



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4508

Introduced 1/31/2024, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-144.3 new
40 ILCS 5/15-135 from Ch. 108 1/2, par. 15-135
40 ILCS 5/15-198
30 ILCS 805/8.48 new

Amends the Illinois Pension Code. Provides that the Retirement Systems Reciprocal Act (Article 20 of the Code) is adopted and made a part of the Downstate Police Article, but only with respect to a person who, on or after the effective date of the amendatory Act, is entitled under those Articles or through a participating system under the Retirement Systems Reciprocal Act to begin receiving a retirement annuity or survivor's annuity and who elects to proceed under the Retirement Systems Reciprocal Act. In the State Universities Article, provides that a Tier 2 member who has at least 20 years of service in the System as a police officer is entitled to a retirement annuity upon written application on or after the attainment of age 55 (instead of age 60) if a specified rule is applicable to the participant. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Amends the State Mandates Act to require implementation without reimbursement.

LRB103 36501 RPS 66607 b

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 15-135 and 15-198 and by adding Section
6 3-144.3 as follows:

7 (40 ILCS 5/3-144.3 new)

8 Sec. 3-144.3. Retirement Systems Reciprocal Act. The
9 Retirement Systems Reciprocal Act, Article 20 of this Code, is
10 adopted and made a part of this Article, but only with respect
11 to a person who, on or after the effective date of this
12 amendatory Act of the 103rd General Assembly, is entitled
13 under this Article or through a participating system under the
14 Retirement Systems Reciprocal Act, as defined in Section
15 20-108, to begin receiving a retirement annuity or survivor's
16 annuity (as those terms are defined in Article 20) and who
17 elects to proceed under the Retirement Systems Reciprocal Act.

18 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

19 Sec. 15-135. Retirement annuities; conditions.

20 (a) This subsection (a) applies only to a Tier 1 member. A
21 participant who retires in one of the following specified
22 years with the specified amount of service is entitled to a

1 retirement annuity at any age under the retirement program
2 applicable to the participant:

3 35 years if retirement is in 1997 or before;

4 34 years if retirement is in 1998;

5 33 years if retirement is in 1999;

6 32 years if retirement is in 2000;

7 31 years if retirement is in 2001;

8 30 years if retirement is in 2002 or later.

9 A participant with 8 or more years of service after
10 September 1, 1941, is entitled to a retirement annuity on or
11 after attainment of age 55.

12 A participant with at least 5 but less than 8 years of
13 service after September 1, 1941, is entitled to a retirement
14 annuity on or after attainment of age 62.

15 A participant who has at least 25 years of service in this
16 system as a police officer or firefighter is entitled to a
17 retirement annuity on or after the attainment of age 50, if
18 Rule 4 of Section 15-136 is applicable to the participant.

19 (a-5) A Tier 2 member is entitled to a retirement annuity
20 upon written application if he or she has attained age 67 and
21 has at least 10 years of service credit and is otherwise
22 eligible under the requirements of this Article. A Tier 2
23 member who has attained age 62 and has at least 10 years of
24 service credit and is otherwise eligible under the
25 requirements of this Article may elect to receive the lower
26 retirement annuity provided in subsection (b-5) of Section

1 15-136 of this Article.

2 (a-10) A Tier 2 member who has at least 20 years of service
3 in this system as a ~~police officer or~~ firefighter is entitled
4 to a retirement annuity upon written application on or after
5 the attainment of age 60 if Rule 4 of Section 15-136 is
6 applicable to the participant. A Tier 2 member who has at least
7 20 years of service in this system as a police officer is
8 entitled to a retirement annuity upon written application on
9 or after the attainment of age 55 if Rule 4 of Section 15-136
10 is applicable to the participant. The changes made to this
11 subsection by this amendatory Act of the 101st General
12 Assembly apply retroactively to January 1, 2011.

13 (b) The annuity payment period shall begin on the date
14 specified by the participant or the recipient of a disability
15 retirement annuity submitting a written application. For a
16 participant, the date on which the annuity payment period
17 begins shall not be prior to termination of employment or more
18 than one year before the application is received by the board;
19 however, if the participant is not an employee of an employer
20 participating in this System or in a participating system as
21 defined in Article 20 of this Code on April 1 of the calendar
22 year next following the calendar year in which the participant
23 attains the age specified under Section 401(a)(9) of the
24 Internal Revenue Code of 1986, as amended, the annuity payment
25 period shall begin on that date regardless of whether an
26 application has been filed. For a recipient of a disability

1 retirement annuity, the date on which the annuity payment
2 period begins shall not be prior to the discontinuation of the
3 disability retirement annuity under Section 15-153.2.

4 (c) An annuity is not payable if the amount provided under
5 Section 15-136 is less than \$10 per month.

6 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

7 (40 ILCS 5/15-198)

8 Sec. 15-198. Application and expiration of new benefit
9 increases.

10 (a) As used in this Section, "new benefit increase" means
11 an increase in the amount of any benefit provided under this
12 Article, or an expansion of the conditions of eligibility for
13 any benefit under this Article, that results from an amendment
14 to this Code that takes effect after June 1, 2005 (the
15 effective date of Public Act 94-4). "New benefit increase",
16 however, does not include any benefit increase resulting from
17 the changes made to Article 1 or this Article by Public Act
18 100-23, Public Act 100-587, Public Act 100-769, Public Act
19 101-10, Public Act 101-610, Public Act 102-16, Public Act
20 103-80, Public Act 103-548, or this amendatory Act of the
21 103rd General Assembly ~~or this amendatory Act of the 103rd~~
22 ~~General Assembly.~~

23 (b) Notwithstanding any other provision of this Code or
24 any subsequent amendment to this Code, every new benefit
25 increase is subject to this Section and shall be deemed to be

1 granted only in conformance with and contingent upon
2 compliance with the provisions of this Section.

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

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

23 (d) Every new benefit increase shall expire 5 years after
24 its effective date or on such earlier date as may be specified
25 in the language enacting the new benefit increase or provided
26 under subsection (c). This does not prevent the General

1 Assembly from extending or re-creating a new benefit increase
2 by law.

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

13 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;
14 103-548, eff. 8-11-23; revised 8-31-23.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.48 as follows:

17 (30 ILCS 805/8.48 new)

18 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and
19 8 of this Act, no reimbursement by the State is required for
20 the implementation of any mandate created by this amendatory
21 Act of the 103rd General Assembly.