

1 AN ACT in relation to 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 Section 2-119.1 as follows:

6 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

7 Sec. 2-119.1. Automatic increase in retirement annuity.

8 (a) A participant who retires after June 30, 1967, and
9 who has not received an initial increase under this Section
10 before the effective date of this amendatory Act of 1991,
11 shall, in January or July next following the first
12 anniversary of retirement, whichever occurs first, and in the
13 same month of each year thereafter, but in no event prior to
14 age 60, have the amount of the originally granted retirement
15 annuity increased as follows: for each year through 1971, 1
16 1/2%; for each year from 1972 through 1979, 2%; and for 1980
17 and each year thereafter, 3%. Annuitants who have received
18 an initial increase under this subsection prior to the
19 effective date of this amendatory Act of 1991 shall continue
20 to receive their annual increases in the same month as the
21 initial increase.

22 (b) Beginning January 1, 1990, for eligible participants
23 who remain in service after attaining 20 years of creditable
24 service, the 3% increases provided under subsection (a) shall
25 begin to accrue on the January 1 next following the date upon
26 which the participant (1) attains age 55, or (2) attains 20
27 years of creditable service, whichever occurs later, and
28 shall continue to accrue while the participant remains in
29 service; such increases shall become payable on January 1 or
30 July 1, whichever occurs first, next following the first
31 anniversary of retirement. For any person who has service

1 credit in the System for the entire period from January 15,
2 1969 through December 31, 1992, regardless of the date of
3 termination of service, the reference to age 55 in clause (1)
4 of this subsection (b) shall be deemed to mean age 50.

5 This subsection (b) does not apply to any person who
6 first becomes a member of the System after the effective date
7 of this amendatory Act of the 93rd General Assembly.

8 (c) The foregoing provisions relating to automatic
9 increases are not applicable to a participant who retires
10 before having made contributions (at the rate prescribed in
11 Section 2-126) for automatic increases for less than the
12 equivalent of one full year. However, in order to be
13 eligible for the automatic increases, such a participant may
14 make arrangements to pay to the system the amount required to
15 bring the total contributions for the automatic increase to
16 the equivalent of one year's contributions based upon his or
17 her last salary.

18 (d) A participant who terminated service prior to July
19 1, 1967, with at least 14 years of service is entitled to an
20 increase in retirement annuity beginning January, 1976, and
21 to additional increases in January of each year thereafter.

22 The initial increase shall be 1 1/2% of the originally
23 granted retirement annuity multiplied by the number of full
24 years that the annuitant was in receipt of such annuity
25 prior to January 1, 1972, plus 2% of the originally granted
26 retirement annuity for each year after that date. The
27 subsequent annual increases shall be at the rate of 2% of the
28 originally granted retirement annuity for each year through
29 1979 and at the rate of 3% for 1980 and thereafter.

30 (e) Beginning January 1, 1990, all automatic annual
31 increases payable under this Section shall be calculated as a
32 percentage of the total annuity payable at the time of the
33 increase, including previous increases granted under this
34 Article.

1 (Source: P.A. 86-273; 87-794; 87-1265.)

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

3 becoming law.