



Rep. Dave Vella

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1 AMENDMENT TO HOUSE BILL 1568

2 AMENDMENT NO. _____. Amend House Bill 1568 by replacing
3 everything after the enacting clause with the following:

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

1 Section 5-45 and this Section is deemed to be necessary for the
2 public interest, safety, and welfare.

3 This Section is repealed one year after the effective date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

5 Section 10. The Department of Revenue Law of the Civil
6 Administrative Code of Illinois is amended by adding Section
7 2505-306 as follows:

8 (20 ILCS 2505/2505-306 new)

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

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

21 (30 ILCS 105/5.970 new)

22 Sec. 5.970. The Law Enforcement Recruitment and Retention

1 Fund.

2 (30 ILCS 105/6z-130 new)

3 Sec. 6z-130. The Law Enforcement Recruitment and Retention
4 Fund. The Law Enforcement Recruitment and Retention Fund is
5 hereby created as a special fund in the State treasury. Moneys
6 in the fund shall consist of moneys transferred from the
7 General Revenue Fund to the Law Enforcement Recruitment and
8 Retention Fund. This fund shall be used by the Illinois Law
9 Enforcement Recruitment and Retention Board to provide grants
10 pursuant to Section 3.2 of the Illinois Police Training Act
11 and may be used to reimburse the Illinois Law Enforcement
12 Training Standards Board pursuant to subsection (c) of Section
13 3.2 of the Illinois Police Training Act.

14 Section 20. The Illinois Pension Code is amended by
15 changing Sections 1-160 and 14-152.1 and by adding Sections
16 7-142.2, 14-147.7, and 24-105.3 as follows:

17 (40 ILCS 5/1-160)

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

19 (a) The provisions of this Section apply to a person who,
20 on or after January 1, 2011, first becomes a member or a
21 participant under any reciprocal retirement system or pension
22 fund established under this Code, other than a retirement
23 system or pension fund established under Article 2, 3, 4, 5, 6,

1 7, 15, or 18 of this Code, notwithstanding any other provision
2 of this Code to the contrary, but do not apply to any
3 self-managed plan established under this Code or to any
4 participant of the retirement plan established under Section
5 22-101; except that this Section applies to a person who
6 elected to establish alternative credits by electing in
7 writing after January 1, 2011, but before August 8, 2011,
8 under Section 7-145.1 of this Code. Notwithstanding anything
9 to the contrary in this Section, for purposes of this Section,
10 a person who is a Tier 1 regular employee as defined in Section
11 7-109.4 of this Code or who participated in a retirement
12 system under Article 15 prior to January 1, 2011 shall be
13 deemed a person who first became a member or participant prior
14 to January 1, 2011 under any retirement system or pension fund
15 subject to this Section. The changes made to this Section by
16 Public Act 98-596 are a clarification of existing law and are
17 intended to be retroactive to January 1, 2011 (the effective
18 date of Public Act 96-889), notwithstanding the provisions of
19 Section 1-103.1 of this Code.

20 This Section does not apply to a person who first becomes a
21 noncovered employee under Article 14 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 first becomes a
2 member or participant under Article 16 on or after the
3 implementation date of the plan created under Section 1-161
4 for that Article, unless that person elects under subsection
5 (b) of Section 1-161 to instead receive the benefits provided
6 under this Section and the applicable provisions of that
7 Article.

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

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

18 (b) "Final average salary" means, except as otherwise
19 provided in this subsection, the average monthly (or annual)
20 salary obtained by dividing the total salary or earnings
21 calculated under the Article applicable to the member or
22 participant during the 96 consecutive months (or 8 consecutive
23 years) of service within the last 120 months (or 10 years) of
24 service in which the total salary or earnings calculated under
25 the applicable Article was the highest by the number of months
26 (or years) of service in that period. For the purposes of a

1 person who first becomes a member or participant of any
2 retirement system or pension fund to which this Section
3 applies on or after January 1, 2011, in this Code, "final
4 average salary" shall be substituted for the following:

5 (1) (Blank).

6 (2) In Articles 8, 9, 10, 11, and 12, "highest average
7 annual salary for any 4 consecutive years within the last
8 10 years of service immediately preceding the date of
9 withdrawal".

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

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

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

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

15 A member of the Teachers' Retirement System of the State
16 of Illinois who retires on or after June 1, 2021 and for whom
17 the 2020-2021 school year is used in the calculation of the
18 member's final average salary shall use the higher of the
19 following for the purpose of determining the member's final
20 average salary:

21 (A) the amount otherwise calculated under the first
22 paragraph of this subsection; or

23 (B) an amount calculated by the Teachers' Retirement
24 System of the State of Illinois using the average of the
25 monthly (or annual) salary obtained by dividing the total
26 salary or earnings calculated under Article 16 applicable

1 to the member or participant during the 96 months (or 8
2 years) of service within the last 120 months (or 10 years)
3 of service in which the total salary or earnings
4 calculated under the Article was the highest by the number
5 of months (or years) of service in that period.

6 (b-5) Beginning on January 1, 2011, for all purposes under
7 this Code (including without limitation the calculation of
8 benefits and employee contributions), the annual earnings,
9 salary, or wages (based on the plan year) of a member or
10 participant to whom this Section applies shall not exceed
11 \$106,800; however, that amount shall annually thereafter be
12 increased by the lesser of (i) 3% of that amount, including all
13 previous adjustments, or (ii) one-half the annual unadjusted
14 percentage increase (but not less than zero) in the consumer
15 price index-u for the 12 months ending with the September
16 preceding each November 1, including all previous adjustments.

17 For the purposes of this Section, "consumer price index-u"
18 means the index published by the Bureau of Labor Statistics of
19 the United States Department of Labor that measures the
20 average change in prices of goods and services purchased by
21 all urban consumers, United States city average, all items,
22 1982-84 = 100. The new amount resulting from each annual
23 adjustment shall be determined by the Public Pension Division
24 of the Department of Insurance and made available to the
25 boards of the retirement systems and pension funds by November
26 1 of each year.

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (age 65, with respect to service under Article 12 that is
4 subject to this Section, for a member or participant under
5 Article 12 who first becomes a member or participant under
6 Article 12 on or after January 1, 2022 or who makes the
7 election under item (i) of subsection (d-15) of this Section)
8 and has at least 10 years of service credit and is otherwise
9 eligible under the requirements of the applicable Article.

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

20 (c-5) A person who first becomes a member or a participant
21 subject to this Section on or after July 6, 2017 (the effective
22 date of Public Act 100-23), notwithstanding any other
23 provision of this Code to the contrary, is entitled to a
24 retirement annuity under Article 8 or Article 11 upon written
25 application if he or she has attained age 65 and has at least
26 10 years of service credit and is otherwise eligible under the

1 requirements of Article 8 or Article 11 of this Code,
2 whichever is applicable.

3 (d) The retirement annuity of a member or participant who
4 is retiring after attaining age 62 (age 60, 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) with at least 10 years of service
10 credit shall be reduced by one-half of 1% for each full month
11 that the member's age is under age 67 (age 65, with respect to
12 service under Article 12 that is subject to this Section, for a
13 member or participant under Article 12 who first becomes a
14 member or participant under Article 12 on or after January 1,
15 2022 or who makes the election under item (i) of subsection
16 (d-15) of this Section).

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

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

1 (i) to be eligible for the reduced retirement age
2 provided in subsections (c-5) and (d-5) of this Section,
3 the eligibility for which is conditioned upon the member
4 or participant agreeing to the increases in employee
5 contributions for age and service annuities provided in
6 subsection (a-5) of Section 8-174 of this Code (for
7 service under Article 8) or subsection (a-5) of Section
8 11-170 of this Code (for service under Article 11); or

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

17 The election provided for in this subsection shall be made
18 between October 1, 2017 and November 15, 2017. A person
19 subject to this subsection who makes the required election
20 shall remain bound by that election. A person subject to this
21 subsection who fails for any reason to make the required
22 election within the time specified in this subsection shall be
23 deemed to have made the election under item (ii).

24 (d-15) Each person who first becomes a member or
25 participant under Article 12 on or after January 1, 2011 and
26 prior to January 1, 2022 shall make an irrevocable election

1 either:

2 (i) to be eligible for the reduced retirement age
3 specified in subsections (c) and (d) of this Section, the
4 eligibility for which is conditioned upon the member or
5 participant agreeing to the increase in employee
6 contributions for service annuities specified in
7 subsection (b) of Section 12-150; or

8 (ii) to not agree to item (i) of this subsection
9 (d-15), in which case the member or participant shall not
10 be eligible for the reduced retirement age specified in
11 subsections (c) and (d) of this Section and shall not be
12 subject to the increase in employee contributions for
13 service annuities specified in subsection (b) of Section
14 12-150.

15 The election provided for in this subsection shall be made
16 between January 1, 2022 and April 1, 2022. A person subject to
17 this subsection who makes the required election shall remain
18 bound by that election. A person subject to this subsection
19 who fails for any reason to make the required election within
20 the time specified in this subsection shall be deemed to have
21 made the election under item (ii).

22 (e) Any retirement annuity or supplemental annuity shall
23 be subject to annual increases on the January 1 occurring
24 either on or after the attainment of age 67 (age 65, with
25 respect to service under Article 12 that is subject to this
26 Section, for a member or participant under Article 12 who

1 first becomes a member or participant under Article 12 on or
2 after January 1, 2022 or who makes the election under item (i)
3 of subsection (d-15); and beginning on July 6, 2017 (the
4 effective date of Public Act 100-23) ~~this amendatory Act of~~
5 ~~the 100th General Assembly~~, age 65 with respect to service
6 under Article 8 or Article 11 for eligible persons who: (i) are
7 subject to subsection (c-5) of this Section; or (ii) made the
8 election under item (i) of subsection (d-10) of this Section)
9 or the first anniversary of the annuity start date, whichever
10 is later. Each annual increase shall be calculated at 3% or
11 one-half the annual unadjusted percentage increase (but not
12 less than zero) in the consumer price index-u for the 12 months
13 ending with the September preceding each November 1, whichever
14 is less, of the originally granted retirement annuity. If the
15 annual unadjusted percentage change in the consumer price
16 index-u for the 12 months ending with the September preceding
17 each November 1 is zero or there is a decrease, then the
18 annuity shall not be increased.

19 For the purposes of Section 1-103.1 of this Code, the
20 changes made to this Section by Public Act 102-263 ~~this~~
21 ~~amendatory Act of the 102nd General Assembly~~ are applicable
22 without regard to whether the employee was in active service
23 on or after August 6, 2021 (the effective date of Public Act
24 102-263) ~~this amendatory Act of the 102nd General Assembly~~.

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 100-23 ~~this~~

1 ~~amendatory Act of the 100th General Assembly~~ are applicable
2 without regard to whether the employee was in active service
3 on or after July 6, 2017 (the effective date of Public Act
4 100-23) ~~this amendatory Act of the 100th General Assembly~~.

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

1 is less, of the originally granted survivor's annuity. If the
2 annual unadjusted percentage change in the consumer price
3 index-u for the 12 months ending with the September preceding
4 each November 1 is zero or there is a decrease, then the
5 annuity shall not be increased.

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

24 (g-5) The benefits in Section 14-110 apply if the person
25 is a State policeman, investigator for the Secretary of State,
26 conservation police officer, investigator for the Department

1 of Revenue or the Illinois Gaming Board, investigator for the
2 Office of the Attorney General, Commerce Commission police
3 officer, or arson investigator, as those terms are defined in
4 subsection (b) and subsection (c) of Section 14-110. A person
5 who meets the requirements of this Section is entitled to an
6 annuity calculated under the provisions of Section 14-110, in
7 lieu of the regular or minimum retirement annuity, only if the
8 person has withdrawn from service with not less than 20 years
9 of eligible creditable service and has attained age 55,
10 regardless of whether the attainment of age 55 occurs while
11 the person is still in service.

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

26 If a person who first becomes a member of a retirement

1 system or pension fund subject to this Section on or after
2 January 1, 2012 and is receiving a retirement annuity or
3 retirement pension under that system or fund and accepts on a
4 contractual basis a position to provide services to a
5 governmental entity from which he or she has retired, then
6 that person's annuity or retirement pension earned as an
7 active employee of the employer shall be suspended during that
8 contractual service. A person receiving an annuity or
9 retirement pension under this Code shall notify the pension
10 fund or retirement system from which he or she is receiving an
11 annuity or retirement pension, as well as his or her
12 contractual employer, of his or her retirement status before
13 accepting contractual employment. A person who fails to submit
14 such notification shall be guilty of a Class A misdemeanor and
15 required to pay a fine of \$1,000. Upon termination of that
16 contractual employment, the person's retirement annuity or
17 retirement pension payments shall resume and, if appropriate,
18 be recalculated under the applicable provisions of this Code.

19 (i) (Blank).

20 (j) In the case of a conflict between the provisions of
21 this Section and any other provision of this Code, the
22 provisions of this Section shall control.

23 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
24 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; revised 9-28-21.)

25 (40 ILCS 5/7-142.2 new)

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

2 (a) As used in this Section:

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

6 "DROP member" means an eligible member who makes an
7 election to participate in the DROP no later than January 1,
8 2027.

9 "DROP period" means the period during which a DROP member
10 participates in the DROP.

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

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

15 (2) has never received a retirement annuity from the
16 Fund;

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

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

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

24 (c) Eligible members must make their election to
25 participate in the DROP in writing with the Fund in a form
26 acceptable to the Fund. The Fund must process the election and

1 begin crediting an account on behalf of the member as soon as
2 is practicable after the election has been received by the
3 Fund.

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

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

23 (f) DROP members shall make contributions to the Fund
24 during their participation in the DROP in an amount equal to
25 the employee contributions under paragraph (1) of subsection
26 (a) of Section 7-173 and subsection (a) of Section 7-173.1

1 that would otherwise be required if the DROP member were an
2 active participant of the Fund. Those amounts shall be
3 credited to the general account of the Fund. Earnings paid to
4 DROP members during their participation in the DROP shall be
5 included in the calculation of employer contributions as
6 required in Section 7-172.

7 (g) The amounts credited to the DROP account shall be held
8 in notional accounts by the Fund and shall be credited
9 interest annually on each January 1 during the DROP period.
10 Interest shall be calculated during the DROP period at a rate
11 equal to the Market Yield on U.S. Treasury Securities at
12 10-Year Constant Maturity in effect at that time and shall be
13 based on the amount in the DROP member's notional account on
14 December 31 of the preceding year.

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

23 (i) The DROP election is irrevocable, and the DROP member
24 may not access the account prior to termination or expiration
25 of the DROP member's participation in the DROP. The DROP
26 member must terminate employment with the employer upon

1 expiration of his or her participation in the DROP. The DROP
2 member's participation in the DROP shall terminate prior to
3 the expiration date:

4 (1) if the DROP member terminates employment with the
5 employer prior to the expiration of the designated DROP
6 period;

7 (2) if the DROP member becomes eligible for and begins
8 collecting a disability benefit from the Fund; or

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

10 Upon termination or expiration of the DROP period, the
11 DROP member must separate from the service of all employers
12 under this Article for a period of not less than 60 days. Upon
13 the later of the termination of the DROP or the termination of
14 disability benefits being paid to the DROP member, the DROP
15 member's retirement annuity from the Fund shall commence.

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

18 While participating in the DROP, the DROP member shall not
19 accrue additional service credit, including any service
20 accruals, in the Fund and earnings paid to the DROP member
21 while participating in the DROP shall not be included in the
22 calculation of final rate of earnings, regardless of future
23 pay increases, active cost of living adjustments, or
24 promotions. Additionally, the DROP member shall not be
25 eligible to make additional contributions under paragraph (2)
26 of subsection (a) of Section 7-173. During the DROP period,

1 the DROP member shall not be eligible for a distribution of any
2 amounts accrued from previous contributions made under
3 paragraph (2) of subsection (a) of Section 7-173.

4 Eligibility for a surviving spouse benefit under Section
5 7-154 shall be determined at the time of the DROP election.

6 The pickup of employee contribution requirements in
7 Section 7-173.2 shall be applicable to amounts paid by the
8 DROP member under subsection (f).

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

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

17 (k) It is intended that the DROP shall not jeopardize the
18 tax-qualified status of the Fund. The Board shall have the
19 authority to adopt rules necessary or appropriate 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. 14-147.7. Deferred retirement option plan.

2 (a) As used in this Section:

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

6 "Eligible member" means an employee who at the time of
7 election in the DROP, which must occur no later than January 1,
8 2027:

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

12 (2) has never received a retirement annuity from this
13 System;

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

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

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

22 (b) After the System accepts a determination that the DROP
23 conforms with the federal regulations of qualified plans
24 provided by a firm familiar with such regulations, the DROP
25 shall be made available to eligible members as soon as
26 administratively practicable as determined by the Board.

1 (c) Eligible members must make their election to
2 participate in the DROP in writing with the System in a form
3 acceptable to the System. The System must process the election
4 and begin crediting an account on behalf of the member as soon
5 as is practicable after the election has been received by the
6 System.

7 (d) An eligible member may elect to participate in the
8 DROP for a period not to exceed 5 years from the date of
9 election, and the duration of that period shall be certified
10 by the Illinois State Police and provided to the System.

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

26 (f) During the period a member participates in the DROP,

1 the member shall cease all contributions to the System, but
2 shall make the contributions required under Section 24-105.3.

3 (g) The amounts credited to the DROP account shall be held
4 in notional accounts by the System and shall be credited
5 interest annually on January 1. Interest shall be calculated
6 at a rate equal to the Market Yield on U.S. Treasury Securities
7 at 10-Year Constant Maturity in effect at that time and shall
8 be based on the amount in the notional account on December 31
9 of the preceding year.

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

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

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

26 (2) if the member receives income under the Public

1 Employee Disability Act, the Workers' Compensation Act, or
2 the Workers' Occupational Diseases Act; or

3 (3) upon the death of the member.

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

8 (j) A member in the DROP or his or her beneficiary is not
9 eligible for the benefits provided in Section 14-116, 14-123,
10 14-123.1, 14-124, 14-128, 14-130, 14-147.5, or 14-147.6 while
11 participating in the DROP.

12 The member shall not accrue or establish additional
13 service or earnings credits in the System while participating
14 in the DROP.

15 Any amounts due to an alternate payee under a Qualified
16 Illinois Domestic Relations Order under Section 1-119 shall be
17 calculated at the time of the DROP election and such amounts
18 shall be payable at the time of election.

19 If the member's designated beneficiary predeceases the
20 member and the member dies before designating a new
21 beneficiary, the member's DROP account shall be paid to the
22 member's estate.

23 (k) It is intended that the DROP shall not jeopardize the
24 tax qualified status of the System. The Board shall have the
25 authority to adopt rules and policies necessary or
26 appropriate, including adopting emergency rules, for the DROP

1 to maintain compliance with applicable federal laws and
2 regulations. Notwithstanding any other provision of this
3 Article, all benefits provided under the DROP shall be subject
4 to the requirements and limitations of the Internal Revenue
5 Code of 1986.

6 (40 ILCS 5/14-152.1)

7 Sec. 14-152.1. Application and expiration of new benefit
8 increases.

9 (a) As used in this Section, "new benefit increase" means
10 an increase in the amount of any benefit provided under this
11 Article, or an expansion of the conditions of eligibility for
12 any benefit under this Article, that results from an amendment
13 to this Code that takes effect after June 1, 2005 (the
14 effective date of Public Act 94-4). "New benefit increase",
15 however, does not include any benefit increase resulting from
16 the changes made to Article 1 or this Article by Public Act
17 96-37, Public Act 100-23, Public Act 100-587, Public Act
18 100-611, Public Act 101-10, Public Act 101-610, Public Act
19 102-210, or this amendatory Act of the 102nd General Assembly
20 ~~this amendatory Act of the 102nd General Assembly.~~

21 (b) Notwithstanding any other provision of this Code or
22 any subsequent amendment to this Code, every new benefit
23 increase is subject to this Section and shall be deemed to be
24 granted only in conformance with and contingent upon
25 compliance with the provisions of this Section.

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

5 Every new benefit increase is contingent upon the General
6 Assembly providing the additional funding required under this
7 subsection. The Commission on Government Forecasting and
8 Accountability shall analyze whether adequate additional
9 funding has been provided for the new benefit increase and
10 shall report its analysis to the Public Pension Division of
11 the Department of Insurance. A new benefit increase created by
12 a Public Act that does not include the additional funding
13 required under this subsection is null and void. If the Public
14 Pension Division determines that the additional funding
15 provided for a new benefit increase under this subsection is
16 or has become inadequate, it may so certify to the Governor and
17 the State Comptroller and, in the absence of corrective action
18 by the General Assembly, the new benefit increase shall expire
19 at the end of the fiscal year in which the certification is
20 made.

21 (d) Every new benefit increase shall expire 5 years after
22 its effective date or on such earlier date as may be specified
23 in the language enacting the new benefit increase or provided
24 under subsection (c). This does not prevent the General
25 Assembly from extending or re-creating a new benefit increase
26 by law.

1 (e) Except as otherwise provided in the language creating
2 the new benefit increase, a new benefit increase that expires
3 under this Section continues to apply to persons who applied
4 and qualified for the affected benefit while the new benefit
5 increase was in effect and to the affected beneficiaries and
6 alternate payees of such persons, but does not apply to any
7 other person, including, without limitation, a person who
8 continues in service after the expiration date and did not
9 apply and qualify for the affected benefit while the new
10 benefit increase was in effect.

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

13 (40 ILCS 5/24-105.3 new)

14 Sec. 24-105.3. Automatic enrollment and required
15 participation; deferred retirement option plan. An employee
16 who participates in the deferred retirement option plan under
17 Section 14-147.7 shall have at least 7.6% of his or her pretax
18 gross compensation for each compensation period deferred into
19 his or her deferred compensation account.

20 The Department of Central Management Services shall
21 automatically enroll in the State Employees Deferred
22 Compensation Plan any employee who elects to participate in
23 the deferred retirement option plan under Section 14-147.7 and
24 is not already enrolled in the State Employees Deferred
25 Compensation Plan. The Illinois State Police shall provide the

1 employee data necessary for enrollment to the Department of
2 Central Management Services or its designee. An employee who
3 participates in the deferred retirement option plan under
4 Section 14-147.7 may increase the percentage of pretax gross
5 compensation that is deferred into his or her account to the
6 amount limited by the federal government.

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

9 (50 ILCS 705/3.2 new)

10 Sec. 3.2. Illinois Law Enforcement Recruitment and
11 Retention Board.

12 (a) There is hereby created the Illinois Law Enforcement
13 Recruitment and Retention Board. The Board shall be composed
14 of:

15 (1) one individual who is employed as a municipal law
16 enforcement officer in a municipality with less than
17 1,000,000 people, appointed by the Senate President;

18 (2) one individual who is employed as a deputy
19 sheriff, appointed by the Senate Minority Leader of the
20 Senate;

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

24 (4) one individual who is a sheriff, appointed by the

1 Minority Leader of the House of Representatives;

2 (5) the Executive Director of the Illinois Law
3 Enforcement Training Standards Board, or the Executive
4 Director's designee; and

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

7 The Executive Director of the Illinois Law Enforcement
8 Training Standards Board shall be the chairperson of the Board
9 until the Board elects officers.

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

15 (b) The Board shall review proposals and award grants for
16 law enforcement personnel recruitment and retention efforts by
17 employers of law enforcement personnel in Illinois or
18 nonprofit entities that have established experience in
19 recruitment and retention efforts in Illinois. The Board shall
20 choose such employers or nonprofit entities to be awarded
21 grant funds from the Law Enforcement Recruitment and Retention
22 Fund. The Board shall establish forms and procedures for
23 applying for grants. The Board shall establish procedures and
24 processes for reviewing grants and making awards. In
25 establishing these procedures and processes, the Board shall
26 prioritize (1) serving underserved areas, (2) targeting grant

1 requests that have a high likelihood of achieving the stated
2 goals of the Board, (3) achieving geographic diversity among
3 applicants that are awarded grants, (4) maximizing the effects
4 of moneys spent on the actual recruitment and retention of law
5 enforcement personnel, and (5) providing grants that can
6 impact multiple employers either directly with the grant or by
7 providing repeatable actions for other employers.

8 (c) The Illinois Law Enforcement Training Standards Board
9 shall provide meeting space, either virtual or physical, as
10 required. The Illinois Law Enforcement Training Standards
11 Board shall provide staff and administrative support to the
12 Illinois Law Enforcement Recruitment and Retention Board, and
13 the Illinois Law Enforcement Recruitment and Retention Board
14 may reimburse the Illinois Law Enforcement Training Standards
15 Board from the Law Enforcement Recruitment and Retention Fund
16 by mutual agreement.

17 (d) Any award or grant made under this Section is
18 contingent on there being sufficient appropriations to and
19 moneys available in the Law Enforcement Recruitment and
20 Retention Fund.

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

23 (50 ILCS 708/24 new)

24 Sec. 24. Transfer credits from public institutions of

1 higher education.

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

5 (b) The Board shall collaborate with the Illinois
6 Community College Board and the Board of Higher Education to
7 create a report with recommendations to the General Assembly
8 for establishing minimum requirements for credits that may
9 transfer from public institutions of higher education to
10 satisfy the requirements of law enforcement and correctional
11 intern courses under this Act.

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

14 Section 35. The Counties Code is amended by adding Section
15 3-6042 as follows:

16 (55 ILCS 5/3-6042 new)

17 Sec. 3-6042. Retiring employee; purchase of service
18 firearm and badge. Each Sheriff shall establish a program to
19 allow an employee of the Sheriff's Department who is honorably
20 retiring in good standing to purchase either one or both of the
21 following: (1) any badge previously issued to the employee by
22 the Sheriff's Department; or (2) if the employee has a
23 currently valid Firearm Owner's Identification Card, the
24 service firearm issued or previously issued to the employee by

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

7 Section 40. The Illinois Gambling Act is amended by adding
8 Section 5.4 as follows:

9 (230 ILCS 10/5.4 new)

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

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

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

4 Sec. 3-2-10.5. Retiring security employees and parole
5 agents; purchase of service firearm and badge. The Director
6 shall establish a program to allow a security employee or
7 parole agent of the Department who is honorably retiring in
8 good standing to purchase either one or both of the following:
9 (1) any badge previously issued to the security employee or
10 parole agent by the Department; or (2) if the security
11 employee or parole agent has a currently valid Firearm Owner's
12 Identification Card, the service firearm issued or previously
13 issued to the security employee or parole agent by the
14 Department. The badge must be permanently and conspicuously
15 marked in such a manner that the individual who possesses the
16 badge is not mistaken for an actively serving law enforcement
17 officer. The cost of the firearm shall be the replacement
18 value of the firearm and not the firearm's fair market value.

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

21 (730 ILCS 110/15.2 new)

22 Sec. 15.2. Retiring probation officer; purchase of service
23 firearm and badge. Each department shall establish a program

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

13 Section 99. Effective date. This Act takes effect upon
14 becoming law, except that Section 25 takes effect July 1, 2023
15 and Section 30 takes effect January 1, 2023."