

SB0053



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0053

Introduced 1/29/2021, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

See Index

Amends the General Provisions and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Except for persons who elected to establish certain alternative credits, moves provisions concerning Tier 2 members of IMRF from the General Provisions Article to the IMRF Article. Defines Tier 1 regular employee and Tier 2 regular employee. Provides that the increase to the retirement annuity of a Tier 1 regular employee shall be computed from the effective date of the retirement annuity, the first increase being 0.25% (instead of .167%) of the monthly amount times the number of months from the effective date to January 1. Provides that if the employee was a Tier 1 regular employee, the surviving spouse annuity shall be increased by an amount equal to (i) 3% of the original amount thereof if the deceased employee was receiving a retirement annuity at the time of his or her death; otherwise (ii) 0.25% (instead of 0.167%) of the original amount thereof for each complete month that has elapsed since the date the annuity began. In provisions giving the Board of Trustees of the Fund the power and duty to have the accounts of the fund audited annually by a certified public accountant, removes language requiring that the certified public accountant be approved by the Auditor General. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement.

LRB102 09993 RPS 15311 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 1-160, 7-114, 7-116, 7-141, 7-141.1, 7-142,
6 7-144, 7-156, and 7-191 and by adding Sections 7-109.4 and
7 7-109.5 as follows:

8 (40 ILCS 5/1-160)

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

10 (a) The provisions of this Section apply to a person who,
11 on or after January 1, 2011, first becomes a member or a
12 participant under any reciprocal retirement system or pension
13 fund established under this Code, other than a retirement
14 system or pension fund established under Article 2, 3, 4, 5, 6,
15 7, 15, or 18 of this Code, notwithstanding any other provision
16 of this Code to the contrary, but do not apply to any
17 self-managed plan established under this Code, ~~to any person~~
18 ~~with respect to service as a sheriff's law enforcement~~
19 ~~employee under Article 7~~, or to any participant of the
20 retirement plan established under Section 22-101; except that
21 this Section applies to a person who elected to establish
22 alternative credits by electing in writing after January 1,
23 2011, but before August 8, 2011, under Section 7-145.1 of this

1 Code. Notwithstanding anything to the contrary in this
2 Section, for purposes of this Section, a person who is a Tier 1
3 regular employee as defined in Section 7-109.4 of this Code or
4 who participated in a retirement system under Article 15 prior
5 to January 1, 2011 shall be deemed a person who first became a
6 member or participant prior to January 1, 2011 under any
7 retirement system or pension fund subject to this Section. The
8 changes made to this Section by Public Act 98-596 are a
9 clarification of existing law and are intended to be
10 retroactive to January 1, 2011 (the effective date of Public
11 Act 96-889), notwithstanding the provisions of Section 1-103.1
12 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 the average monthly (or
12 annual) salary obtained by dividing the total salary or
13 earnings calculated under the Article applicable to the member
14 or participant during the 96 consecutive months (or 8
15 consecutive years) of service within the last 120 months (or
16 10 years) of service in which the total salary or earnings
17 calculated under the applicable Article was the highest by the
18 number of months (or years) of service in that period. For the
19 purposes of a person who first becomes a member or participant
20 of any retirement system or pension fund to which this Section
21 applies on or after January 1, 2011, in this Code, "final
22 average salary" shall be substituted for the following:

23 (1) (Blank). ~~In Article 7 (except for service as~~
24 ~~sheriff's law enforcement employees), "final rate of~~
25 ~~earnings".~~

26 (2) In Articles 8, 9, 10, 11, and 12, "highest average

1 annual salary for any 4 consecutive years within the last
2 10 years of service immediately preceding the date of
3 withdrawal".

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

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

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

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

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

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

1 of the Department of Insurance and made available to the
2 boards of the retirement systems and pension funds by November
3 1 of each year.

4 (c) A member or participant is entitled to a retirement
5 annuity upon written application if he or she has attained age
6 67 (beginning January 1, 2015, age 65 with respect to service
7 under Article 12 of this Code that is subject to 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 (beginning
11 January 1, 2015, age 60 with respect to service under Article
12 12 of this Code that is subject to this Section) and has at
13 least 10 years of service credit and is otherwise eligible
14 under the requirements of the applicable Article may elect to
15 receive the lower retirement annuity provided in subsection
16 (d) of this Section.

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

26 (d) The retirement annuity of a member or participant who

1 is retiring after attaining age 62 (beginning January 1, 2015,
2 age 60 with respect to service under Article 12 of this Code
3 that is subject to this Section) with at least 10 years of
4 service credit shall be reduced by one-half of 1% for each full
5 month that the member's age is under age 67 (beginning January
6 1, 2015, age 65 with respect to service under Article 12 of
7 this Code that is subject to this Section).

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

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

18 (i) to be eligible for the reduced retirement age
19 provided in subsections (c-5) and (d-5) of this Section,
20 the eligibility for which is conditioned upon the member
21 or participant agreeing to the increases in employee
22 contributions for age and service annuities provided in
23 subsection (a-5) of Section 8-174 of this Code (for
24 service under Article 8) or subsection (a-5) of Section
25 11-170 of this Code (for service under Article 11); or

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall
2 continue to be subject to the retirement age provisions in
3 subsections (c) and (d) of this Section and the employee
4 contributions for age and service annuity as provided in
5 subsection (a) of Section 8-174 of this Code (for service
6 under Article 8) or subsection (a) of Section 11-170 of
7 this Code (for service under Article 11).

8 The election provided for in this subsection shall be made
9 between October 1, 2017 and November 15, 2017. A person
10 subject to this subsection who makes the required election
11 shall remain bound by that election. A person subject to this
12 subsection who fails for any reason to make the required
13 election within the time specified in this subsection shall be
14 deemed to have 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 (beginning January
18 1, 2015, age 65 with respect to service under Article 12 of
19 this Code that is subject to this Section and beginning on the
20 effective date of this amendatory Act of the 100th General
21 Assembly, age 65 with respect to service under Article 8 or
22 Article 11 for eligible persons who: (i) are subject to
23 subsection (c-5) of this Section; or (ii) made the election
24 under item (i) of subsection (d-10) of this Section) or the
25 first anniversary of the annuity start date, whichever is
26 later. Each annual increase shall be calculated at 3% or

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

9 For the purposes of Section 1-103.1 of this Code, the
10 changes made to this Section by this amendatory Act of the
11 100th General Assembly are applicable without regard to
12 whether the employee was in active service on or after the
13 effective date of this amendatory Act of the 100th General
14 Assembly.

15 (f) The initial survivor's or widow's annuity of an
16 otherwise eligible survivor or widow of a retired member or
17 participant who first became a member or participant on or
18 after January 1, 2011 shall be in the amount of 66 2/3% of the
19 retired member's or participant's retirement annuity at the
20 date of death. In the case of the death of a member or
21 participant who has not retired and who first became a member
22 or participant on or after January 1, 2011, eligibility for a
23 survivor's or widow's annuity shall be determined by the
24 applicable Article of this Code. The initial benefit shall be
25 66 2/3% of the earned annuity without a reduction due to age. A
26 child's annuity of an otherwise eligible child shall be in the

1 amount prescribed under each Article if applicable. Any
2 survivor's or widow's annuity shall be increased (1) on each
3 January 1 occurring on or after the commencement of the
4 annuity if the deceased member died while receiving a
5 retirement annuity or (2) in other cases, on each January 1
6 occurring after the first anniversary of the commencement of
7 the annuity. Each annual increase shall be calculated at 3% or
8 one-half the annual unadjusted percentage increase (but not
9 less than zero) in the consumer price index-u for the 12 months
10 ending with the September preceding each November 1, whichever
11 is less, of the originally granted survivor's annuity. If the
12 annual unadjusted percentage change in the consumer price
13 index-u for the 12 months ending with the September preceding
14 each November 1 is zero or there is a decrease, then the
15 annuity shall not be increased.

16 (g) The benefits in Section 14-110 apply only if the
17 person is a State policeman, a fire fighter in the fire
18 protection service of a department, a conservation police
19 officer, an investigator for the Secretary of State, an arson
20 investigator, a Commerce Commission police officer,
21 investigator for the Department of Revenue or the Illinois
22 Gaming Board, a security employee of the Department of
23 Corrections or the Department of Juvenile Justice, or a
24 security employee of the Department of Innovation and
25 Technology, as those terms are defined in subsection (b) and
26 subsection (c) of Section 14-110. A person who meets the

1 requirements of this Section is entitled to an annuity
2 calculated under the provisions of Section 14-110, in lieu of
3 the regular or minimum retirement annuity, only if the person
4 has withdrawn from service with not less than 20 years of
5 eligible creditable service and has attained age 60,
6 regardless of whether the attainment of age 60 occurs while
7 the person is still in service.

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

22 If a person who first becomes a member of a retirement
23 system or pension fund subject to this Section on or after
24 January 1, 2012 and is receiving a retirement annuity or
25 retirement pension under that system or fund and accepts on a
26 contractual basis a position to provide services to a

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

15 (i) (Blank).

16 (j) In the case of a conflict between the provisions of
17 this Section and any other provision of this Code, the
18 provisions of this Section shall control.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
20 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff.
21 1-4-19; 101-610, eff. 1-1-20.)

22 (40 ILCS 5/7-109.4 new)

23 Sec. 7-109.4. Tier 1 regular employee. "Tier 1 regular
24 employee" means a participant or an annuitant under this
25 Article who first became a participant or member before

1 January 1, 2011 under any retirement system or pension fund
2 under this Code, other than a retirement system or pension
3 fund established under Articles 2, 3, 4, 5, 6, or 18 or in any
4 self-managed plan established under this Code, or the
5 retirement plan established under Section 22-101.

6 "Tier 1 regular employee" includes a person who received a
7 separation benefit but is otherwise qualified under this
8 Section and subsequently becomes a participating employee on
9 or after January 1, 2011.

10 "Tier 1 regular employee" includes a former participating
11 employee who received a separation benefit under Section 7-167
12 for service earned prior to January 1, 2011 who returns to a
13 qualifying position after January 1, 2011.

14 "Tier 1 regular employee" includes a participating
15 employee who has omitted service as defined in Section 7-111.5
16 that includes any period prior to January 1, 2011 only if he or
17 she establishes sufficient service credit under item (12) of
18 subsection (a) of Section 7-139 to include service prior to
19 January 1, 2011.

20 Notwithstanding anything contrary in this Section, "Tier 1
21 regular employee" does not include a participant or annuitant
22 who is eligible to have his or her annuity calculated under
23 Section 7-142.1 or a person who elected to establish
24 alternative credits under Section 7-145.1.

1 Sec. 7-109.5. Tier 2 regular employee. "Tier 2 regular
2 employee" means a person who first becomes a participant under
3 this Article on or after January 1, 2011 and is not a Tier 1
4 regular employee.

5 Notwithstanding anything contrary in this Section, "Tier 2
6 regular employee" does not include a participant or annuitant
7 who is eligible to have his or her annuity calculated under
8 Section 7-142.1 or a person who elected to establish
9 alternative credits by electing in writing after January 1,
10 2011, but before August 8, 2011, under Section 7-145.1 of this
11 Code.

12 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

13 Sec. 7-114. Earnings. "Earnings":

14 (a) An amount to be determined by the board, equal to the
15 sum of:

16 1. The total amount of money paid to an employee for
17 personal services or official duties as an employee
18 (except those employed as independent contractors) paid
19 out of the general fund, or out of any special funds
20 controlled by the municipality, or by any instrumentality
21 thereof, or participating instrumentality, including
22 compensation, fees, allowances (but not including amounts
23 associated with a vehicle allowance payable to an employee
24 who first becomes a participating employee on or after the
25 effective date of this amendatory Act of the 100th General

1 Assembly), or other emolument paid for official duties
2 (but not including automobile maintenance, travel expense,
3 or reimbursements for expenditures incurred in the
4 performance of duties) and, for fee offices, the fees or
5 earnings of the offices to the extent such fees are paid
6 out of funds controlled by the municipality, or
7 instrumentality or participating instrumentality; and

8 2. The money value, as determined by rules prescribed
9 by the governing body of the municipality, or
10 instrumentality thereof, of any board, lodging, fuel,
11 laundry, and other allowances provided an employee in lieu
12 of money.

13 (b) For purposes of determining benefits payable under
14 this fund payments to a person who is engaged in an
15 independently established trade, occupation, profession or
16 business and who is paid for his service on a basis other than
17 a monthly or other regular salary, are not earnings.

18 (c) If a disabled participating employee is eligible to
19 receive Workers' Compensation for an accidental injury and the
20 participating municipality or instrumentality which employed
21 the participating employee when injured continues to pay the
22 participating employee regular salary or other compensation or
23 pays the employee an amount in excess of the Workers'
24 Compensation amount, then earnings shall be deemed to be the
25 total payments, including an amount equal to the Workers'
26 Compensation payments. These payments shall be subject to

1 employee contributions and allocated as if paid to the
2 participating employee when the regular payroll amounts would
3 have been paid if the participating employee had continued
4 working, and creditable service shall be awarded for this
5 period.

6 (d) If an elected official who is a participating employee
7 becomes disabled but does not resign and is not removed from
8 office, then earnings shall include all salary payments made
9 for the remainder of that term of office and the official shall
10 be awarded creditable service for the term of office.

11 (e) If a participating employee is paid pursuant to "An
12 Act to provide for the continuation of compensation for law
13 enforcement officers, correctional officers and firemen who
14 suffer disabling injury in the line of duty", approved
15 September 6, 1973, as amended, the payments shall be deemed
16 earnings, and the participating employee shall be awarded
17 creditable service for this period.

18 (f) Additional compensation received by a person while
19 serving as a supervisor of assessments, assessor, deputy
20 assessor or member of a board of review from the State of
21 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
22 Code shall not be earnings for purposes of this Article and
23 shall not be included in the contribution formula or
24 calculation of benefits for such person pursuant to this
25 Article.

26 (g) Notwithstanding any other provision of this Article,

1 calendar year earnings for Tier 2 regular employees to whom
2 this Section applies shall not exceed the amount determined by
3 the Public Pension Division of the Department of Insurance as
4 required in this subsection; however, that amount shall
5 annually thereafter be increased by the lesser of (i) 3% of
6 that amount, including all previous adjustments, or (ii)
7 one-half the annual unadjusted percentage increase (but not
8 less than zero) in the consumer price index-u for the 12 months
9 ending with the September preceding each November 1, including
10 all previous adjustments.

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

20 (Source: P.A. 100-411, eff. 8-25-17.)

21 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

22 (Text of Section WITHOUT the changes made by P.A. 98-599,
23 which has been held unconstitutional)

24 Sec. 7-116. "Final rate of earnings":

25 (a) For retirement and survivor annuities, the monthly

1 earnings obtained by dividing the total earnings received by
2 the employee during the period of either (1) for Tier 1 regular
3 employees, the 48 consecutive months of service within the
4 last 120 months of service in which his total earnings were the
5 highest, (2) for Tier 2 regular employees, the 96 consecutive
6 months of service within the last 120 months of service in
7 which his total earnings were the highest, or (3) ~~or (2)~~ the
8 employee's total period of service, by the number of months of
9 service in such period.

10 (b) For death benefits, the higher of the rate determined
11 under paragraph (a) of this Section or total earnings received
12 in the last 12 months of service divided by twelve. If the
13 deceased employee has less than 12 months of service, the
14 monthly final rate shall be the monthly rate of pay the
15 employee was receiving when he began service.

16 (c) For disability benefits, the total earnings of a
17 participating employee in the last 12 calendar months of
18 service prior to the date he becomes disabled divided by 12.

19 (d) In computing the final rate of earnings: (1) the
20 earnings rate for all periods of prior service shall be
21 considered equal to the average earnings rate for the last 3
22 calendar years of prior service for which creditable service
23 is received under Section 7-139 or, if there is less than 3
24 years of creditable prior service, the average for the total
25 prior service period for which creditable service is received
26 under Section 7-139; (2) for out of state service and

1 authorized leave, the earnings rate shall be the rate upon
2 which service credits are granted; (3) periods of military
3 leave shall not be considered; (4) the earnings rate for all
4 periods of disability shall be considered equal to the rate of
5 earnings upon which the employee's disability benefits are
6 computed for such periods; (5) the earnings to be considered
7 for each of the final three months of the final earnings period
8 for persons who first became participants before January 1,
9 2012 and the earnings to be considered for each of the final 24
10 months for participants who first become participants on or
11 after January 1, 2012 shall not exceed 125% of the highest
12 earnings of any other month in the final earnings period; and
13 (6) the annual amount of final rate of earnings shall be the
14 monthly amount multiplied by the number of months of service
15 normally required by the position in a year.

16 (Source: P.A. 97-609, eff. 1-1-12.)

17 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

18 Sec. 7-141. Retirement annuities - Conditions. Retirement
19 annuities shall be payable as hereinafter set forth:

20 (a) A participating employee who, regardless of cause, is
21 separated from the service of all participating municipalities
22 and instrumentalities thereof and participating
23 instrumentalities shall be entitled to a retirement annuity
24 provided:

25 1. He is at least age 55 if he is a Tier 1 regular

1 employee, he is age 62 if he is a Tier 2 regular employee,
2 or, in the case of a person who is eligible to have his
3 annuity calculated under Section 7-142.1, he is at least
4 age 50;

5 2. He is not entitled to receive earnings for
6 employment in a position requiring him, or entitling him
7 to elect, to be a participating employee;

8 3. The amount of his annuity, before the application
9 of paragraph (b) of Section 7-142 is at least \$10 per
10 month;

11 4. If he first became a participating employee after
12 December 31, 1961 and is a Tier 1 regular employee, he has
13 at least 8 years of service, or, if he is a Tier 2 regular
14 member, he has at least 10 years of service. This service
15 requirement shall not apply to any participating employee,
16 regardless of participation date, if the General Assembly
17 terminates the Fund.

18 (b) Retirement annuities shall be payable:

19 1. As provided in Section 7-119;

20 2. Except as provided in item 3, upon receipt by the
21 fund of a written application. The effective date may be
22 not more than one year prior to the date of the receipt by
23 the fund of the application;

24 3. Upon attainment of age 70 1/2 if the member (i) is
25 no longer in service, and (ii) is otherwise entitled to an
26 annuity under this Article;

1 4. To the beneficiary of the deceased annuitant for
2 the unpaid amount accrued to date of death, if any.

3 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

4 (40 ILCS 5/7-141.1)

5 Sec. 7-141.1. Early retirement incentive.

6 (a) The General Assembly finds and declares that:

7 (1) Units of local government across the State have
8 been functioning under a financial crisis.

9 (2) This financial crisis is expected to continue.

10 (3) Units of local government must depend on
11 additional sources of revenue and, when those sources are
12 not forthcoming, must establish cost-saving programs.

13 (4) An early retirement incentive designed
14 specifically to target highly-paid senior employees could
15 result in significant annual cost savings.

16 (5) The early retirement incentive should be made
17 available only to those units of local government that
18 determine that an early retirement incentive is in their
19 best interest.

20 (6) A unit of local government adopting a program of
21 early retirement incentives under this Section is
22 encouraged to implement personnel procedures to prohibit,
23 for at least 5 years, the rehiring (whether on payroll or
24 by independent contract) of employees who receive early
25 retirement incentives.

1 (7) A unit of local government adopting a program of
2 early retirement incentives under this Section is also
3 encouraged to replace as few of the participating
4 employees as possible and to hire replacement employees
5 for salaries totaling no more than 80% of the total
6 salaries formerly paid to the employees who participate in
7 the early retirement program.

8 It is the primary purpose of this Section to encourage
9 units of local government that can realize true cost savings,
10 or have determined that an early retirement program is in
11 their best interest, to implement an early retirement program.

12 (b) Until June 27, 1997 (the effective date of Public Act
13 90-32) ~~this amendatory Act of 1997~~, this Section does not
14 apply to any employer that is a city, village, or incorporated
15 town, nor to the employees of any such employer. Beginning on
16 June 27, 1997 (the effective date of Public Act 90-32) ~~this~~
17 ~~amendatory Act of 1997~~, any employer under this Article,
18 including an employer that is a city, village, or incorporated
19 town, may establish an early retirement incentive program for
20 its employees under this Section. The decision of a city,
21 village, or incorporated town to consider or establish an
22 early retirement program is at the sole discretion of that
23 city, village, or incorporated town, and nothing in Public Act
24 90-32 ~~this amendatory Act of 1997~~ limits or otherwise
25 diminishes this discretion. Nothing contained in this Section
26 shall be construed to require a city, village, or incorporated

1 town to establish an early retirement program and no city,
2 village, or incorporated town may be compelled to implement
3 such a program.

4 The benefits provided in this Section are available only
5 to members employed by a participating employer that has filed
6 with the Board of the Fund a resolution or ordinance expressly
7 providing for the creation of an early retirement incentive
8 program under this Section for its employees and specifying
9 the effective date of the early retirement incentive program.
10 Subject to the limitation in subsection (h), an employer may
11 adopt a resolution or ordinance providing a program of early
12 retirement incentives under this Section at any time.

13 The resolution or ordinance shall be in substantially the
14 following form:

15 RESOLUTION (ORDINANCE) NO.

16 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY
17 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES
18 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

19 WHEREAS, Section 7-141.1 of the Illinois Pension Code
20 provides that a participating employer may elect to adopt an
21 early retirement incentive program offered by the Illinois
22 Municipal Retirement Fund by adopting a resolution or
23 ordinance; and

24 WHEREAS, The goal of adopting an early retirement program
25 is to realize a substantial savings in personnel costs by

1 offering early retirement incentives to employees who have
2 accumulated many years of service credit; and

3 WHEREAS, Implementation of the early retirement program
4 will provide a budgeting tool to aid in controlling payroll
5 costs; and

6 WHEREAS, The (name of governing body) has determined that
7 the adoption of an early retirement incentive program is in
8 the best interests of the (name of participating employer);
9 therefore be it

10 RESOLVED (ORDAINED) by the (name of governing body) of
11 (name of participating employer) that:

12 (1) The (name of participating employer) does hereby adopt
13 the Illinois Municipal Retirement Fund early retirement
14 incentive program as provided in Section 7-141.1 of the
15 Illinois Pension Code. The early retirement incentive program
16 shall take effect on (date).

17 (2) In order to help achieve a true cost savings, a person
18 who retires under the early retirement incentive program shall
19 lose those incentives if he or she later accepts employment
20 with any IMRF employer in a position for which participation
21 in IMRF is required or is elected by the employee.

22 (3) In order to utilize an early retirement incentive as a
23 budgeting tool, the (name of participating employer) will use
24 its best efforts either to limit the number of employees who
25 replace the employees who retire under the early retirement
26 program or to limit the salaries paid to the employees who

1 replace the employees who retire under the early retirement
2 program.

3 (4) The effective date of each employee's retirement under
4 this early retirement program shall be set by (name of
5 employer) and shall be no earlier than the effective date of
6 the program and no later than one year after that effective
7 date; except that the employee may require that the retirement
8 date set by the employer be no later than the June 30 next
9 occurring after the effective date of the program and no
10 earlier than the date upon which the employee qualifies for
11 retirement.

12 (5) To be eligible for the early retirement incentive
13 under this Section, the employee must have attained age 50 and
14 have at least 20 years of creditable service by his or her
15 retirement date.

16 (6) The (clerk or secretary) shall promptly file a
17 certified copy of this resolution (ordinance) with the Board
18 of Trustees of the Illinois Municipal Retirement Fund.

19 CERTIFICATION

20 I, (name), the (clerk or secretary) of the (name of
21 participating employer) of the County of (name), State of
22 Illinois, do hereby certify that I am the keeper of the books
23 and records of the (name of employer) and that the foregoing is
24 a true and correct copy of a resolution (ordinance) duly
25 adopted by the (governing body) at a meeting duly convened and
26 held on (date).

1 SEAL

2 (Signature of clerk or secretary)

3 (c) To be eligible for the benefits provided under an
4 early retirement incentive program adopted under this Section,
5 a member must:

6 (1) be a participating employee of this Fund who, on
7 the effective date of the program, (i) is in active
8 payroll status as an employee of a participating employer
9 that has filed the required ordinance or resolution with
10 the Board, (ii) is on layoff status from such a position
11 with a right of re-employment or recall to service, (iii)
12 is on a leave of absence from such a position, or (iv) is
13 on disability but has not been receiving benefits under
14 Section 7-146 or 7-150 for a period of more than 2 years
15 from the date of application;

16 (2) have never previously received a retirement
17 annuity under this Article or under the Retirement Systems
18 Reciprocal Act using service credit established under this
19 Article;

20 (3) (blank);

21 (4) have at least 20 years of creditable service in
22 the Fund by the date of retirement, without the use of any
23 creditable service established under this Section;

24 (5) have attained age 50 by the date of retirement if
25 he or she is a Tier 1 regular employee or age 57 if he or

1 she is a Tier 2 regular employee, without the use of any
2 age enhancement received under this Section; and

3 (6) be eligible to receive a retirement annuity under
4 this Article by the date of retirement, for which purpose
5 the age enhancement and creditable service established
6 under this Section may be considered.

7 (d) The employer shall determine the retirement date for
8 each employee participating in the early retirement program
9 adopted under this Section. The retirement date shall be no
10 earlier than the effective date of the program and no later
11 than one year after that effective date, except that the
12 employee may require that the retirement date set by the
13 employer be no later than the June 30 next occurring after the
14 effective date of the program and no earlier than the date upon
15 which the employee qualifies for retirement. The employer
16 shall give each employee participating in the early retirement
17 program at least 30 days written notice of the employee's
18 designated retirement date, unless the employee waives this
19 notice requirement.

20 (e) An eligible person may establish up to 5 years of
21 creditable service under this Section. In addition, for each
22 period of creditable service established under this Section, a
23 person shall have his or her age at retirement deemed enhanced
24 by an equivalent period.

25 The creditable service established under this Section may
26 be used for all purposes under this Article and the Retirement

1 Systems Reciprocal Act, except for the computation of final
2 rate of earnings and the determination of earnings, salary, or
3 compensation under this or any other Article of the Code.

4 The age enhancement established under this Section may be
5 used for all purposes under this Article (including
6 calculation of the reduction imposed under subdivision
7 (a)1b(iv) of Section 7-142), except for purposes of a
8 reversionary annuity under Section 7-145 and any distributions
9 required because of age. The age enhancement established under
10 this Section may be used in calculating a proportionate
11 annuity payable by this Fund under the Retirement Systems
12 Reciprocal Act, but shall not be used in determining benefits
13 payable under other Articles of this Code under the Retirement
14 Systems Reciprocal Act.

15 (f) For all creditable service established under this
16 Section, the member must pay to the Fund an employee
17 contribution consisting of the total employee contribution
18 rate in effect at the time the member purchases the service for
19 the plan in which the member was participating with the
20 employer at that time multiplied by the member's highest
21 annual salary rate used in the determination of the final rate
22 of earnings for retirement annuity purposes for each year of
23 creditable service granted under this Section. Contributions
24 for fractions of a year of service shall be prorated. Any
25 amounts that are disregarded in determining the final rate of
26 earnings under subdivision (d) (5) of Section 7-116 (the 125%

1 rule) shall also be disregarded in determining the required
2 contribution under this subsection (f).

3 The employee contribution shall be paid to the Fund as
4 follows: If the member is entitled to a lump sum payment for
5 accumulated vacation, sick leave, or personal leave upon
6 withdrawal from service, the employer shall deduct the
7 employee contribution from that lump sum and pay the deducted
8 amount directly to the Fund. If there is no such lump sum
9 payment or the required employee contribution exceeds the net
10 amount of the lump sum payment, then the remaining amount due,
11 at the option of the employee, may either be paid to the Fund
12 before the annuity commences or deducted from the retirement
13 annuity in 24 equal monthly installments.

14 (g) An annuitant who has received any age enhancement or
15 creditable service under this Section and thereafter accepts
16 employment with or enters into a personal services contract
17 with an employer under this Article thereby forfeits that age
18 enhancement and creditable service; except that this
19 restriction does not apply to (1) service in an elective
20 office, so long as the annuitant does not participate in this
21 Fund with respect to that office, (2) a person appointed as an
22 officer under subsection (f) of Section 3-109 of this Code,
23 and (3) a person appointed as an auxiliary police officer
24 pursuant to Section 3.1-30-5 of the Illinois Municipal Code. A
25 person forfeiting early retirement incentives under this
26 subsection (i) must repay to the Fund that portion of the

1 retirement annuity already received which is attributable to
2 the early retirement incentives that are being forfeited, (ii)
3 shall not be eligible to participate in any future early
4 retirement program adopted under this Section, and (iii) is
5 entitled to a refund of the employee contribution paid under
6 subsection (f). The Board shall deduct the required repayment
7 from the refund and may impose a reasonable payment schedule
8 for repaying the amount, if any, by which the required
9 repayment exceeds the refund amount.

10 (h) The additional unfunded liability accruing as a result
11 of the adoption of a program of early retirement incentives
12 under this Section by an employer shall be amortized over a
13 period of 10 years beginning on January 1 of the second
14 calendar year following the calendar year in which the latest
15 date for beginning to receive a retirement annuity under the
16 program (as determined by the employer under subsection (d) of
17 this Section) occurs; except that the employer may provide for
18 a shorter amortization period (of no less than 5 years) by
19 adopting an ordinance or resolution specifying the length of
20 the amortization period and submitting a certified copy of the
21 ordinance or resolution to the Fund no later than 6 months
22 after the effective date of the program. An employer, at its
23 discretion, may accelerate payments to the Fund.

24 An employer may provide more than one early retirement
25 incentive program for its employees under this Section.
26 However, an employer that has provided an early retirement

1 incentive program for its employees under this Section may not
2 provide another early retirement incentive program under this
3 Section until the liability arising from the earlier program
4 has been fully paid to the Fund.

5 (Source: P.A. 99-382, eff. 8-17-15.)

6 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

7 Sec. 7-142. Retirement annuities - Amount.

8 (a) The amount of a retirement annuity shall be the sum of
9 the following, determined in accordance with the actuarial
10 tables in effect at the time of the grant of the annuity:

11 1. For Tier 1 regular employees with 8 or more years of
12 service or for Tier 2 regular employees, an annuity
13 computed pursuant to subparagraphs a or b of this
14 subparagraph 1, whichever is the higher, and for employees
15 with less than 8 or 10 years of service, respectively, the
16 annuity computed pursuant to subparagraph a:

17 a. The monthly annuity which can be provided from
18 the total accumulated normal, municipality and prior
19 service credits, as of the attained age of the
20 employee on the date the annuity begins provided that
21 such annuity shall not exceed 75% of the final rate of
22 earnings of the employee.

23 b. (i) The monthly annuity amount determined as
24 follows by multiplying (a) 1 2/3% for annuitants with
25 not more than 15 years or (b) 1 2/3% for the first 15

1 years and 2% for each year in excess of 15 years for
2 annuitants with more than 15 years by the number of
3 years plus fractional years, prorated on a basis of
4 months, of creditable service and multiply the product
5 thereof by the employee's final rate of earnings.

6 (ii) For the sole purpose of computing the formula
7 (and not for the purposes of the limitations
8 hereinafter stated) \$125 shall be considered the final
9 rate of earnings in all cases where the final rate of
10 earnings is less than such amount.

11 (iii) The monthly annuity computed in accordance
12 with this subparagraph b, shall not exceed an amount
13 equal to 75% of the final rate of earnings.

14 (iv) For employees who have less than 35 years of
15 service, the annuity computed in accordance with this
16 subparagraph b (as reduced by application of
17 subparagraph (iii) above) shall be reduced by 0.25%
18 thereof (0.5% if service was terminated before January
19 1, 1988 or if the employee is a Tier 2 regular
20 employee) for each month or fraction thereof (1) that
21 the employee's age is less than 60 years for Tier 1
22 regular employees, or (2) that the employee's age is
23 less than 67 years for Tier 2 regular employees, or (3)
24 if the employee has at least 30 years of service
25 credit, that the employee's service credit is less
26 than 35 years, whichever is less, on the date the

1 annuity begins.

2 2. The annuity which can be provided from the total
3 accumulated additional credits as of the attained age of
4 the employee on the date the annuity begins.

5 (b) If payment of an annuity begins prior to the earliest
6 age at which the employee will become eligible for an old age
7 insurance benefit under the Federal Social Security Act, he
8 may elect that the annuity payments from this fund shall
9 exceed those payable after his attaining such age by an
10 amount, computed as determined by rules of the Board, but not
11 in excess of his estimated Social Security Benefit, determined
12 as of the effective date of the annuity, provided that in no
13 case shall the total annuity payments made by this fund exceed
14 in actuarial value the annuity which would have been payable
15 had no such election been made.

16 ~~(c) The retirement annuity shall be increased each year by~~
17 ~~2%, not compounded, of the monthly amount of annuity, taking~~
18 ~~into consideration any adjustment under paragraph (b) of this~~
19 ~~Section. This increase shall be effective each January 1 and~~
20 ~~computed from the effective date of the retirement annuity,~~
21 ~~the first increase being .167% of the monthly amount times the~~
22 ~~number of months from the effective date to January 1.~~
23 Beginning January 1, 1984 and each January 1 thereafter, the
24 retirement annuity of a Tier 1 regular employee shall be
25 increased by 3% each year, not compounded. This increase shall
26 be computed from the effective date of the retirement annuity,

1 the first increase being 0.25% of the monthly amount times the
2 number of months from the effective date to January 1. This
3 increase shall not be applicable to annuitants who are not in
4 service on or after September 8, 1971.

5 A retirement annuity of a Tier 2 regular employee shall
6 receive annual increases on the January 1 occurring either on
7 or after the attainment of age 67 or the first anniversary of
8 the annuity start date, whichever is later. Each annual
9 increase shall be calculated at the lesser of 3% or one-half
10 the annual unadjusted percentage increase (but not less than
11 zero) in the consumer price index-u for the 12 months ending
12 with the September preceding each November 1 of the originally
13 granted retirement annuity. If the annual unadjusted
14 percentage change in the consumer price index-u for the 12
15 months ending with the September preceding each November 1 is
16 zero or there is a decrease, then the annuity shall not be
17 increased.

18 (d) Any elected county officer who was entitled to receive
19 a stipend from the State on or after July 1, 2009 and on or
20 before June 30, 2010 may establish earnings credit for the
21 amount of stipend not received, if the elected county official
22 applies in writing to the fund within 6 months after the
23 effective date of this amendatory Act of the 96th General
24 Assembly and pays to the fund an amount equal to (i) employee
25 contributions on the amount of stipend not received, (ii)
26 employer contributions determined by the Board equal to the

1 employer's normal cost of the benefit on the amount of stipend
2 not received, plus (iii) interest on items (i) and (ii) at the
3 actuarially assumed rate.

4 (Source: P.A. 96-961, eff. 7-2-10.)

5 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

6 Sec. 7-144. Retirement annuities - suspended during
7 employment.

8 (a) If any person receiving any annuity again becomes an
9 employee and receives earnings from employment in a position
10 requiring him, or entitling him to elect, to become a
11 participating employee, then the annuity payable to such
12 employee shall be suspended as of the 1st day of the month
13 coincidental with or next following the date upon which such
14 person becomes such an employee, unless the person is
15 authorized under subsection (b) of Section 7-137.1 of this
16 Code to continue receiving a retirement annuity during that
17 period. Upon proper qualification of the participating
18 employee payment of such annuity may be resumed on the 1st day
19 of the month following such qualification and upon proper
20 application therefor. The participating employee in such case
21 shall be entitled to a supplemental annuity arising from
22 service and credits earned subsequent to such re-entry as a
23 participating employee.

24 Notwithstanding any other provision of this Article, an
25 annuitant shall be considered a participating employee if he

1 or she returns to work as an employee with a participating
2 employer and works more than 599 hours annually (or 999 hours
3 annually with a participating employer that has adopted a
4 resolution pursuant to subsection (e) of Section 7-137 of this
5 Code). Each of these annual periods shall commence on the
6 month and day upon which the annuitant is first employed with
7 the participating employer following the effective date of the
8 annuity.

9 (a-5) If any annuitant under this Article must be
10 considered a participating employee per the provisions of
11 subsection (a) of this Section, and the participating
12 municipality or participating instrumentality that employs or
13 re-employs that annuitant knowingly fails to notify the Board
14 to suspend the annuity, the participating municipality or
15 participating instrumentality may be required to reimburse the
16 Fund for an amount up to one-half of the total of any annuity
17 payments made to the annuitant after the date the annuity
18 should have been suspended, as determined by the Board. In no
19 case shall the total amount repaid by the annuitant plus any
20 amount reimbursed by the employer to the Fund be more than the
21 total of all annuity payments made to the annuitant after the
22 date the annuity should have been suspended. This subsection
23 shall not apply if the annuitant returned to work for the
24 employer for less than 12 months.

25 The Fund shall notify all annuitants that they must notify
26 the Fund immediately if they return to work for any

1 participating employer. The notification by the Fund shall
2 occur upon retirement and no less than annually thereafter in
3 a format determined by the Fund. The Fund shall also develop
4 and maintain a system to track annuitants who have returned to
5 work and notify the participating employer and annuitant at
6 least annually of the limitations on returning to work under
7 this Section.

8 (b) Supplemental annuities to persons who return to
9 service for less than 48 months shall be computed under the
10 provisions of Sections 7-141, 7-142 and 7-143. In determining
11 whether an employee is eligible for an annuity which requires
12 a minimum period of service, his entire period of service
13 shall be taken into consideration but the supplemental annuity
14 shall be based on earnings and service in the supplemental
15 period only. The effective date of the suspended and
16 supplemental annuity for the purpose of increases after
17 retirement shall be considered to be the effective date of the
18 suspended annuity.

19 (c) Supplemental annuities to persons who return to
20 service for 48 months or more shall be a monthly amount
21 determined as follows:

22 (1) An amount shall be computed under subparagraph b
23 of paragraph (1) of subsection (a) of Section 7-142,
24 considering all of the service credits of the employee;

25 (2) The actuarial value in monthly payments for life
26 of the annuity payments made before suspension shall be

1 determined and subtracted from the amount determined in
2 (1) above;

3 (3) The monthly amount of the suspended annuity, with
4 any applicable increases after retirement computed from
5 the effective date to the date of reinstatement, shall be
6 subtracted from the amount determined in (2) above and the
7 remainder shall be the amount of the supplemental annuity
8 provided that this amount shall not be less than the
9 amount computed under subsection (b) of this Section.

10 (4) The suspended annuity shall be reinstated at an
11 amount including any increases after retirement from the
12 effective date to date of reinstatement.

13 (5) The effective date of the combined suspended and
14 supplemental annuities for the purposes of increases after
15 retirement shall be considered to be the effective date of
16 the supplemental annuity.

17 (d) If a Tier 2 regular employee becomes a member or
18 participant under any other system or fund created by this
19 Code and is employed on a full-time basis, except for those
20 members or participants exempted from the provisions of
21 subsection (a) of Section 1-160 of this Code (other than a
22 participating employee under this Article), then the person's
23 retirement annuity shall be suspended during that employment.
24 Upon termination of that employment, the person's retirement
25 annuity shall resume and be recalculated as required by this
26 Section.

1 (e) If a Tier 2 regular employee first began participation
2 on or after January 1, 2012 and is receiving a retirement
3 annuity and accepts on a contractual basis a position to
4 provide services to a governmental entity from which he or she
5 has retired, then that person's annuity or retirement pension
6 shall be suspended during that contractual service,
7 notwithstanding the provisions of any other Section in this
8 Article. Such annuitant shall notify the Fund, as well as his
9 or her contractual employer, of his or her retirement status
10 before accepting contractual employment. A person who fails to
11 submit such notification shall be guilty of a Class A
12 misdemeanor and required to pay a fine of \$1,000. Upon
13 termination of that contractual employment, the person's
14 retirement annuity shall resume and be recalculated as
15 required by this Section.

16 (Source: P.A. 98-389, eff. 8-16-13; 99-745, eff. 8-5-16.)

17 (40 ILCS 5/7-156) (from Ch. 108 1/2, par. 7-156)

18 Sec. 7-156. Surviving spouse annuities - amount.

19 (a) The amount of surviving spouse annuity shall be:

20 1. Upon the death of an employee annuitant or such person
21 entitled, upon application, to a retirement annuity at date of
22 death, (i) an amount equal to ~~1/2~~ 50% for a Tier 1 regular
23 employee or 66 2/3% for a Tier 2 regular employee of the
24 retirement annuity which was or would have been payable
25 exclusive of the amount so payable which was provided from

1 additional credits, and disregarding any election made under
2 paragraph (b) of Section 7-142, plus (ii) an annuity which
3 could be provided at the then attained age of the surviving
4 spouse and under actuarial tables then in effect, from the
5 excess of the additional credits, (excluding any such credits
6 used to create a reversionary annuity) used to provide the
7 annuity granted pursuant to paragraph (a) (2) of Section 7-142
8 of this article over the total annuity payments made pursuant
9 thereto.

10 2. Upon the death of a participating employee on or after
11 attainment of age 55, an amount equal to ~~1/2~~ 50% for a Tier 1
12 regular employee or 66 2/3% for a Tier 2 regular employee of
13 the retirement annuity which he could have had as of the date
14 of death had he then retired and applied for annuity,
15 exclusive of the portion thereof which could have been
16 provided from additional credits, and disregarding paragraph
17 (b) of Section 7-142, plus an amount equal to the annuity which
18 could be provided from the total of his accumulated additional
19 credits at date of death, on the basis of the attained age of
20 the surviving spouse on such date.

21 3. Upon the death of a participating employee before age
22 55, an amount equal to ~~1/2~~ 50% for a Tier 1 regular employee or
23 66 2/3% for a Tier 2 regular employee of the retirement annuity
24 which he could have had as of his attained age on the date of
25 death, had he then retired and applied for annuity, and the
26 provisions of this Article that no such annuity shall begin

1 until the employee has attained at least age 55 were not
2 applicable, exclusive of the portion thereof which could have
3 been provided from additional credits and disregarding
4 paragraph (b) of Section 7-142, plus an amount equal to the
5 annuity which could be provided from the total of his
6 accumulated additional credits at date of death, on the basis
7 of the attained age of the surviving spouse on such date.

8 In the case of the surviving spouse of a person who dies
9 before June 1, 2006 (the effective date of Public Act 94-712)
10 ~~this amendatory Act of the 94th General Assembly~~, if the
11 surviving spouse is more than 5 years younger than the
12 deceased, that portion of the annuity which is not based on
13 additional credits shall be reduced in the ratio of the value
14 of a life annuity of \$1 per year at an age of 5 years less than
15 the attained age of the deceased, at the earlier of the date of
16 the death or the date his retirement annuity begins, to the
17 value of a life annuity of \$1 per year at the attained age of
18 the surviving spouse on such date, according to actuarial
19 tables approved by the Board. This reduction does not apply to
20 the surviving spouse of a person who dies on or after June 1,
21 2006 (the effective date of Public Act 94-712) ~~this amendatory~~
22 ~~Act of the 94th General Assembly~~.

23 In computing the amount of a surviving spouse annuity,
24 incremental increases of retirement annuities to the date of
25 death of the employee annuitant shall be considered.

26 (b) If the employee was a Tier 1 regular employee, each

1 ~~Each~~ surviving spouse annuity payable on January 1, 1988 shall
2 be increased on that date by 3% of the original amount of the
3 annuity. Each surviving spouse annuity that begins after
4 January 1, 1988 shall be increased on the January 1 next
5 occurring after the annuity begins, by an amount equal to (i)
6 3% of the original amount thereof if the deceased employee was
7 receiving a retirement annuity at the time of his death;
8 otherwise (ii) 0.25% ~~0.167%~~ of the original amount thereof for
9 each complete month which has elapsed since the date the
10 annuity began.

11 On each January 1 after the date of the initial increase
12 under this subsection, each surviving spouse annuity shall be
13 increased by 3% of the originally granted amount of the
14 annuity.

15 (c) If the participating employee was a Tier 2 regular
16 employee, each surviving spouse annuity shall be increased (1)
17 on each January 1 occurring on or after the commencement of the
18 annuity if the deceased member died while receiving a
19 retirement annuity or (2) in other cases, on each January 1
20 occurring after the first anniversary of the commencement of
21 the annuity. Such annual increase shall be calculated at 3% or
22 one-half the annual unadjusted percentage increase (but not
23 less than zero) in the consumer price index-u for the 12 months
24 ending with the September preceding each November 1, whichever
25 is less, of the originally granted surviving spouse annuity.
26 If the annual unadjusted percentage change in the consumer

1 price index-u for the 12 months ending with the September
2 preceding each November 1 is zero or there is a decrease, then
3 the annuity shall not be increased.

4 (Source: P.A. 94-712, eff. 6-1-06.)

5 (40 ILCS 5/7-191) (from Ch. 108 1/2, par. 7-191)

6 Sec. 7-191. To have accounts audited.

7 To have the accounts of the fund audited annually by a
8 certified public accountant ~~approved by the Auditor General.~~

9 (Source: Laws 1963, p. 161.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.45 as follows:

12 (30 ILCS 805/8.45 new)

13 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
14 8 of this Act, no reimbursement by the State is required for
15 the implementation of any mandate created by this amendatory
16 Act of the 102nd General Assembly.

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/1-160

4 40 ILCS 5/7-109.4 new

5 40 ILCS 5/7-109.5 new

6 40 ILCS 5/7-114 from Ch. 108 1/2, par. 7-114

7 40 ILCS 5/7-116 from Ch. 108 1/2, par. 7-116

8 40 ILCS 5/7-141 from Ch. 108 1/2, par. 7-141

9 40 ILCS 5/7-141.1

10 40 ILCS 5/7-142 from Ch. 108 1/2, par. 7-142

11 40 ILCS 5/7-144 from Ch. 108 1/2, par. 7-144

12 40 ILCS 5/7-156 from Ch. 108 1/2, par. 7-156

13 40 ILCS 5/7-191 from Ch. 108 1/2, par. 7-191

14 30 ILCS 805/8.45 new