that Article, unless that person elects under subsection
24 (b) of Section 1-161 to instead receive the benefits provided
25 under this Section and the applicable provisions of that
26 Article.

1 This Section does not apply to a person who elects under
2 subsection (c-5) of Section 1-161 to receive the benefits
3 under Section 1-161.

4 This Section does not apply to a person who first becomes a
5 member or participant of an affected pension fund on or after 6
6 months after the resolution or ordinance date, as defined in
7 Section 1-162, unless that person elects under subsection (c)
8 of Section 1-162 to receive the benefits provided under this
9 Section and the applicable provisions of the Article under
10 which he or she is a member or participant.

11 (b) "Final average salary" means, except as otherwise
12 provided in this subsection, the average monthly (or annual)
13 salary obtained by dividing the total salary or earnings
14 calculated under the Article applicable to the member or
15 participant during the 96 consecutive months (or 8 consecutive
16 years) of service within the last 120 months (or 10 years) of
17 service in which the total salary or earnings calculated under
18 the applicable Article was the highest by the number of months
19 (or years) of service in that period. For the purposes of a
20 person who first becomes a member or participant of any
21 retirement system or pension fund to which this Section
22 applies on or after January 1, 2011, in this Code, "final
23 average salary" shall be substituted for the following:

24 (1) (Blank).

25 (2) In Articles 8, 9, 10, 11, and 12, "highest average
26 annual salary for any 4 consecutive years within the last

1 10 years of service immediately preceding the date of
2 withdrawal".

3 (3) In Article 13, "average final salary".

4 (4) In Article 14, "final average compensation".

5 (5) In Article 17, "average salary".

6 (6) In Section 22-207, "wages or salary received by
7 him at the date of retirement or discharge".

8 A member of the Teachers' Retirement System of the State
9 of Illinois who retires on or after June 1, 2021 and for whom
10 the 2020-2021 school year is used in the calculation of the
11 member's final average salary shall use the higher of the
12 following for the purpose of determining the member's final
13 average salary:

14 (A) the amount otherwise calculated under the first
15 paragraph of this subsection; or

16 (B) an amount calculated by the Teachers' Retirement
17 System of the State of Illinois using the average of the
18 monthly (or annual) salary obtained by dividing the total
19 salary or earnings calculated under Article 16 applicable
20 to the member or participant during the 96 months (or 8
21 years) of service within the last 120 months (or 10 years)
22 of service in which the total salary or earnings
23 calculated under the Article was the highest by the number
24 of months (or years) of service in that period.

25 (b-5) Beginning on January 1, 2011, for all purposes under
26 this Code (including without limitation the calculation of

1 benefits and employee contributions), the annual earnings,
2 salary, or wages (based on the plan year) of a member or
3 participant to whom this Section applies shall not exceed
4 \$106,800; however, that amount shall annually thereafter be
5 increased by the lesser of (i) 3% of that amount, including all
6 previous adjustments, or (ii) one-half the annual unadjusted
7 percentage increase (but not less than zero) in the consumer
8 price index-u for the 12 months ending with the September
9 preceding each November 1, including all previous adjustments.

10 For the purposes of this Section, "consumer price index-u"
11 means the index published by the Bureau of Labor Statistics of
12 the United States Department of Labor that measures the
13 average change in prices of goods and services purchased by
14 all urban consumers, United States city average, all items,
15 1982-84 = 100. The new amount resulting from each annual
16 adjustment shall be determined by the Public Pension Division
17 of the Department of Insurance and made available to the
18 boards of the retirement systems and pension funds by November
19 1 of each year.

20 (c) A member or participant is entitled to a retirement
21 annuity upon written application if he or she has attained age
22 67 (age 65, with respect to service under Article 12 that is
23 subject to this Section, for a member or participant under
24 Article 12 who first becomes a member or participant under
25 Article 12 on or after January 1, 2022 or who makes the
26 election under item (i) of subsection (d-15) of this Section)

1 and has at least 10 years of service credit and is otherwise
2 eligible under the requirements of the applicable Article.

3 A member or participant who has attained age 62 (age 60,
4 with respect to service under Article 12 that is subject to
5 this Section, for a member or participant under Article 12 who
6 first becomes a member or participant under Article 12 on or
7 after January 1, 2022 or who makes the election under item (i)
8 of subsection (d-15) of this Section) and has at least 10 years
9 of service credit and is otherwise eligible under the
10 requirements of the applicable Article may elect to receive
11 the lower retirement annuity provided in subsection (d) of
12 this Section.

13 (c-5) A person who first becomes a member or a participant
14 subject to this Section on or after July 6, 2017 (the effective
15 date of Public Act 100-23), notwithstanding any other
16 provision of this Code to the contrary, is entitled to a
17 retirement annuity under Article 8 or Article 11 upon written
18 application if he or she has attained age 65 and has at least
19 10 years of service credit and is otherwise eligible under the
20 requirements of Article 8 or Article 11 of this Code,
21 whichever is applicable.

22 (d) The retirement annuity of a member or participant who
23 is retiring after attaining age 62 (age 60, with respect to
24 service under Article 12 that is subject to this Section, for a
25 member or participant under Article 12 who first becomes a
26 member or participant under Article 12 on or after January 1,

1 2022 or who makes the election under item (i) of subsection
2 (d-15) of this Section) with at least 10 years of service
3 credit shall be reduced by one-half of 1% for each full month
4 that the member's age is under age 67 (age 65, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section).

10 (d-5) The retirement annuity payable under Article 8 or
11 Article 11 to an eligible person subject to subsection (c-5)
12 of this Section who is retiring at age 60 with at least 10
13 years of service credit shall be reduced by one-half of 1% for
14 each full month that the member's age is under age 65.

15 (d-10) Each person who first became a member or
16 participant under Article 8 or Article 11 of this Code on or
17 after January 1, 2011 and prior to July 6, 2017 (the effective
18 date of Public Act 100-23) ~~this amendatory Act of the 100th~~
19 ~~General Assembly~~ shall make an irrevocable election either:

20 (i) to be eligible for the reduced retirement age
21 provided in subsections (c-5) and (d-5) of this Section,
22 the eligibility for which is conditioned upon the member
23 or participant agreeing to the increases in employee
24 contributions for age and service annuities provided in
25 subsection (a-5) of Section 8-174 of this Code (for
26 service under Article 8) or subsection (a-5) of Section

1 11-170 of this Code (for service under Article 11); or

2 (ii) to not agree to item (i) of this subsection
3 (d-10), in which case the member or participant shall
4 continue to be subject to the retirement age provisions in
5 subsections (c) and (d) of this Section and the employee
6 contributions for age and service annuity as provided in
7 subsection (a) of Section 8-174 of this Code (for service
8 under Article 8) or subsection (a) of Section 11-170 of
9 this Code (for service under Article 11).

10 The election provided for in this subsection shall be made
11 between October 1, 2017 and November 15, 2017. A person
12 subject to this subsection who makes the required election
13 shall remain bound by that election. A person subject to this
14 subsection who fails for any reason to make the required
15 election within the time specified in this subsection shall be
16 deemed to have made the election under item (ii).

17 (d-15) Each person who first becomes a member or
18 participant under Article 12 on or after January 1, 2011 and
19 prior to January 1, 2022 shall make an irrevocable election
20 either:

21 (i) to be eligible for the reduced retirement age
22 specified in subsections (c) and (d) of this Section, the
23 eligibility for which is conditioned upon the member or
24 participant agreeing to the increase in employee
25 contributions for service annuities specified in
26 subsection (b) of Section 12-150; or

1 (ii) to not agree to item (i) of this subsection
2 (d-15), in which case the member or participant shall not
3 be eligible for the reduced retirement age specified in
4 subsections (c) and (d) of this Section and shall not be
5 subject to the increase in employee contributions for
6 service annuities specified in subsection (b) of Section
7 12-150.

8 The election provided for in this subsection shall be made
9 between January 1, 2022 and April 1, 2022. A person subject to
10 this subsection who makes the required election shall remain
11 bound by that election. A person subject to this subsection
12 who fails for any reason to make the required election within
13 the time specified in this subsection shall be deemed to have
14 made the election under item (ii).

15 (e) Any retirement annuity or supplemental annuity shall
16 be subject to annual increases on the January 1 occurring
17 either on or after the attainment of age 67 (age 65, with
18 respect to service under Article 12 that is subject to this
19 Section, for a member or participant under Article 12 who
20 first becomes a member or participant under Article 12 on or
21 after January 1, 2022 or who makes the election under item (i)
22 of subsection (d-15); and beginning on July 6, 2017 (the
23 effective date of Public Act 100-23) ~~this amendatory Act of~~
24 ~~the 100th General Assembly~~, age 65 with respect to service
25 under Article 8 or Article 11 for eligible persons who: (i) are
26 subject to subsection (c-5) of this Section; or (ii) made the

1 election under item (i) of subsection (d-10) of this Section)
2 or the first anniversary of the annuity start date, whichever
3 is later. Each annual increase shall be calculated at 3% or
4 one-half the annual unadjusted percentage increase (but not
5 less than zero) in the consumer price index-u for the 12 months
6 ending with the September preceding each November 1, whichever
7 is less, of the originally granted retirement annuity. If the
8 annual unadjusted percentage change in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1 is zero or there is a decrease, then the
11 annuity shall not be increased.

12 For the purposes of Section 1-103.1 of this Code, the
13 changes made to this Section by Public Act 102-263 ~~this~~
14 ~~amendatory Act of the 102nd General Assembly~~ are applicable
15 without regard to whether the employee was in active service
16 on or after August 6, 2021 (the effective date of Public Act
17 102-263) ~~this amendatory Act of the 102nd General Assembly~~.

18 For the purposes of Section 1-103.1 of this Code, the
19 changes made to this Section by Public Act 100-23 ~~this~~
20 ~~amendatory Act of the 100th General Assembly~~ are applicable
21 without regard to whether the employee was in active service
22 on or after July 6, 2017 (the effective date of Public Act
23 100-23) ~~this amendatory Act of the 100th General Assembly~~.

24 (f) The initial survivor's or widow's annuity of an
25 otherwise eligible survivor or widow of a retired member or
26 participant who first became a member or participant on or

1 after January 1, 2011 shall be in the amount of 66 2/3% of the
2 retired member's or participant's retirement annuity at the
3 date of death. In the case of the death of a member or
4 participant who has not retired and who first became a member
5 or participant on or after January 1, 2011, eligibility for a
6 survivor's or widow's annuity shall be determined by the
7 applicable Article of this Code. The initial benefit shall be
8 66 2/3% of the earned annuity without a reduction due to age. A
9 child's annuity of an otherwise eligible child shall be in the
10 amount prescribed under each Article if applicable. Any
11 survivor's or widow's annuity shall be increased (1) on each
12 January 1 occurring on or after the commencement of the
13 annuity if the deceased member died while receiving a
14 retirement annuity or (2) in other cases, on each January 1
15 occurring after the first anniversary of the commencement of
16 the annuity. Each annual increase shall be calculated at 3% or
17 one-half the annual unadjusted percentage increase (but not
18 less than zero) in the consumer price index-u for the 12 months
19 ending with the September preceding each November 1, whichever
20 is less, of the originally granted survivor's annuity. If the
21 annual unadjusted percentage change in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1 is zero or there is a decrease, then the
24 annuity shall not be increased.

25 (g) The benefits in Section 14-110 apply ~~only~~ if the
26 person is ~~a State policeman,~~ a fire fighter in the fire

1 protection service of a department, ~~a conservation police~~
2 ~~officer, an investigator for the Secretary of State, an arson~~
3 ~~investigator, a Commerce Commission police officer,~~
4 ~~investigator for the Department of Revenue or the Illinois~~
5 ~~Gaming Board,~~ a security employee of the Department of
6 Corrections or the Department of Juvenile Justice, or a
7 security employee of the Department of Innovation and
8 Technology, as those terms are defined in subsection (b) and
9 subsection (c) of Section 14-110. A person who meets the
10 requirements of this Section is entitled to an annuity
11 calculated under the provisions of Section 14-110, in lieu of
12 the regular or minimum retirement annuity, only if the person
13 has withdrawn from service with not less than 20 years of
14 eligible creditable service and has attained age 60,
15 regardless of whether the attainment of age 60 occurs while
16 the person is still in service.

17 (g-5) The benefits in Section 14-110 apply if the person
18 is a State policeman, investigator for the Secretary of State,
19 conservation police officer, investigator for the Department
20 of Revenue or the Illinois Gaming Board, investigator for the
21 Office of the Attorney General, Commerce Commission police
22 officer, or arson investigator, as those terms are defined in
23 subsection (b) and subsection (c) of Section 14-110. A person
24 who meets the requirements of this Section is entitled to an
25 annuity calculated under the provisions of Section 14-110, in
26 lieu of the regular or minimum retirement annuity, only if the

1 person has withdrawn from service with not less than 20 years
2 of eligible creditable service and has attained age 55,
3 regardless of whether the attainment of age 55 occurs while
4 the person is still in service.

5 (h) If a person who first becomes a member or a participant
6 of a retirement system or pension fund subject to this Section
7 on or after January 1, 2011 is receiving a retirement annuity
8 or retirement pension under that system or fund and becomes a
9 member or participant under any other system or fund created
10 by this Code and is employed on a full-time basis, except for
11 those members or participants exempted from the provisions of
12 this Section under subsection (a) of this Section, then the
13 person's retirement annuity or retirement pension under that
14 system or fund shall be suspended during that employment. Upon
15 termination of that employment, the person's retirement
16 annuity or retirement pension payments shall resume and be
17 recalculated if recalculation is provided for under the
18 applicable Article of this Code.

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then
25 that person's annuity or retirement pension earned as an
26 active employee of the employer shall be suspended during that

1 contractual service. A person receiving an annuity or
2 retirement pension under this Code shall notify the pension
3 fund or retirement system from which he or she is receiving an
4 annuity or retirement pension, as well as his or her
5 contractual employer, of his or her retirement status before
6 accepting contractual employment. A person who fails to submit
7 such notification shall be guilty of a Class A misdemeanor and
8 required to pay a fine of \$1,000. Upon termination of that
9 contractual employment, the person's retirement annuity or
10 retirement pension payments shall resume and, if appropriate,
11 be recalculated under the applicable provisions of this Code.

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

16 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
17 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; revised 9-28-21.)

18 (40 ILCS 5/7-142.2 new)

19 Sec. 7-142.2. Deferred retirement option plan.

20 (a) As used in this Section:

21 "Deferred retirement option plan" or "DROP" means the plan
22 created under this Section that provides an alternative method
23 of benefit accrual in the Fund.

24 "DROP member" means an eligible member who makes an
25 election to participate in the DROP no later than January 1,

1 2027.

2 "DROP period" means the period during which a DROP member
3 participates in the DROP.

4 "Eligible member" means a participating employee of the
5 Fund who, at the time of electing to participate in the DROP:

6 (1) is otherwise eligible to retire under this Article
7 with a benefit under Section 7-142.1;

8 (2) has never received a retirement annuity from the
9 Fund;

10 (3) is in active service as a sheriff's law
11 enforcement employee; and

12 (4) has terminated participation with respect to any
13 employer other than the employer for which the member is a
14 sheriff's law enforcement employee.

15 (b) The DROP shall be made available to eligible members
16 no later than January 1, 2024.

17 (c) Eligible members must make their election to
18 participate in the DROP in writing with the Fund in a form
19 acceptable to the Fund. The Fund must process the election and
20 begin crediting an account on behalf of the member as soon as
21 is practicable after the election has been received by the
22 Fund.

23 (d) An eligible member may elect to participate in the
24 DROP for a period not to exceed 5 years from the date of
25 election.

26 (e) During the DROP period, the Fund shall credit a

1 notional account on behalf of the DROP member an amount equal
2 to the monthly amount of retirement annuity the DROP member
3 would otherwise be eligible to receive had the DROP member
4 retired on the date of the election under this Section, minus
5 any amounts required to be deducted under State or federal
6 law, including, but not limited to, payments required under a
7 Qualified Illinois Domestic Relations Order under Section
8 1-119. Any automatic annual increases that would have
9 otherwise been applied to the DROP member's retirement annuity
10 had the DROP member elected to retire instead of participate
11 in the DROP shall accrue to the DROP member's monthly payment
12 credited to the account prior to the expiration of the DROP and
13 shall otherwise apply to the DROP member's annuity upon
14 expiration of the DROP. The account shall be held on behalf of
15 the DROP member.

16 (f) DROP members shall make contributions to the Fund
17 during their participation in the DROP in an amount equal to
18 the employee contributions under paragraph (1) of subsection
19 (a) of Section 7-173 and subsection (a) of Section 7-173.1
20 that would otherwise be required if the DROP member were an
21 active participant of the Fund. Those amounts shall be
22 credited to the general account of the Fund. Earnings paid to
23 DROP members during their participation in the DROP shall be
24 included in the calculation of employer contributions as
25 required in Section 7-172.

26 (g) The amounts credited to the DROP account shall be held

1 in notional accounts by the Fund and shall be credited
2 interest annually on each January 1 during the DROP period.
3 Interest shall be calculated during the DROP period at a rate
4 equal to the Market Yield on U.S. Treasury Securities at
5 10-Year Constant Maturity in effect at that time and shall be
6 based on the amount in the DROP member's notional account on
7 December 31 of the preceding year.

8 (h) Upon the later of the expiration or termination of the
9 DROP member's participation in the DROP or the termination of
10 disability benefits being paid to the DROP member, the account
11 balance shall be paid to the DROP member as a lump sum. The
12 Fund shall provide options for the transfer of the account
13 consistent with its fiduciary duty and any applicable State or
14 federal law. An expiration or termination of a DROP member's
15 participation in the DROP may not occur after January 1, 2032.

16 (i) The DROP election is irrevocable, and the DROP member
17 may not access the account prior to termination or expiration
18 of the DROP member's participation in the DROP. The DROP
19 member must terminate employment with the employer upon
20 expiration of his or her participation in the DROP. The DROP
21 member's participation in the DROP shall terminate prior to
22 the expiration date:

23 (1) if the DROP member terminates employment with the
24 employer prior to the expiration of the designated DROP
25 period;

26 (2) if the DROP member becomes eligible for and begins

1 collecting a disability benefit from the Fund; or

2 (3) upon the death of the DROP member.

3 Upon termination or expiration of the DROP period, the
4 DROP member must separate from the service of all employers
5 under this Article for a period of not less than 60 days. Upon
6 the later of the termination of the DROP or the termination of
7 disability benefits being paid to the DROP member, the DROP
8 member's retirement annuity from the Fund shall commence.

9 (j) The DROP member shall be considered in active service
10 for purposes of eligibility for death and disability benefits.

11 While participating in the DROP, the DROP member shall not
12 accrue additional service credit, including any service
13 accruals, in the Fund and earnings paid to the DROP member
14 while participating in the DROP shall not be included in the
15 calculation of final rate of earnings, regardless of future
16 pay increases, active cost of living adjustments, or
17 promotions. Additionally, the DROP member shall not be
18 eligible to make additional contributions under paragraph (2)
19 of subsection (a) of Section 7-173. During the DROP period,
20 the DROP member shall not be eligible for a distribution of any
21 amounts accrued from previous contributions made under
22 paragraph (2) of subsection (a) of Section 7-173.

23 Eligibility for a surviving spouse benefit under Section
24 7-154 shall be determined at the time of the DROP election.

25 The pickup of employee contribution requirements in
26 Section 7-173.2 shall be applicable to amounts paid by the

1 DROP member under subsection (f).

2 Any amounts due to an alternate payee under a Qualified
3 Illinois Domestic Relations Order under Section 1-119 shall be
4 calculated at the time of the DROP election, and such amounts
5 shall be payable at the time of election.

6 If the DROP member's designated beneficiary predeceases
7 the DROP member and the DROP member dies before designating a
8 new beneficiary, the DROP member's DROP account shall be paid
9 to the DROP member's estate.

10 (k) It is intended that the DROP shall not jeopardize the
11 tax-qualified status of the Fund. The Board shall have the
12 authority to adopt rules necessary or appropriate for the DROP
13 to maintain compliance with applicable federal laws and
14 regulations. Notwithstanding any other provision of this
15 Article, all benefits provided under the DROP shall be subject
16 to the requirements and limitations of the Internal Revenue
17 Code of 1986.

18 (40 ILCS 5/14-147.7 new)

19 Sec. 14-147.7. Deferred retirement option plan.

20 (a) As used in this Section:

21 "Deferred retirement option plan" or "DROP" means the plan
22 created under this Section that provides an alternative method
23 of benefit accrual in the System.

24 "Eligible member" means an employee who at the time of
25 election in the DROP, which must occur no later than January 1,

1 2027:

2 (1) is employed as a State policeman and has qualified
3 to begin receiving retirement benefits as determined under
4 Section 14-110;

5 (2) has never received a retirement annuity from this
6 System;

7 (3) declines both accelerated pension benefit payment
8 options under Sections 14-147.5 and 14-147.6;

9 (4) provides documentation that he or she will be
10 employed as a State policeman after his or her election to
11 participate in the DROP; and

12 (5) provides proof that he or she is enrolled in an
13 eligible account under Section 457(d) of the Internal
14 Revenue Code of 1986.

15 (b) After the System accepts a determination that the DROP
16 conforms with the federal regulations of qualified plans
17 provided by a firm familiar with such regulations, the DROP
18 shall be made available to eligible members as soon as
19 administratively practicable as determined by the Board.

20 (c) Eligible members must make their election to
21 participate in the DROP in writing with the System in a form
22 acceptable to the System. The System must process the election
23 and begin crediting an account on behalf of the member as soon
24 as is practicable after the election has been received by the
25 System.

26 (d) An eligible member may elect to participate in the

1 DROP for a period not to exceed 5 years from the date of
2 election, and the duration of that period shall be certified
3 by the Illinois State Police and provided to the System.

4 (e) During the period of the DROP, the System shall credit
5 into a notional account on behalf of the member an amount equal
6 to the monthly amount of retirement annuity the member would
7 otherwise be eligible to receive had the member retired on the
8 date of the election under this Section, minus any amounts
9 required to be deducted under State or federal law, including,
10 but not limited to, payments required under a Qualified
11 Illinois Domestic Relations Order under Section 1-119. Any
12 automatic annual increases that would have otherwise been
13 applied to the member's retirement annuity had the member
14 elected to retire instead of participate in the DROP shall
15 accrue to the member's monthly payment credited to the account
16 prior to the expiration of the DROP and shall otherwise apply
17 to the member's annuity upon expiration of the DROP. The
18 account shall be held on behalf of the member.

19 (f) During the period a member participates in the DROP,
20 the member shall cease all contributions to the System, but
21 shall make the contributions required under Section 24-105.3.

22 (g) The amounts credited to the DROP account shall be held
23 in notional accounts by the System and shall be credited
24 interest annually on January 1. Interest shall be calculated
25 at a rate equal to the Market Yield on U.S. Treasury Securities
26 at 10-Year Constant Maturity in effect at that time and shall

1 be based on the amount in the notional account on December 31
2 of the preceding year.

3 (h) Upon expiration or termination of the member's
4 participation in the DROP, the account balance shall be paid
5 to the member as a lump sum. The System shall provide options
6 for the transfer of the account consistent with its fiduciary
7 duties and any applicable State or federal law. An expiration
8 or termination of a member's participation in DROP may not
9 occur after January 1, 2032.

10 (i) The DROP election is irrevocable, and the member may
11 not access the account prior to termination or expiration of
12 the member's participation in DROP. The member must terminate
13 employment with the Illinois State Police upon expiration of
14 the member's participation in DROP. The member's participation
15 in the DROP shall terminate prior to the expiration date:

16 (1) if the member terminates employment with the
17 Illinois State Police prior to the expiration of the
18 designated DROP period;

19 (2) if the member receives income under the Public
20 Employee Disability Act, the Workers' Compensation Act, or
21 the Workers' Occupational Diseases Act; or

22 (3) upon the death of the member.

23 The monthly benefit payment accruals that are credited to
24 the DROP member's notional account shall cease immediately
25 upon the occurrence of any of the events as described in this
26 subsection (i).

1 (j) A member in the DROP or his or her beneficiary is not
2 eligible for the benefits provided in Section 14-116, 14-123,
3 14-123.1, 14-124, 14-128, 14-130, 14-147.5, or 14-147.6 while
4 participating in the DROP.

5 The member shall not accrue or establish additional
6 service or earnings credits in the System while participating
7 in the DROP.

8 Any amounts due to an alternate payee under a Qualified
9 Illinois Domestic Relations Order under Section 1-119 shall be
10 calculated at the time of the DROP election and such amounts
11 shall be payable at the time of election.

12 If the member's designated beneficiary predeceases the
13 member and the member dies before designating a new
14 beneficiary, the member's DROP account shall be paid to the
15 member's estate.

16 (k) It is intended that the DROP shall not jeopardize the
17 tax qualified status of the System. The Board shall have the
18 authority to adopt rules and policies necessary or
19 appropriate, including adopting emergency rules, for the DROP
20 to maintain compliance with applicable federal laws and
21 regulations. Notwithstanding any other provision of this
22 Article, all benefits provided under the DROP shall be subject
23 to the requirements and limitations of the Internal Revenue
24 Code of 1986.

1 Sec. 14-152.1. Application and expiration of new benefit
2 increases.

3 (a) As used in this Section, "new benefit increase" means
4 an increase in the amount of any benefit provided under this
5 Article, or an expansion of the conditions of eligibility for
6 any benefit under this Article, that results from an amendment
7 to this Code that takes effect after June 1, 2005 (the
8 effective date of Public Act 94-4). "New benefit increase",
9 however, does not include any benefit increase resulting from
10 the changes made to Article 1 or this Article by Public Act
11 96-37, Public Act 100-23, Public Act 100-587, Public Act
12 100-611, Public Act 101-10, Public Act 101-610, Public Act
13 102-210, or this amendatory Act of the 102nd General Assembly
14 ~~this amendatory Act of the 102nd General Assembly.~~

15 (b) Notwithstanding any other provision of this Code or
16 any subsequent amendment to this Code, every new benefit
17 increase is subject to this Section and shall be deemed to be
18 granted only in conformance with and contingent upon
19 compliance with the provisions of this Section.

20 (c) The Public Act enacting a new benefit increase must
21 identify and provide for payment to the System of additional
22 funding at least sufficient to fund the resulting annual
23 increase in cost to the System as it accrues.

24 Every new benefit increase is contingent upon the General
25 Assembly providing the additional funding required under this
26 subsection. The Commission on Government Forecasting and

1 Accountability shall analyze whether adequate additional
2 funding has been provided for the new benefit increase and
3 shall report its analysis to the Public Pension Division of
4 the Department of Insurance. A new benefit increase created by
5 a Public Act that does not include the additional funding
6 required under this subsection is null and void. If the Public
7 Pension Division determines that the additional funding
8 provided for a new benefit increase under this subsection is
9 or has become inadequate, it may so certify to the Governor and
10 the State Comptroller and, in the absence of corrective action
11 by the General Assembly, the new benefit increase shall expire
12 at the end of the fiscal year in which the certification is
13 made.

14 (d) Every new benefit increase shall expire 5 years after
15 its effective date or on such earlier date as may be specified
16 in the language enacting the new benefit increase or provided
17 under subsection (c). This does not prevent the General
18 Assembly from extending or re-creating a new benefit increase
19 by law.

20 (e) Except as otherwise provided in the language creating
21 the new benefit increase, a new benefit increase that expires
22 under this Section continues to apply to persons who applied
23 and qualified for the affected benefit while the new benefit
24 increase was in effect and to the affected beneficiaries and
25 alternate payees of such persons, but does not apply to any
26 other person, including, without limitation, a person who

1 continues in service after the expiration date and did not
2 apply and qualify for the affected benefit while the new
3 benefit increase was in effect.

4 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
5 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

6 (40 ILCS 5/24-105.3 new)

7 Sec. 24-105.3. Automatic enrollment and required
8 participation; deferred retirement option plan. An employee
9 who participates in the deferred retirement option plan under
10 Section 14-147.7 shall have at least 7.6% of his or her pretax
11 gross compensation for each compensation period deferred into
12 his or her deferred compensation account.

13 The Department of Central Management Services shall
14 automatically enroll in the State Employees Deferred
15 Compensation Plan any employee who elects to participate in
16 the deferred retirement option plan under Section 14-147.7 and
17 is not already enrolled in the State Employees Deferred
18 Compensation Plan. The Illinois State Police shall provide the
19 employee data necessary for enrollment to the Department of
20 Central Management Services or its designee. An employee who
21 participates in the deferred retirement option plan under
22 Section 14-147.7 may increase the percentage of pretax gross
23 compensation that is deferred into his or her account to the
24 amount limited by the federal government.

1 Section 25. The Illinois Police Training Act is amended by
2 adding Section 3.2 as follows:

3 (50 ILCS 705/3.2 new)

4 Sec. 3.2. Illinois Law Enforcement Recruitment and
5 Retention Board.

6 (a) There is hereby created the Illinois Law Enforcement
7 Recruitment and Retention Board. The Board shall be composed
8 of:

9 (1) one individual who is employed as a municipal law
10 enforcement officer in a municipality with less than
11 1,000,000 people, appointed by the Senate President;

12 (2) one individual who is employed as a deputy
13 sheriff, appointed by the Senate Minority Leader of the
14 Senate;

15 (3) one individual who is a chief of police in a
16 municipality with less than 1,000,000 people, appointed by
17 the Speaker of the House of Representatives;

18 (4) one individual who is a sheriff, appointed by the
19 Minority Leader of the House of Representatives;

20 (5) the Executive Director of the Illinois Law
21 Enforcement Training Standards Board, or the Executive
22 Director's designee; and

23 (6) the Superintendent of the Chicago Police
24 Department, or the Superintendent's designee.

25 The Executive Director of the Illinois Law Enforcement

1 Training Standards Board shall be the chairperson of the Board
2 until the Board elects officers.

3 Each appointed member shall serve for a term of 4 years.
4 The Board shall meet at least quarterly and as often as is
5 necessary to accomplish the Board's duties under this Section.
6 Board members shall not be paid but may be reimbursed for the
7 actual costs of travel to Board meetings.

8 (b) The Board shall review proposals and award grants for
9 law enforcement personnel recruitment and retention efforts by
10 employers of law enforcement personnel in Illinois or
11 nonprofit entities that have established experience in
12 recruitment and retention efforts in Illinois. The Board shall
13 choose such employers or nonprofit entities to be awarded
14 grant funds from the Law Enforcement Recruitment and Retention
15 Fund. The Board shall establish forms and procedures for
16 applying for grants. The Board shall establish procedures and
17 processes for reviewing grants and making awards. In
18 establishing these procedures and processes, the Board shall
19 prioritize (1) serving underserved areas, (2) targeting grant
20 requests that have a high likelihood of achieving the stated
21 goals of the Board, (3) achieving geographic diversity among
22 applicants that are awarded grants, (4) maximizing the effects
23 of moneys spent on the actual recruitment and retention of law
24 enforcement personnel, and (5) providing grants that can
25 impact multiple employers either directly with the grant or by
26 providing repeatable actions for other employers.

1 (c) The Illinois Law Enforcement Training Standards Board
2 shall provide meeting space, either virtual or physical, as
3 required. The Illinois Law Enforcement Training Standards
4 Board shall provide staff and administrative support to the
5 Illinois Law Enforcement Recruitment and Retention Board, and
6 the Illinois Law Enforcement Recruitment and Retention Board
7 may reimburse the Illinois Law Enforcement Training Standards
8 Board from the Law Enforcement Recruitment and Retention Fund
9 by mutual agreement.

10 (d) Any award or grant made under this Section is
11 contingent on there being sufficient appropriations to and
12 moneys available in the Law Enforcement Recruitment and
13 Retention Fund.

14 Section 30. The Law Enforcement Intern Training Act is
15 amended by adding Section 24 as follows:

16 (50 ILCS 708/24 new)

17 Sec. 24. Transfer credits from public institutions of
18 higher education.

19 (a) As used in this Section, "public institutions of
20 higher education" has the meaning ascribed to that term in the
21 Board of Higher Education Act.

22 (b) The Board shall collaborate with the Illinois
23 Community College Board and the Board of Higher Education to
24 create a report with recommendations to the General Assembly

1 for establishing minimum requirements for credits that may
2 transfer from public institutions of higher education to
3 satisfy the requirements of law enforcement and correctional
4 intern courses under this Act.

5 (c) The report shall be submitted to the General Assembly
6 no later than July 1, 2023.

7 Section 35. The Counties Code is amended by adding Section
8 3-6042 as follows:

9 (55 ILCS 5/3-6042 new)

10 Sec. 3-6042. Retiring employee; purchase of service
11 firearm and badge. Each Sheriff shall establish a program to
12 allow an employee of the Sheriff's Department who is honorably
13 retiring in good standing to purchase either one or both of the
14 following: (1) any badge previously issued to the employee by
15 the Sheriff's Department; or (2) if the employee has a
16 currently valid Firearm Owner's Identification Card, the
17 service firearm issued or previously issued to the employee by
18 the Sheriff's Department. The badge must be permanently and
19 conspicuously marked in such a manner that the individual who
20 possesses the badge is not mistaken for an actively serving
21 law enforcement officer. The cost of the firearm shall be the
22 replacement value of the firearm and not the firearm's fair
23 market value.

1 Section 40. The Illinois Gambling Act is amended by adding
2 Section 5.4 as follows:

3 (230 ILCS 10/5.4 new)

4 Sec. 5.4. Retiring investigators; purchase of service
5 firearm and badge. The Board shall establish a program to
6 allow an investigator appointed under paragraph (20.6) of
7 subsection (c) of Section 4 who is honorably retiring in good
8 standing to purchase either one or both of the following: (1)
9 any badge previously issued to the investigator by the Board;
10 or (2) if the investigator has a currently valid Firearm
11 Owner's Identification Card, the service firearm issued or
12 previously issued to the investigator by the Board. The badge
13 must be permanently and conspicuously marked in such a manner
14 that the individual who possesses the badge is not mistaken
15 for an actively serving law enforcement officer. The cost of
16 the firearm shall be the replacement value of the firearm and
17 not the firearm's fair market value.

18 Section 45. The Unified Code of Corrections is amended by
19 adding Section 3-2-10.5 as follows:

20 (730 ILCS 5/3-2-10.5 new)

21 Sec. 3-2-10.5. Retiring security employees and parole
22 agents; purchase of service firearm and badge. The Director
23 shall establish a program to allow a security employee or

1 parole agent of the Department who is honorably retiring in
2 good standing to purchase either one or both of the following:
3 (1) any badge previously issued to the security employee or
4 parole agent by the Department; or (2) if the security
5 employee or parole agent has a currently valid Firearm Owner's
6 Identification Card, the service firearm issued or previously
7 issued to the security employee or parole agent by the
8 Department. The badge must be permanently and conspicuously
9 marked in such a manner that the individual who possesses the
10 badge is not mistaken for an actively serving law enforcement
11 officer. The cost of the firearm shall be the replacement
12 value of the firearm and not the firearm's fair market value.

13 Section 50. The Probation and Probation Officers Act is
14 amended by adding Section 15.2 as follows:

15 (730 ILCS 110/15.2 new)

16 Sec. 15.2. Retiring probation officer; purchase of service
17 firearm and badge. Each department shall establish a program
18 to allow a probation officer of the department who is
19 honorably retiring in good standing to purchase either one or
20 both of the following: (1) any badge previously issued to the
21 probation officer by the department; or (2) if the probation
22 officer has a currently valid Firearm Owner's Identification
23 Card, the service firearm issued or previously issued to the
24 probation officer by the department. The badge must be

1 permanently and conspicuously marked in such a manner that the
2 individual who possesses the badge is not mistaken for an
3 actively serving law enforcement officer. The cost of the
4 firearm shall be the replacement value of the firearm and not
5 the firearm's fair market value.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law, except that Section 25 takes effect July 1, 2023
8 and Section 30 takes effect January 1, 2023.