



1 (b) For the purpose of this Section, "average salary" means  
2 the average of the highest 4 consecutive years of salary within  
3 the last 10 years of service, or such shorter period as may be  
4 used to calculate a minimum retirement annuity under Section  
5 5-132.

6 (c) For the purpose of qualifying for the annual increases  
7 provided in Section 5-167.1, a policeman whose retirement  
8 annuity is calculated under this Section shall be deemed to  
9 qualify for a minimum annuity.

10 (d) A policeman with less than 20 years of service credit  
11 who was required to withdraw from service on or after January  
12 1, 2000 but before June 28, 2002 due to attainment of mandatory  
13 retirement age is also entitled to have his or her retirement  
14 annuity calculated in accordance with this Section. If payment  
15 of the annuity has already begun, the annuity shall be  
16 recalculated. The resulting increase, if any, shall accrue from  
17 the starting date of the annuity; the amount of the increase  
18 relating to the period before the annuity is recalculated shall  
19 be paid to the annuitant in a lump sum, without interest.

20 (Source: P.A. 92-599, eff. 6-28-02.)

21 (40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)

22 Sec. 5-132. Minimum annuity. Any policeman who withdraws on  
23 or after July 8, 1957, or any policeman transferred to the  
24 police service of the city under the Exchange of Functions Act  
25 of 1957 who withdraws on or after July 17, 1959, after  
26 completing at least 20 years of service, for whom the annuity  
27 otherwise provided in this Article is less than that stated in  
28 this Section has a right to receive annuity as follows:

29 (a) If he is age 55 or more on withdrawal, his annuity  
30 after such withdrawal, shall be equal to 2% of the average  
31 salary for 4 consecutive years of highest salaries within the  
32 last 10 years of service before withdrawal, for each year of  
33 service, together with 1/6 of 1% of such average salary for

1 each complete month of service of each fractional year, but not  
2 in excess of 75% of the average annual salary.

3 (b) If he is age 50 or more but less than age 55 on  
4 withdrawal, his annuity shall be equal to 2% of the average  
5 salary for the 4 highest consecutive years of the last 10 years  
6 of service for each year of service, together with 1/16 of 1%  
7 of such average salary for each month of each fractional year  
8 of service, reduced by 1/2 of 1% for each month that he is less  
9 than age 55.

10 (c) If he is less than age 50 on withdrawal, he may, upon  
11 attainment of age 50 or over, become entitled to the annuity  
12 provided in this Section or, he may, upon application before  
13 age 50, receive a refund of the deductions from salary, plus  
14 interest at 1 1/2% per annum if he is entitled to refund under  
15 Section 5-163.

16 (d) In lieu of the annuity provided in the foregoing  
17 provisions of this Section 5-132 any policeman who withdraws  
18 from the service after December 31, 1973, after having attained  
19 age 53 in the service with 23 or more years of service credit  
20 shall be entitled to an annuity computed as follows if such  
21 annuity is greater than that provided in the foregoing  
22 paragraphs of this Section 5-132: An annuity equal to 50% of  
23 the average salary for the 4 highest consecutive years of the  
24 last 10 years of service plus additional annuity equal to 2% of  
25 such average salary for each completed year of service or  
26 fraction thereof rendered after his attainment of age 53 and  
27 the completion of 23 years of service.

28 Any policeman who has completed 23 years of service prior  
29 to his attainment of age 53 in the service and continues in the  
30 service until his attainment of age 53 shall have added to his  
31 annuity, computed as provided in the immediately preceding  
32 paragraph, an additional annuity equal to 1% of such average  
33 salary for each completed year of service or fraction thereof  
34 in excess of 23 years up to age 53.

1 (e) In lieu of the annuity provided in the foregoing  
2 provisions of this Section any policeman who withdraws from the  
3 service either (i) after December 31, 1983 with at least 22  
4 years of service credit and having attained age 52 in the  
5 service, or (ii) after December 31, 1984 with at least 21 years  
6 of service credit and having attained age 51 in the service, or  
7 (iii) after December 31, 1985 with at least 20 years of service  
8 credit and having attained age 50 in the service, or (iv) after  
9 December 31, 1990, with at least 20 years of service credit  
10 regardless of age, shall be entitled to an annuity to begin not  
11 earlier than upon attainment of age 50 if under such age at  
12 withdrawal, computed as follows: an annuity equal to 50% of the  
13 average salary for the 4 highest consecutive years of the last  
14 10 years of service, plus additional annuity equal to 2% of  
15 such average salary for each completed year of service or  
16 fraction thereof rendered after his completion of the minimum  
17 number of years of service required for him to be eligible  
18 under this subsection (e). In lieu of any annuity provided in  
19 the foregoing provisions of this Section, any policeman who  
20 withdraws from the service after December 31, 2003, with at  
21 least 20 years of service credit regardless of age, shall be  
22 entitled to an annuity to begin not earlier than upon  
23 attainment of age 50, if under that age at withdrawal, equal to  
24 2.5% of the average salary for the 4 highest consecutive years  
25 of the last 10 years of service for each completed year of  
26 service or fraction thereof. However, the annuity provided  
27 under this subsection (e) may not exceed 75% of such average  
28 salary.

29 (f) A policeman withdrawing after September 1, 1969, may,  
30 in addition, be entitled to the benefits provided by Section  
31 5-167.1 of this Article if he so qualifies under that Section.

32 If, on withdrawal, total service is less than 20 years, the  
33 policeman shall not be entitled to an annuity under this  
34 Section but may receive an annuity under the other provisions

1 of this Article or, if entitled thereto under Section 5--163, a  
2 refund of the deductions from salary, including, in the case of  
3 policemen transferred to the police service of the city under  
4 the Exchange of Functions Act of 1957, the additional  
5 contribution paid on salary received from August 1, 1957, to  
6 July 17, 1959, as provided in the Park Policemen's Annuity Act,  
7 together with interest at 1 1/2% per annum.

8 Moneys voluntarily contributed under the Policemen's  
9 Annuity and Benefit Fund Act of the Illinois Municipal Code, or  
10 the Park Policemen's Annuity Act, shall be refunded to the  
11 contributing policemen who were in service on January 1, 1954,  
12 or in the case of policemen transferred to the police service  
13 of the city under the Exchange of Functions Act of 1957, who  
14 were in service on July 17, 1959.

15 The age and service annuity formula in this Section shall  
16 not apply to any policeman who, having retired before July 8,  
17 1957, or before July 17, 1959, in the case of a policeman  
18 transferred under the provisions of the Exchange of Functions  
19 Act of 1957, re-enters the police service after such dates,  
20 whichever are applicable.

21 (Source: P.A. 86-1488.)

22 (40 ILCS 5/5-167.2) (from Ch. 108 1/2, par. 5-167.2)

23 Sec. 5-167.2. Retirement before September 1, 1967. A  
24 retired policeman, qualifying for minimum annuity or who  
25 retired from service with 20 or more years of service, before  
26 September 1, 1967, shall, in January of the year following the  
27 year he attains the age of 65, or in January of the year 1970,  
28 if then more than 65 years of age, have his then fixed and  
29 payable monthly annuity increased by an amount equal to 2% of  
30 the original grant of annuity, for each year the policeman was  
31 in receipt of annuity payments after the year in which he  
32 attains, or did attain the age of 63. An additional 2% increase  
33 in such then fixed and payable original granted annuity shall

1 accrue in each January thereafter. Beginning January 1, 1986,  
2 the rate of such increase shall be 3% instead of 2%.

3 The provisions of the preceding paragraph of this Section  
4 apply only to a retired policeman eligible for such increases  
5 in his annuity who contributes to the Fund a sum equal to \$5  
6 for each full year of credited service upon which his annuity  
7 was computed. All such sums contributed shall be placed in a  
8 Supplementary Payment Reserve and shall be used for the  
9 purposes of such Fund account.

10 Beginning with the monthly annuity payment due in July,  
11 1982, the fixed and granted monthly annuity payment for any  
12 policeman who retired from the service, before September 1,  
13 1976, at age 50 or over with 20 or more years of service and  
14 entitled to an annuity on January 1, 1974, shall be not less  
15 than \$400. It is the intent of the General Assembly that the  
16 change made in this Section by this amendatory Act of 1982  
17 shall apply retroactively to July 1, 1982.

18 Beginning with the monthly annuity payment due on January  
19 1, 1986, the fixed and granted monthly annuity payment for any  
20 policeman who retired from the service before January 1, 1986,  
21 at age 50 or over with 20 or more years of service, or any  
22 policeman who retired from service due to termination of  
23 disability and who is entitled to an annuity on January 1,  
24 1986, shall be not less than \$475.

25 Beginning with the monthly annuity payment due on January  
26 1, 1992, the fixed and granted monthly annuity payment for any  
27 policeman who retired from the service before January 1, 1992,  
28 at age 50 or over with 20 or more years of service, and for any  
29 policeman who retired from service due to termination of  
30 disability and who is entitled to an annuity on January 1,  
31 1992, shall be not less than \$650.

32 Beginning with the monthly annuity payment due on January  
33 1, 1993, the fixed and granted monthly annuity payment for any  
34 policeman who retired from the service before January 1, 1993,

1 at age 50 or over with 20 or more years of service, and for any  
2 policeman who retired from service due to termination of  
3 disability and who is entitled to an annuity on January 1,  
4 1993, shall be not less than \$750.

5 Beginning with the monthly annuity payment due on January  
6 1, 1994, the fixed and granted monthly annuity payment for any  
7 policeman who retired from the service before January 1, 1994,  
8 at age 50 or over with 20 or more years of service, and for any  
9 policeman who retired from service due to termination of  
10 disability and who is entitled to an annuity on January 1,  
11 1994, shall be not less than \$850.

12 Beginning with the monthly annuity payment due on January  
13 1, 2004, the fixed and granted monthly annuity payment for any  
14 policeman who retired from the service before January 1, 2004,  
15 at age 50 or over with 20 or more years of service, and for any  
16 policeman who retired from service due to termination of  
17 disability and who is entitled to an annuity on January 1,  
18 2004, shall be not less than \$950.

19 Beginning with the monthly annuity payment due on January  
20 1, 2005, the fixed and granted monthly annuity payment for any  
21 policeman who retired from the service before January 1, 2005,  
22 at age 50 or over with 20 or more years of service, and for any  
23 policeman who retired from service due to termination of  
24 disability and who is entitled to an annuity on January 1,  
25 2005, shall be not less than \$1,050.

26 The difference in amount between the original fixed and  
27 granted monthly annuity of any such policeman on the date of  
28 his retirement from the service and the monthly annuity  
29 provided for in the immediately preceding paragraph shall be  
30 paid as a supplement in the manner set forth in the immediately  
31 following paragraph.

32 To defray the annual cost of the increases indicated in the  
33 preceding part of this Section, the annual interest income  
34 accruing from investments held by this Fund, exclusive of gains

1 or losses on sales or exchanges of assets during the year, over  
2 and above 4% a year shall be used to the extent necessary and  
3 available to finance the cost of such increases for the  
4 following year and such amount shall be transferred as of the  
5 end of each year beginning with the year 1969 to a Fund account  
6 designated as the Supplementary Payment Reserve from the  
7 Interest and Investment Reserve set forth in Section 5-207.

8 In the event the funds in the Supplementary Payment Reserve  
9 in any year arising from: (1) the interest income accruing in  
10 the preceding year above 4% a year and (2) the contributions by  
11 retired persons are insufficient to make the total payments to  
12 all persons entitled to the annuity specified in this Section  
13 and (3) any interest earnings over 4% a year beginning with the  
14 year 1969 which were not previously used to finance such  
15 increases and which were transferred to the Prior Service  
16 Annuity Reserve, may be used to the extent necessary and  
17 available to provide sufficient funds to finance such increases  
18 for the current year and such sums shall be transferred from  
19 the Prior Service Annuity Reserve. In the event the total money  
20 available in the Supplementary Payment Reserve from such  
21 sources are insufficient to make the total payments to all  
22 persons entitled to such increases for the year, a  
23 proportionate amount computed as the ratio of the money  
24 available to the total of the total payments specified for that  
25 year shall be paid to each person for that year.

26 The Fund shall be obligated for the payment of the  
27 increases in annuity as provided for in this Section only to  
28 the extent that the assets for such purpose are available.

29 (Source: P.A. 91-357, eff. 7-29-99.)

30 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

31 Sec. 5-167.4. Widow annuitant minimum annuity.

32 (a) Notwithstanding any other provision of this Article,  
33 beginning January 1, 1996, the minimum amount of widow's



1 annuity payable to any person who is entitled to receive a  
2 widow's annuity under this Article is \$700 per month, without  
3 regard to whether the deceased policeman is in service on or  
4 after the effective date of this amendatory Act of 1995.

5 Notwithstanding any other provision of this Article,  
6 beginning January 1, 1999, the minimum amount of widow's  
7 annuity payable to any person who is entitled to receive a  
8 widow's annuity under this Article is \$800 per month, without  
9 regard to whether the deceased policeman is in service on or  
10 after the effective date of this amendatory Act of 1998.

11 Notwithstanding any other provision of this Article,  
12 beginning January 1, 2004, the minimum amount of widow's  
13 annuity payable to any person who is entitled to receive a  
14 widow's annuity under this Article is \$900 per month, without  
15 regard to whether the deceased policeman is in service on or  
16 after the effective date of this amendatory Act of the 93rd  
17 General Assembly.

18 Notwithstanding any other provision of this Article,  
19 beginning January 1, 2005, the minimum amount of widow's  
20 annuity payable to any person who is entitled to receive a  
21 widow's annuity under this Article is \$1,000 per month, without  
22 regard to whether the deceased policeman is in service on or  
23 after the effective date of this amendatory Act of the 93rd  
24 General Assembly.

25 (b) Effective January 1, 1994, the minimum amount of  
26 widow's annuity shall be \$700 per month for the following  
27 classes of widows, without regard to whether the deceased  
28 policeman is in service on or after the effective date of this  
29 amendatory Act of 1993: (1) the widow of a policeman who dies  
30 in service with at least 10 years of service credit, or who  
31 dies in service after June 30, 1981; and (2) the widow of a  
32 policeman who withdraws from service with 20 or more years of  
33 service credit and does not withdraw a refund, provided that  
34 the widow is married to the policeman before he withdraws from

1 service.

2 (c) The city, in addition to the contributions otherwise  
3 made by it under the other provisions of this Article, shall  
4 make such contributions as are necessary for the minimum  
5 widow's annuities provided under this Section in the manner  
6 prescribed in Section 5-175.

7 (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

8 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)  
9 Sec. 5-168. Financing.

10 (a) Except as expressly provided in this Section, the city  
11 shall levy a tax annually upon all taxable property therein for  
12 the purpose of providing revenue for the fund.

13 The tax shall be at a rate that will produce a sum which,  
14 when added to the amounts deducted from the policemen's  
15 salaries and the amounts deposited in accordance with  
16 subsection (g), is sufficient for the purposes of the fund.

17 For the years 1968 and 1969, the city council shall levy a  
18 tax annually at a rate on the dollar of the assessed valuation  
19 of all taxable property that will produce, when extended, not  
20 to exceed \$9,700,000. Beginning with the year 1970 and each  
21 year thereafter the city council shall levy a tax annually at a  
22 rate on the dollar of the assessed valuation of all taxable  
23 property that will produce when extended an amount not to  
24 exceed the total amount of contributions by the policemen to  
25 the Fund made in the calendar year 2 years before the year for  
26 which the applicable annual tax is levied, multiplied by 1.40  
27 for the tax levy year 1970; by 1.50 for the year 1971; by 1.65  
28 for 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975  
29 through 1981; by 2.00 for 1982 and for each year thereafter.

30 (b) The tax shall be levied and collected in like manner  
31 with the general taxes of the city, and is in addition to all  
32 other taxes which the city is now or may hereafter be  
33 authorized to levy upon all taxable property therein, and is

1 exclusive of and in addition to the amount of tax the city is  
2 now or may hereafter be authorized to levy for general purposes  
3 under any law which may limit the amount of tax which the city  
4 may levy for general purposes. The county clerk of the county  
5 in which the city is located, in reducing tax levies under  
6 Section 8-3-1 of the Illinois Municipal Code, shall not  
7 consider the tax herein authorized as a part of the general tax  
8 levy for city purposes, and shall not include the tax in any  
9 limitation of the percent of the assessed valuation upon which  
10 taxes are required to be extended for the city.

11 (c) On or before January 10 of each year, the board shall  
12 notify the city council of the requirement that the tax herein  
13 authorized be levied by the city council for that current year.  
14 The board shall compute the amounts necessary for the purposes  
15 of this fund to be credited to the reserves established and  
16 maintained within the fund; shall make an annual determination  
17 of the amount of the required city contributions; and shall  
18 certify the results thereof to the city council.

19 As soon as any revenue derived from the tax is collected it  
20 shall be paid to the city treasurer of the city and shall be  
21 held by him for the benefit of the fund in accordance with this  
22 Article.

23 (d) If the funds available are insufficient during any year  
24 to meet the requirements of this Article, the city may issue  
25 tax anticipation warrants against the tax levy for the current  
26 fiscal year.

27 (e) The various sums, including interest, to be contributed  
28 by the city, shall be taken from the revenue derived from such  
29 tax or otherwise as expressly provided in this Section. Any  
30 moneys of the city derived from any source other than the tax  
31 herein authorized shall not be used for any purpose of the fund  
32 nor the cost of administration thereof, unless applied to make  
33 the deposit expressly authorized in this Section or the  
34 additional city contributions required under subsection (h).

1 (f) If it is not possible or practicable for the city to  
2 make its contributions at the time that salary deductions are  
3 made, the city shall make such contributions as soon as  
4 possible thereafter, with interest thereon to the time it is  
5 made.

6 (g) In lieu of levying all or a portion of the tax required  
7 under this Section in any year, the city may deposit with the  
8 city treasurer no later than March 1 of that year for the  
9 benefit of the fund, to be held in accordance with this  
10 Article, an amount that, together with the taxes levied under  
11 this Section for that year, is not less than the amount of the  
12 city contributions for that year as certified by the board to  
13 the city council. The deposit may be derived from any source  
14 legally available for that purpose, including, but not limited  
15 to, the proceeds of city borrowings. The making of a deposit  
16 shall satisfy fully the requirements of this Section for that  
17 year to the extent of the amounts so deposited. Amounts  
18 deposited under this subsection may be used by the fund for any  
19 of the purposes for which the proceeds of the tax levied under  
20 this Section may be used, including the payment of any amount  
21 that is otherwise required by this Article to be paid from the  
22 proceeds of that tax.

23 (h) In addition to the contributions required under the  
24 other provisions of this Article, by November 1 of the  
25 following specified years, the city shall deposit with the city  
26 treasurer for the benefit of the fund, to be held and used in  
27 accordance with this Article, the following specified amounts:  
28 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;  
29 \$5,040,000 in 2002; and \$4,620,000 in 2003; ~~\$4,200,000 in 2004;~~  
30 ~~\$3,780,000 in 2005; \$3,360,000 in 2006; \$2,940,000 in 2007;~~  
31 ~~\$2,520,000 in 2008; \$2,100,000 in 2009; \$1,680,000 in 2010;~~  
32 ~~\$1,260,000 in 2011; \$840,000 in 2012; and \$420,000 in 2013.~~

33 The additional city contributions required under this  
34 subsection are intended to decrease the unfunded liability of

1 the fund and shall not decrease the amount of the city  
2 contributions required under the other provisions of this  
3 Article. The additional city contributions made under this  
4 subsection may be used by the fund for any of its lawful  
5 purposes.

6 (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

7 (40 ILCS 5/6-111) (from Ch. 108 1/2, par. 6-111)

8 Sec. 6-111. Salary. "Salary": Subject to Section 6-211, the  
9 annual salary of a fireman, as follows:

10 (a) For age and service annuity, minimum annuity, and  
11 disability benefits, the actual amount of the annual salary,  
12 except as otherwise provided in this Article.

13 (b) For prior service annuity, widow's annuity, widow's  
14 prior service annuity and child's annuity to and including  
15 August 31, 1957, the amount of the annual salary up to a  
16 maximum of \$3,000.

17 (c) Except as otherwise provided in Section 6-141.1, for  
18 widow's annuity, beginning September 1, 1957, the amount of  
19 annual salary up to a maximum of \$6,000.

20 (d) "Salary" means the actual amount of the annual salary  
21 attached to the permanent career service rank held by the  
22 fireman, except as provided in subsection (e).

23 (e) In the case of a fireman who holds an exempt position  
24 above career service rank:

25 (1) For the purpose of computing employee and city  
26 contributions, "salary" means the actual salary attached  
27 to the exempt rank position held by the fireman.

28 (2) For the purpose of computing benefits: "salary"  
29 means the actual salary attached to the exempt rank  
30 position held by the fireman, if (i) the contributions  
31 specified in Section 6-211 have been made, (ii) the fireman  
32 has held one or more exempt positions for at least 5  
33 consecutive years and has held the rank of battalion chief

1 or field officer for at least 5 years during the exempt  
2 period, and (iii) the fireman was born before 1955;  
3 otherwise, "salary" means the salary attached to the  
4 permanent career service rank held by the fireman, as  
5 provided in subsection (d).

6 (f) Beginning on the effective date of this amendatory Act  
7 of the 93rd General Assembly, and for any prior periods for  
8 which contributions have been paid under subsection (g) of this  
9 Section, all salary payments made to any active or former  
10 fireman who holds or previously held the permanent assigned  
11 position or classified career service rank, grade, or position  
12 of ambulance commander shall be included as salary for all  
13 purposes under this Article.

14 (g) Any active or former fireman who held the permanent  
15 assigned position or classified career service rank, grade, or  
16 position of ambulance commander may elect to have the full  
17 amount of the salary attached to that permanent assigned  
18 position or classified career service rank, grade, or position  
19 included in the calculation of his or her salary for any period  
20 during which the fireman held the permanent assigned position  
21 or classified career service rank, grade, or position of  
22 ambulance commander by applying in writing and making all  
23 employee and employer contributions, without interest, related  
24 to the actual salary payments corresponding to the permanent  
25 assigned position or classified career service rank, grade, or  
26 position of ambulance commander for all periods beginning on or  
27 after January 1, 1995. All applicable contributions must be  
28 paid in full to the Fund before January 1, 2006 before the  
29 payment of any benefit under this subsection (g) will made  
30 made.

31 Any former fireman or widow of a fireman who (i) held the  
32 permanent assigned position or classified career service rank,  
33 grade, or position of ambulance commander, (ii) is in receipt  
34 of annuity on the effective date of this amendatory Act of the

1 93rd General Assembly, and (iii) pays to the Fund contributions  
2 under this subsection (g) for salary payments at the permanent  
3 assigned position or classified career service rank, grade, or  
4 position of ambulance commander shall have his or her annuity  
5 recalculated to reflect the ambulance commander salary and the  
6 resulting increase shall become payable on the next annuity  
7 payment date following the date the contribution is received by  
8 the Fund.

9 In the case of an active or former fireman who (i) dies  
10 before January 1, 2006 without making an election under this  
11 subsection and (ii) was eligible to make an election under this  
12 subsection at the time of death (or would have been eligible  
13 had the death occurred after the effective date of this  
14 amendatory Act), any surviving spouse, child, or parent of the  
15 fireman who is eligible to receive a benefit under this Article  
16 based on the fireman's salary may make that election and pay  
17 the required contributions on behalf of the deceased fireman.  
18 If the death occurs within the 30 days immediately preceding  
19 January 1, 2006, the deadline for application and payment is  
20 extended to January 31, 2006.

21 Any portion of the compensation received for service as an  
22 ambulance commander for which the corresponding contributions  
23 have not been paid shall not be included in the calculation of  
24 salary.

25 (h) Beginning January 1, 1999, with respect to a fireman  
26 who is licensed by the State as an Emergency Medical  
27 Technician, references in this Article to the fireman's salary  
28 or the salary attached to or appropriated for the permanent  
29 assigned position or classified career service rank, grade, or  
30 position of the fireman shall be deemed to include any  
31 additional compensation payable to the fireman by virtue of  
32 being licensed as an Emergency Medical Technician, as provided  
33 under a collective bargaining agreement with the city.

34 (i) Beginning on the effective date of this amendatory Act

1 of the 93rd General Assembly (and for any period prior to that  
2 date for which contributions have been paid under subsection  
3 (j) of this Section), the salary of a fireman, as calculated  
4 for any purpose under this Article, shall include any duty  
5 availability pay received by the fireman (i) pursuant to a  
6 collective bargaining agreement or (ii) pursuant to an  
7 appropriation ordinance in an amount equivalent to the amount  
8 of duty availability pay received by other firemen pursuant to  
9 a collective bargaining agreement, and references in this  
10 Article to the salary attached to or appropriated for the  
11 permanent assigned position or classified career service rank,  
12 grade, or position of the fireman shall be deemed to include  
13 that duty availability pay.

14 (j) An active or former fireman who received duty  
15 availability pay at any time after December 31, 1994 and before  
16 the effective date of this amendatory Act of the 93rd General  
17 Assembly and who either (1) retired during that period or (2)  
18 had attained age 46 and at least 16 years of service by the  
19 effective date of this amendatory Act may elect to have that  
20 duty availability pay included in the calculation of his or her  
21 salary for any portion of that period for which the pay was  
22 received, by applying in writing and paying to the Fund, before  
23 January 1, 2006, the corresponding employee contribution,  
24 without interest.

25 In the case of an applicant who is receiving an annuity at  
26 the time the application and contribution are received by the  
27 Fund, the annuity shall be recalculated and the resulting  
28 increase shall become payable on the next annuity payment date  
29 following the date the contribution is received by the Fund.

30 In the case of an active or former fireman who (i) dies  
31 before January 1, 2006 without making an election under this  
32 subsection and (ii) was eligible to make an election under this  
33 subsection at the time of death (or would have been eligible  
34 had the death occurred after the effective date of this



1 amendatory Act), any surviving spouse, child, or parent of the  
2 fireman who is eligible to receive a benefit under this Article  
3 based on the fireman's salary may make that election and pay  
4 the required contribution on behalf of the deceased fireman. If  
5 the death occurs within the 30 days immediately preceding  
6 January 1, 2006, the deadline for application and payment is  
7 extended to January 31, 2006.

8 Any duty availability pay for which the corresponding  
9 employee contribution has not been paid shall not be included  
10 in the calculation of salary.

11 (k) The changes to this Section made by this amendatory Act  
12 of the 93rd General Assembly are not limited to firemen in  
13 service on or after the effective date of this amendatory Act.

14 (Source: P.A. 83-1362.)

15 (40 ILCS 5/6-124.1 new)

16 Sec. 6-124.1. Withdrawal at compulsory retirement age -  
17 amount of annuity.

18 (a) In lieu of any annuity provided in the other provisions  
19 of this Article, a fireman who is required to withdraw from  
20 service due to attainment of compulsory retirement age and has  
21 at least 10 but less than 20 years of service credit may elect  
22 to receive an annuity equal to 30% of average salary for the  
23 first 10 years of service plus 2% of average salary for each  
24 completed year of service or remaining fraction thereof in  
25 excess of 10, but not to exceed a maximum of 50% of average  
26 salary.

27 (b) For the purpose of this Section, "average salary" means  
28 the average of the fireman's highest 4 consecutive years of  
29 salary within the last 10 years of service.

30 (c) For the purpose of qualifying for the annual increases  
31 provided in Section 6-164, a fireman whose retirement annuity  
32 is calculated under this Section shall be deemed to qualify for  
33 a minimum annuity.

1 (40 ILCS 5/6-128) (from Ch. 108 1/2, par. 6-128)

2 Sec. 6-128. (a) A future entrant who withdraws on or after  
3 July 21, 1959, after completing at least 23 years of service,  
4 and for whom the annuity otherwise provided in this Article is  
5 less than that stated in this Section, has a right to receive  
6 annuity as follows:

7 If he is age 53 or more on withdrawal, his annuity after  
8 withdrawal, shall be equal to 50% of his average salary  
9 ~~determined by striking an average of 4 consecutive highest~~  
10 ~~years of salary within the last 10 years of service immediately~~  
11 ~~preceding the date of withdrawal.~~

12 An employee who reaches compulsory retirement age and who  
13 has less than 23 years of service shall be entitled to a  
14 minimum annuity equal to an amount determined by the product of  
15 (1) his years of service and (2) 2% of his average salary ~~for~~  
16 ~~the 4 consecutive highest years of salary within the last 10~~  
17 ~~years of service immediately prior to his reaching compulsory~~  
18 ~~retirement age.~~

19 An employee who remains in service after qualifying for  
20 annuity under this Section shall have added to this annuity an  
21 additional 1% of average salary for each completed year of  
22 service or fraction thereof rendered until July 21, 1959, and  
23 an additional 1% for a total of 2% of average salary from July  
24 21, 1959. Each future entrant who has completed 23 years of  
25 service before reaching age 53 shall have added to this annuity  
26 1% of average salary for each completed year of service or  
27 fraction thereof in excess of 23 years up to age 53. ~~"Salary"~~  
28 ~~as referred to in this paragraph shall be determined by~~  
29 ~~striking an average of the 4 consecutive highest years of~~  
30 ~~salary within the last 10 years of service immediately~~  
31 ~~preceding withdrawal.~~

32 (b) In lieu of the annuity provided in the foregoing  
33 provisions of this Section any future entrant who withdraws

1 from the service either (i) after December 31, 1983 with at  
2 least 22 years of service credit and having attained age 52 in  
3 the service, or (ii) after December 31, 1984 with at least 21  
4 years of service credit and having attained age 51 in the  
5 service, or (iii) after December 31, 1985 with at least 20  
6 years of service credit and having attained age 50 in the  
7 service, or (iv) after December 31, 1990 with at least 20 years  
8 of service regardless of age, may elect to receive an annuity,  
9 to begin not earlier than upon attainment of age 50 if under  
10 that age at withdrawal, computed as follows: an annuity equal  
11 to 50% of ~~the~~ average salary ~~for the 4 highest consecutive~~  
12 ~~years of the last 10 years of service~~, plus additional annuity  
13 equal to 2% of ~~such~~ average salary for each completed year of  
14 service or fraction thereof rendered after his completion of  
15 the minimum number of years of service required for him to be  
16 eligible under this subsection (b). However, the annuity  
17 provided under this subsection (b) may not exceed 75% of ~~such~~  
18 average salary.

19 (c) In lieu of the annuity provided in any other provision  
20 of this Section, a future entrant who withdraws from service  
21 after the effective date of this amendatory Act of the 93rd  
22 General Assembly with at least 20 years of service may elect to  
23 receive an annuity, to begin no earlier than upon attainment of  
24 age 50 if under that age at withdrawal, equal to 50% of average  
25 salary plus 2.5% of average salary for each completed year of  
26 service or fraction thereof over 20, but not to exceed 75% of  
27 average salary.

28 (d) For the purpose of this Section, "average salary" means  
29 the average of the highest 4 consecutive years of salary within  
30 the last 10 years of service.

31 (Source: P.A. 86-1488.)

32 (40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

33 Sec. 6-128.2. Minimum retirement annuities.

1 (a) Beginning with the monthly payment due in January,  
2 1988, the monthly annuity payment for any person who is  
3 entitled to receive a retirement annuity under this Article in  
4 January, 1990 and has retired from service at age 50 or over  
5 with 20 or more years of service, and for any person who  
6 retires from service on or after January 24, 1990 at age 50 or  
7 over with 20 or more years of service, shall not be less than  
8 \$475 per month. The \$475 minimum annuity is exclusive of any  
9 automatic annual increases provided by Sections 6-164 and  
10 6-164.1, but not exclusive of previous raises in the minimum  
11 annuity as provided by any Section of this Article.

12 Beginning January 1, 1992, the minimum retirement annuity  
13 payable to any person who has retired from service at age 50 or  
14 over with 20 or more years of service and is entitled to  
15 receive a retirement annuity under this Article on that date,  
16 or who retires from service at age 50 or over with 20 or more  
17 years of service after that date, shall be \$650 per month.

18 Beginning January 1, 1993, the minimum retirement annuity  
19 payable to any person who has retired from service at age 50 or  
20 over with 20 or more years of service and is entitled to  
21 receive a retirement annuity under this Article on that date,  
22 or who retires from service at age 50 or over with 20 or more  
23 years of service after that date, shall be \$750 per month.

24 Beginning January 1, 1994, the minimum retirement annuity  
25 payable to any person who has retired from service at age 50 or  
26 over with 20 or more years of service and is entitled to  
27 receive a retirement annuity under this Article on that date,  
28 or who retires from service at age 50 or over with 20 or more  
29 years of service after that date, shall be \$850 per month.

30 Beginning January 1, 2004, the minimum retirement annuity  
31 payable to any person who has retired from service at age 50 or  
32 over with 20 or more years of service and is entitled to  
33 receive a retirement annuity under this Article on that date,  
34 or who retires from service at age 50 or over with 20 or more

1 years of service after that date, shall be \$950 per month.

2 Beginning January 1, 2005, the minimum retirement annuity  
3 payable to any person who has retired from service at age 50 or  
4 over with 20 or more years of service and is entitled to  
5 receive a retirement annuity under this Article on that date,  
6 or who retires from service at age 50 or over with 20 or more  
7 years of service after that date, shall be \$1,050 per month.

8 The minimum annuities established by this subsection (a) do  
9 include previous raises in the minimum annuity as provided by  
10 any Section of this Article, but do not include any sums which  
11 have been added or will be added to annuity payments by the  
12 automatic annual increases provided by Sections 6-164 and  
13 6-164.1. Such annual increases shall be paid in addition to the  
14 minimum amounts specified in this subsection.

15 (b) Notwithstanding any other provision of this Article,  
16 beginning January 1, 1990, the minimum retirement annuity  
17 payable to any person who is entitled to receive a retirement  
18 annuity under this Article on that date shall be \$475 per  
19 month.

20 (c) The changes made to this Section by this amendatory Act  
21 of the 93rd General Assembly shall apply to all persons  
22 receiving a retirement annuity under this Article, without  
23 regard to whether the retirement of the fireman occurred prior  
24 to the effective date of this amendatory Act ~~of 1993~~.

25 (Source: P.A. 86-273; 86-1027; 86-1028; 86-1475; 87-849;  
26 87-1265.)

27 (40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)

28 Sec. 6-128.4. Minimum widow's annuities.

29 (a) Notwithstanding any other provision of this Article,  
30 beginning January 1, 1996, the minimum amount of widow's  
31 annuity payable to any person who is entitled to receive a  
32 widow's annuity under this Article is \$700 per month, without  
33 regard to whether the deceased fireman is in service on or

1 after the effective date of this amendatory Act of 1995.

2 (b) Notwithstanding Section 6-128.3, beginning January 1,  
3 1994, the minimum widow's annuity under this Article shall be  
4 \$700 per month for (1) all persons receiving widow's annuities  
5 on that date who are survivors of employees who retired at age  
6 50 or over with at least 20 years of service, and (2) persons  
7 who become eligible for widow's annuities and are survivors of  
8 employees who retired at age 50 or over with at least 20 years  
9 of service.

10 (c) Notwithstanding Section 6-128.3, beginning January 1,  
11 1999, the minimum widow's annuity under this Article shall be  
12 \$800 per month for (1) all persons receiving widow's annuities  
13 on that date who are survivors of employees who retired at age  
14 50 or over with at least 20 years of service, and (2) persons  
15 who become eligible for widow's annuities and are survivors of  
16 employees who retired at age 50 or over with at least 20 years  
17 of service.

18 (d) Notwithstanding Section 6-128.3, beginning January 1,  
19 2004, the minimum widow's annuity under this Article shall be  
20 \$900 per month for all persons receiving widow's annuities on  
21 or after that date, without regard to whether the deceased  
22 fireman is in service on or after the effective date of this  
23 amendatory Act of the 93rd General Assembly.

24 (e) Notwithstanding Section 6-128.3, beginning January 1,  
25 2005, the minimum widow's annuity under this Article shall be  
26 \$1,000 per month for all persons receiving widow's annuities on  
27 or after that date, without regard to whether the deceased  
28 fireman is in service on or after the effective date of this  
29 amendatory Act of the 93rd General Assembly.

30 (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

31 (40 ILCS 5/6-141.2 new)

32 Sec. 6-141.2. Minimum annuity for certain widows.  
33 Notwithstanding the other provisions of this Article, the

1 widow's annuity payable to the widow of a fireman who dies on  
2 or after July 1, 1997 while an active fireman with at least 10  
3 years of creditable service shall be no less than 50% of the  
4 retirement annuity that the deceased fireman would have been  
5 eligible to receive if he had attained age 50 and 20 years of  
6 service on the day before his death and retired on that day. In  
7 the case of a widow's annuity that is payable on the effective  
8 date of this amendatory Act of the 93rd General Assembly, the  
9 increase provided by this Section, if any, shall begin to  
10 accrue on the first annuity payment date following that  
11 effective date.

12 (40 ILCS 5/6-142) (from Ch. 108 1/2, par. 6-142)

13 Sec. 6-142. Wives and widows not entitled to annuities.

14 (A) Except as provided in subsection (B), the following  
15 wives or widows have no right to annuity from the fund:

16 (a) A wife or widow married subsequent to the effective  
17 date of a fireman who dies in service if she was not married to  
18 him before he attained age 63;

19 (b) A wife or widow of a fireman who withdraws, whether or  
20 not he enters upon annuity, and dies while out of service, if  
21 the marriage occurred after the effective date and she was not  
22 his wife while he was in service and before he attained age 63;

23 (c) A wife or widow of a fireman who (1) has served 10 or  
24 more years, (2) dies out of service after he has withdrawn from  
25 service, and (3) has withdrawn or applied for refund of the  
26 sums to his credit for annuity to which he had a right to  
27 refund;

28 (d) A wife or widow of a fireman who dies out of service  
29 after he has withdrawn before age 63, and who has not served at  
30 least 10 years;

31 (e) A wife whose marriage was dissolved or widow of a  
32 fireman whose judgment of dissolution of marriage from her  
33 fireman husband is annulled, vacated or set aside by

1 proceedings in court subsequent to the death of the fireman,  
2 unless (1) such proceedings are filed within 5 years after the  
3 date of the dissolution of marriage and within one year after  
4 the death of the fireman and (2) the board is made a party to  
5 the proceedings;

6 (f) A wife or widow who married the fireman while he was in  
7 receipt of disability benefit or disability pension from this  
8 fund, unless he returned to the service subsequent to the  
9 marriage and remained therein for a period or periods  
10 aggregating one year, or died while in service.

11 (B) Beginning on the effective date of this amendatory Act  
12 of the 93rd General Assembly, the limitation on marriage after  
13 withdrawal under subdivision (A)(b) and the limitation on  
14 marriage during disability under subdivision (A)(f) no longer  
15 apply to a widow who was married to the deceased fireman before  
16 the fireman begins to receive a retirement annuity and for at  
17 least one year immediately preceding the date of death,  
18 regardless of whether the deceased fireman is in service on or  
19 after the effective date of this amendatory Act of the 93rd  
20 General Assembly; except that this subsection (B) does not  
21 apply to the widow of a fireman who received a refund of  
22 contributions for widow's annuity under Section 6-160, unless  
23 the refund is repaid to the Fund, with interest at the rate of  
24 4% per year, compounded annually, from the date of the refund  
25 to the date of repayment. If the widow of a fireman who died  
26 before the effective date of this amendatory Act becomes  
27 eligible for a widow's annuity because of this amendatory Act,  
28 the annuity shall begin to accrue on the date of application  
29 for the annuity, but in no event sooner than the effective date  
30 of this amendatory Act.

31 (Source: P.A. 81-230.)

32 (40 ILCS 5/6-143) (from Ch. 108 1/2, par. 6-143)

33 Sec. 6-143. Widow's remarriage.



1       (a) Beginning on the effective date of this amendatory Act  
2 of the 93rd General Assembly, a widow's annuity shall no longer  
3 be subject to termination or suspension under this Section due  
4 to remarriage. Any widow's annuity that was previously  
5 terminated or suspended under this Section by reason of  
6 remarriage shall, upon application, be resumed as of the date  
7 of the application, but in no event sooner than the effective  
8 date of this amendatory Act. The resumption shall not be  
9 retroactive. This subsection (a) applies regardless of whether  
10 or not the deceased fireman was in service on or after the  
11 effective date of this amendatory Act.

12       (b) This subsection (b) does not apply on or after the  
13 effective date of this amendatory Act of the 93rd General  
14 Assembly.

15       Any annuity granted to a widow who remarries on or after  
16 December 31, 1989 shall be suspended when she remarries, unless  
17 (i) she remarries after attaining the age of 60 regardless of  
18 whether or not the deceased fireman was in service on or after  
19 the effective date of this amendatory Act of 1995 or (ii) she  
20 has been granted a Section 6-140 annuity as the widow of a  
21 fireman killed in performance of duty. An annuity suspended  
22 under this Section shall, upon application, be resumed if the  
23 subsequent marriage ends by dissolution of marriage,  
24 declaration of invalidity of marriage, or the death of the  
25 husband; this resumption shall not be retroactive.

26       If a widow remarries after attaining age 60 or after she  
27 has been granted an annuity under Section 6-140 and the  
28 remarriage takes place after December 31, 1989, regardless of  
29 whether or not the deceased fireman was in service on or after  
30 the effective date of this amendatory Act of 1995, the widow's  
31 annuity shall continue without interruption.

32       Any widow's annuity that was previously terminated by  
33 reason of remarriage prior to December 31, 1989 or suspended  
34 shall, upon application, be resumed, as of the date of the

1 application, if the subsequent marriage ended by dissolution of  
2 marriage, declaration of invalidity of marriage, or the death  
3 of the husband, regardless of whether or not the deceased  
4 fireman was in service on the effective date of this amendatory  
5 Act of 1995; this resumption shall not be retroactive.

6 When a widow dies, if she has not received, in the form of  
7 an annuity, an amount equal to the accumulated employee  
8 contributions for widow's annuity, the difference between such  
9 accumulated contributions and the sum received by her, along  
10 with any part of the accumulated contributions for age and  
11 service annuity remaining in the fund at her death, shall be  
12 refunded to the fireman's children, in equal parts to each;  
13 except that if a child is less than age 18, the part of any such  
14 amount that is required to pay an annuity to the child shall be  
15 transferred to the child's annuity reserve. If no children or  
16 descendants thereof survive the fireman, the refund shall be  
17 paid to the estate of the fireman. In making refunds under this  
18 Section, no interest shall be considered upon either the total  
19 of annuity payments made or the amounts subject to refund.

20 (Source: P.A. 89-136, eff. 7-14-95.)

21 (40 ILCS 5/6-151.1) (from Ch. 108 1/2, par. 6-151.1)

22 Sec. 6-151.1. The General Assembly finds and declares that  
23 service in the Fire Department requires that firemen, in times  
24 of stress and danger, must perform unusual tasks; that by  
25 reason of their occupation, firemen are subject to exposure to  
26 great heat and to extreme cold in certain seasons while in  
27 performance of their duties; that by reason of their employment  
28 firemen are required to work in the midst of and are subject to  
29 heavy smoke fumes, and carcinogenic, poisonous, toxic or  
30 chemical gases from fires; and that in the course of their  
31 rescue and paramedic duties firemen are exposed to disabling  
32 infectious diseases, including AIDS, hepatitis C, and stroke.

33 The General Assembly further finds and declares that all the

1     aforementioned conditions exist and arise out of or in the  
2     course of such employment.

3             Any active fireman who has completed 7 ~~ten~~ or more years of  
4     service and is unable to perform his duties in the Fire  
5     Department by reason of heart disease, tuberculosis, ~~or~~ any  
6     disease of the lungs or respiratory tract, AIDS, hepatitis C,  
7     or stroke resulting ~~solely~~ from his service as a fireman, shall  
8     be entitled to receive an occupational disease disability  
9     benefit during any period of such disability for which he does  
10    not have a right to receive salary.

11            Any active fireman who has completed 7 ~~ten~~ or more years of  
12    service and is unable to perform his duties in the fire  
13    department by reason of a disabling cancer, which develops or  
14    manifests itself during a period while the fireman is in the  
15    service of the department, shall be entitled to receive an  
16    occupational disease disability benefit during any period of  
17    such disability for which he does not have a right to receive  
18    salary. In order to receive this occupational disease  
19    disability benefit, the type of cancer involved must be a type  
20    which may be caused by exposure to heat, radiation or a known  
21    carcinogen as defined by the International Agency for Research  
22    on Cancer.

23            Any fireman who shall enter the service after the effective  
24    date of this amendatory Act shall be examined by one or more  
25    practicing physicians appointed by the Board, and if that said  
26    examination discloses impairment of the heart, lungs, ~~or~~  
27    respiratory tract, or the existence of AIDS, hepatitis C,  
28    stroke, or any cancer, then the ~~such~~ fireman shall not be  
29    entitled to receive an occupational disease disability benefit  
30    unless and until a subsequent examination reveals no such  
31    impairment, AIDS, hepatitis C, stroke, or cancer.

32            The occupational disease disability benefit shall be 65% of  
33    the fireman's salary at the time of his removal from the  
34    Department payroll. However, beginning January 1, 1994, no

1 occupational disease disability benefit that has been payable  
2 under this Section for at least 10 years shall be less than 50%  
3 of the current salary attached from time to time to the rank  
4 and grade held by the fireman at the time of his removal from  
5 the Department payroll, regardless of whether that removal  
6 occurred before the effective date of this amendatory Act of  
7 1993.

8 Such fireman also shall have a right to receive child's  
9 disability benefit of \$30 per month on account of each  
10 unmarried child who is less than 18 years of age or  
11 handicapped, dependent upon the fireman for support, and either  
12 the issue of the fireman or legally adopted by him. The total  
13 amount of child's disability benefit payable to the fireman,  
14 when added to his occupational disease disability benefit,  
15 shall not exceed 75% of the amount of salary which he was  
16 receiving at the time of the grant of occupational disease  
17 disability benefit.

18 The first payment of occupational disease disability  
19 benefit or child's disability benefit shall be made not later  
20 than one month after the benefit is granted. Each subsequent  
21 payment shall be made not later than one month after the date  
22 of the latest payment.

23 Occupational disease disability benefit shall be payable  
24 during the period of the disability until the fireman reaches  
25 the age of compulsory retirement. Child's disability benefit  
26 shall be paid to such a fireman during the period of disability  
27 until such child or children attain age 18 or marry, whichever  
28 event occurs first; except that attainment of age 18 by a child  
29 who is so physically or mentally handicapped as to be dependent  
30 upon the fireman for support, shall not render the child  
31 ineligible for child's disability benefit. The fireman  
32 thereafter shall receive such annuity or annuities as are  
33 provided for him in accordance with other provisions of this  
34 Article.

1 (Source: P.A. 88-528.)

2 (40 ILCS 5/6-160) (from Ch. 108 1/2, par. 6-160)

3 Sec. 6-160. Refund - Widow's annuity contributions. When a  
4 fireman attains age 63 in service and is not then married, or  
5 when an unmarried fireman withdraws before age 63 and enters  
6 upon annuity, his contributions for widow's annuity shall then  
7 be refunded to him, upon request. A refund under this Section  
8 may be repaid as provided in Section 6-142(B).

9 (Source: P.A. 81-1536.)

10 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

11 Sec. 6-164. Automatic annual increase; retirement after  
12 September 1, 1959.

13 (a) A fireman qualifying for a minimum annuity who retires  
14 from service after September 1, 1959 shall, upon either the  
15 first of the month following the first anniversary of his date  
16 of retirement if he is age 60 (age 55 if born before January 1,  
17 1955 ~~1945~~) or over on that anniversary date, or upon the first  
18 of the month following his attainment of age 60 (age 55 if born  
19 before January 1, 1955 ~~1945~~) if that occurs after the first  
20 anniversary of his retirement date, have his then fixed and  
21 payable monthly annuity increased by 1 1/2%, and such first  
22 fixed annuity as granted at retirement increased by an  
23 additional 1 1/2% in January of each year thereafter up to a  
24 maximum increase of 30%. Beginning July 1, 1982 for firemen  
25 born before January 1, 1930, and beginning January 1, 1990 for  
26 firemen born after December 31, 1929 and before January 1,  
27 1940, and beginning January 1, 1996 for firemen born after  
28 December 31, 1939 but before January 1, 1945, and beginning  
29 January 1, 2004, for firemen born after December 31, 1944 but  
30 before January 1, 1955, such increases shall be 3% and such  
31 firemen shall not be subject to the 30% maximum increase.

32 Any fireman born before January 1, 1945 who qualifies for a

1 minimum annuity and retires after September 1, 1967 but has not  
2 received the initial increase under this subsection before  
3 January 1, 1996 is entitled to receive the initial increase  
4 under this subsection on (1) January 1, 1996, (2) the first  
5 anniversary of the date of retirement, or (3) attainment of age  
6 55, whichever occurs last. The changes to this Section made by  
7 this amendatory Act of 1995 apply beginning January 1, 1996 and  
8 apply without regard to whether the fireman or annuitant  
9 terminated service before the effective date of this amendatory  
10 Act of 1995.

11 Any fireman born before January 1, 1955 who qualifies for a  
12 minimum annuity and retires after September 1, 1967 but has not  
13 received the initial increase under this subsection before  
14 January 1, 2004 is entitled to receive the initial increase  
15 under this subsection on (1) January 1, 2004, (2) the first  
16 anniversary of the date of retirement, or (3) attainment of age  
17 55, whichever occurs last. The changes to this Section made by  
18 this amendatory Act of the 93rd General Assembly apply without  
19 regard to whether the fireman or annuitant terminated service  
20 before the effective date of this amendatory Act.

21 (b) Subsection (a) of this Section is not applicable to an  
22 employee receiving a term annuity.

23 (c) To help defray the cost of such increases in annuity,  
24 there shall be deducted, beginning September 1, 1959, from each  
25 payment of salary to a fireman, 1/8 of 1% of each such salary  
26 payment and an additional 1/8 of 1% beginning on September 1,  
27 1961, and September 1, 1963, respectively, concurrently with  
28 and in addition to the salary deductions otherwise made for  
29 annuity purposes.

30 Each such additional 1/8 of 1% deduction from salary which  
31 shall, on September 1, 1963, result in a total increase of 3/8  
32 of 1% of salary, shall be credited to the Automatic Increase  
33 Reserve, to be used, together with city contributions as  
34 provided in this Article, to defray the cost of the 1 1/2%

1 annuity increments herein specified. Any balance in such  
2 reserve as of the beginning of each calendar year shall be  
3 credited with interest at the rate of 3% per annum.

4 The salary deductions provided in this Section are not  
5 subject to refund, except to the fireman himself, in any case  
6 in which a fireman withdraws prior to qualification for minimum  
7 annuity and applies for refund, or applies for annuity, and  
8 also where a term annuity becomes payable. In such cases, the  
9 total of such salary deductions shall be refunded to the  
10 fireman, without interest, and charged to the aforementioned  
11 reserve.

12 (Source: P.A. 89-136, eff. 7-14-95.)

13 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

14 Sec. 6-165. Financing; tax.

15 (a) Except as expressly provided in this Section, each city  
16 shall levy a tax annually upon all taxable property therein for  
17 the purpose of providing revenue for the fund. For the years  
18 prior to the year 1960, the tax rate shall be as provided for  
19 in the "Firemen's Annuity and Benefit Fund of the Illinois  
20 Municipal Code". The tax, from and after January 1, 1968 to and  
21 including the year 1971, shall not exceed .0863% of the value,  
22 as equalized or assessed by the Department of Revenue, of all  
23 taxable property in the city. Beginning with the year 1972 and  
24 each year thereafter the city shall levy a tax annually at a  
25 rate on the dollar of the value, as equalized or assessed by  
26 the Department of Revenue of all taxable property within such  
27 city that will produce, when extended, not to exceed an amount  
28 equal to the total amount of contributions by the employees to  
29 the fund made in the calendar year 2 years prior to the year  
30 for which the annual applicable tax is levied, multiplied by  
31 2.23 through the calendar year 1981, and by 2.26 for the year  
32 1982 and for each year thereafter.

33 To provide revenue for the ordinary death benefit

1 established by Section 6-150 of this Article, in addition to  
2 the contributions by the firemen for this purpose, the city  
3 council shall for the year 1962 and each year thereafter  
4 annually levy a tax, which shall be in addition to and  
5 exclusive of the taxes authorized to be levied under the  
6 foregoing provisions of this Section, upon all taxable property  
7 in the city, as equalized or assessed by the Department of  
8 Revenue, at such rate per cent of the value of such property as  
9 shall be sufficient to produce for each year the sum of  
10 \$142,000.

11 The amounts produced by the taxes levied annually, together  
12 with the deposit expressly authorized in this Section, shall be  
13 sufficient, when added to the amounts deducted from the  
14 salaries of firemen and applied to the fund, to provide for the  
15 purposes of the fund.

16 (b) The taxes shall be levied and collected in like manner  
17 with the general taxes of the city, and shall be in addition to  
18 all other taxes which the city may levy upon all taxable  
19 property therein and shall be exclusive of and in addition to  
20 the amount of tax the city may levy for general purposes under  
21 Section 8-3-1 of the Illinois Municipal Code, approved May 29,  
22 1961, as amended, or under any other law or laws which may  
23 limit the amount of tax which the city may levy for general  
24 purposes.

25 (c) The amounts of the taxes to be levied in each year  
26 shall be certified to the city council by the board.

27 (d) As soon as any revenue derived from such taxes is  
28 collected, it shall be paid to the city treasurer and held for  
29 the benefit of the fund, and all such revenue shall be paid  
30 into the fund in accordance with the provisions of this  
31 Article.

32 (e) If the funds available are insufficient during any year  
33 to meet the requirements of this Article, the city may issue  
34 tax anticipation warrants, against the tax levies herein



1 authorized for the current fiscal year.

2 (f) The various sums, hereinafter stated, including  
3 interest, to be contributed by the city, shall be taken from  
4 the revenue derived from the taxes or otherwise as expressly  
5 provided in this Section. Except for defraying the cost of  
6 administration of the fund during the calendar year in which a  
7 city first attains a population of 500,000 and comes under the  
8 provisions of this Article and the first calendar year  
9 thereafter, any money of the city derived from any source other  
10 than these taxes or the sale of tax anticipation warrants shall  
11 not be used to provide revenue for the fund, nor to pay any  
12 part of the cost of administration thereof, unless applied to  
13 make the deposit expressly authorized in this Section or the  
14 additional city contributions required under subsection (h).

15 (g) In lieu of levying all or a portion of the tax required  
16 under this Section in any year, the city may deposit with the  
17 city treasurer no later than March 1 of that year for the  
18 benefit of the fund, to be held in accordance with this  
19 Article, an amount that, together with the taxes levied under  
20 this Section for that year, is not less than the amount of the  
21 city contributions for that year as certified by the board to  
22 the city council. The deposit may be derived from any source  
23 legally available for that purpose, including, but not limited  
24 to, the proceeds of city borrowings. The making of a deposit  
25 shall satisfy fully the requirements of this Section for that  
26 year to the extent of the amounts so deposited. Amounts  
27 deposited under this subsection may be used by the fund for any  
28 of the purposes for which the proceeds of the taxes levied  
29 under this Section may be used, including the payment of any  
30 amount that is otherwise required by this Article to be paid  
31 from the proceeds of those taxes.

32 (h) In addition to the contributions required under the  
33 other provisions of this Article, by November 1 of the  
34 following specified years, the city shall deposit with the city

1 treasurer for the benefit of the fund, to be held and used in  
2 accordance with this Article, the following specified amounts:  
3 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;  
4 \$5,040,000 in 2002; and \$4,620,000 in 2003; ~~\$4,200,000 in 2004;~~  
5 ~~\$3,780,000 in 2005; \$3,360,000 in 2006; \$2,940,000 in 2007;~~  
6 ~~\$2,520,000 in 2008; \$2,100,000 in 2009; \$1,680,000 in 2010;~~  
7 ~~\$1,260,000 in 2011; \$840,000 in 2012; and \$420,000 in 2013.~~

8 The additional city contributions required under this  
9 subsection are intended to decrease the unfunded liability of  
10 the fund and shall not decrease the amount of the city  
11 contributions required under the other provisions of this  
12 Article. The additional city contributions made under this  
13 subsection may be used by the fund for any of its lawful  
14 purposes.

15 (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

16 (40 ILCS 5/6-210.1) (from Ch. 108 1/2, par. 6-210.1)

17 Sec. 6-210.1. Credit for former employment with the fire  
18 department.

19 (a) Any fireman who (1) accumulated service credit in the  
20 Article 8 fund for service as an employee of the Chicago Fire  
21 Department and (2) has terminated that Article 8 service credit  
22 and received a refund of contributions therefor, may establish  
23 service credit in this Fund for all or any part of that period  
24 of service under the Article 8 fund by making written  
25 application to the Board by January 1, 2000 and paying to this  
26 Fund (i) employee contributions based upon the actual salary  
27 received and the rates in effect for members of this Fund at  
28 the time of such service, plus (ii) interest thereon calculated  
29 as follows:

30 (1) For applications received by the Board before July  
31 14, ~~the effective date of this amendatory Act of 1995,~~  
32 interest shall be calculated on the amount of employee  
33 contributions determined under item (i) above, at the rate

1 of 4% per annum, compounded annually, from the date of  
2 termination of such service to the date of payment.

3 (2) For applications received by the Board on or after  
4 July 14, the effective date of this amendatory Act of 1995,  
5 interest shall be calculated on the amount of employee  
6 contributions determined under item (i) above, at the rate  
7 of 4% per annum, compounded annually, from the first date  
8 of the period for which credit is being established under  
9 this subsection (a) to the date of payment.

10 (b) A fireman who, at any time during the period 1970  
11 through 1983, was an employee of the Chicago Fire Department  
12 but did not participate in any pension fund subject to this  
13 Code with respect to that employment may establish service  
14 credit in this Fund for all or any part of that employment by  
15 making written application to the Board by January 1, 2005 ~~2000~~  
16 and paying to this Fund (i) employee contributions based upon  
17 the actual salary received and the rates in effect for members  
18 of this Fund at the time of that employment, plus (ii) interest  
19 thereon calculated at the rate of 4% per annum, compounded  
20 annually, from the first date of the employment for which  
21 credit is being established under this subsection (b) to the  
22 date of payment.

23 (c) A fireman may pay the contributions required for  
24 service credit under this Section established on or after July  
25 14, the effective date of this amendatory Act of 1995 in the  
26 form of payroll deductions, in accordance with such procedures  
27 and limitations as may be established by Board rule and any  
28 applicable rules or ordinances of the employer.

29 (d) Employer contributions shall be transferred as  
30 provided in Sections 6-210.2 and 8-172.1. The employer shall  
31 not be responsible for making any additional employer  
32 contributions for any credit established under this Section.

33 (Source: P.A. 89-136, eff. 7-14-95.)

1 (40 ILCS 5/6-210.2 new)

2 Sec. 6-210.2. City contributions for paramedics.  
3 Municipality credits computed and credited under Article 8 for  
4 all firemen who (1) accumulated service credit in the Article 8  
5 fund for service as a paramedic, (2) have terminated that  
6 Article 8 service credit and received a refund of  
7 contributions, and (3) are participants in this Article 6 fund  
8 on the effective date of this amendatory Act of the 93rd  
9 General Assembly shall be transferred by the Article 8 fund to  
10 this Fund, together with interest at the rate of 11% per annum,  
11 compounded annually, to the date of the transfer, as provided  
12 in Section 8-172.1 of this Code. These city contributions shall  
13 be credited to the individual fireman only if he or she pays  
14 for prior service as a paramedic in full to this Fund.

15 (40 ILCS 5/6-210.3 new)

16 Sec. 6-210.3. Payments and rollovers.

17 (a) The Board may adopt rules prescribing the manner of  
18 repaying refunds and purchasing any other credits permitted  
19 under this Article. The rules may prescribe the manner of  
20 calculating interest when payments or repayments are made in  
21 installments.

22 (b) Rollover contributions from other retirement plans  
23 qualified under the Internal Revenue Code of 1986 may be used  
24 to purchase any optional credit or repay any refund permitted  
25 under this Article.

26 (40 ILCS 5/6-211) (from Ch. 108 1/2, par. 6-211)

27 Sec. 6-211. Permanent and temporary positions; exempt  
28 positions above career service rank.

29 (a) Except as specified in subsection (b), no annuity,  
30 pension or other benefit shall be paid to a fireman or widow,  
31 under this Article, based upon any salary paid by virtue of a  
32 temporary appointment, ~~and~~ all contributions, annuities and

1 benefits shall be related to the salary which attaches to the  
2 permanent position of the fireman.

3 Any fireman temporarily serving in a position or rank other  
4 than that to which he has received permanent appointment shall  
5 be considered, while so serving, as though he were in his  
6 permanent position or rank, except that no increase in any  
7 pension, annuity or other benefit hereunder shall accrue to him  
8 by virtue of any service performed by him subsequent to  
9 attaining the compulsory retirement age provided by law or  
10 ordinance.

11 This Section does ~~shall~~ not apply to any person certified  
12 to the fire department by the civil service commission of the  
13 city, during the period of probationary service.

14 A fireman who holds a position at the will of the Fire  
15 Commissioner or other appointing authority, whether or not such  
16 position is an "exempt" position, shall be deemed to hold a  
17 temporary position, ~~and such employee's contributions and~~  
18 ~~benefits shall be based upon the employee's permanent career~~  
19 ~~service salary. The provisions of this paragraph shall be~~  
20 ~~retroactive to January 1, 1976.~~

21 (b) Beginning on the effective date of this amendatory Act  
22 of the 93rd General Assembly, for service in an exempt position  
23 above career service rank, employee contributions shall be  
24 based on the actual full salary attached to the exempt rank  
25 position held by the fireman.

26 For service in an exempt position above career service  
27 rank, benefit computations under this Article shall be based on  
28 the actual full salary attached to the exempt rank position  
29 held by the fireman if and only if:

30 (1) employee contributions have been paid on the actual  
31 full salary attached to the exempt rank position held by  
32 the fireman for all service on or after January 1, 1994 in  
33 an exempt position above career service rank;

34 (2) the fireman has held one or more exempt positions

1 for at least 5 consecutive years (or, in the case of a  
2 fireman who retired due to attainment of compulsory  
3 retirement age before December 1, 2003, held one or more  
4 exempt positions for a consecutive period of at least 3  
5 years and 9 months and made the payment required under  
6 subsection (c) for a period of at least 5 years) and has  
7 held the rank of battalion chief or field officer for at  
8 least 5 years (at least 3 years and 9 months in the case of  
9 a fireman who retired due to attainment of compulsory  
10 retirement age before December 1, 2003) during the exempt  
11 period; and

12 (3) the fireman was born before 1955.

13 (c) For service prior to the effective date of this  
14 amendatory Act of the 93rd General Assembly in an exempt  
15 position above career service rank for which contributions have  
16 been paid only on the salary attached to the fireman's  
17 permanent career service rank, a fireman may make the  
18 contributions required under subsection (b) by paying to the  
19 Fund before the later of the date of retirement or 6 months  
20 after the effective date of this amendatory Act, but in no  
21 event later than July 1, 2005, an amount equal to the  
22 difference between the employee contributions actually made  
23 for that service and the employee contributions that would have  
24 been made based on the actual full salary attached to the  
25 exempt rank position held by the fireman on or after January 1,  
26 1994, plus interest thereon at the rate of 4% per year,  
27 compounded annually, from the date of the service to the date  
28 of payment (or to the date of retirement if retirement is  
29 before the effective date of this amendatory Act). In the case  
30 of a fireman who retired in an exempt rank position after  
31 January 1, 1994 and before January 1, 1999 and in the case of a  
32 fireman who retired due to attaining compulsory retirement age  
33 before December 1, 2003, the payment under this subsection (c)  
34 shall be for a period of at least 5 years.

1       If a fireman dies while eligible to make the contributions  
2 required under subsection (b) but before the contributions are  
3 paid, the fireman's widow may elect to make the contributions.

4       (d) Subsection (e) of Section 6-111 and the changes made to  
5 this Section by this amendatory Act of the 93rd General  
6 Assembly apply to a fireman who retires (or becomes disabled)  
7 on or after January 1, 1994. In the case of a benefit payable  
8 on the effective date of this amendatory Act, the resulting  
9 increase in benefit shall begin to accrue with the first  
10 benefit payment period commencing after the required  
11 contributions are paid.

12       (e) If a fireman or his survivors do not qualify to have  
13 benefits computed on the full amount of salary received for  
14 service in an exempt position as provided in subsection (b),  
15 benefits shall be computed on the basis of the salary attached  
16 to the permanent career service rank, and a refund of any  
17 employee contributions paid on the difference between the  
18 actual salary and the salary attached to the permanent career  
19 service rank shall be payable to the fireman upon termination  
20 of service, or to the fireman's widow or estate upon the  
21 fireman's death.

22       (f) The tax levy computed under Section 6-165 shall be  
23 based on employee contributions, including the payments of  
24 employee contributions under subsections (a), (b), and (c) of  
25 this Section 6-211.

26       (g) The city shall pay to the Fund on an annual basis, in  
27 addition to the usual city contributions, an amount at least  
28 equal to the sum of (1) the increase in normal cost resulting  
29 from subsection (e) of Section 6-111 and the changes made to  
30 this Section by this amendatory Act of the 93rd General  
31 Assembly, plus (2) amortization (over a period of 30 years from  
32 the effective date of this amendatory Act) of the initial  
33 unfunded liability resulting from subsection (e) of Section  
34 6-111 and the changes made to this Section by this amendatory

1 Act of the 93rd General Assembly. The payment required under  
2 this subsection shall be no less than \$400,000 per year.  
3 Payment shall begin with the first calendar year commencing  
4 after the effective date of this amendatory Act and shall be in  
5 addition to the tax levy otherwise calculated under Section  
6 6-165. The city may increase that tax levy by the amount of the  
7 payment required under this subsection, or it may utilize any  
8 funds appropriated for this purpose.

9 (Source: P.A. 83-16.)

10 (40 ILCS 5/6-222) (from Ch. 108 1/2, par. 6-222)

11 Sec. 6-222. Administrative review.

12 (a) The provisions of the Administrative Review Law, and  
13 all amendments and modifications thereof and the rules adopted  
14 pursuant thereto shall apply to and govern all proceedings for  
15 the judicial review of final administrative decisions of the  
16 retirement board hereunder. The term "administrative decision"  
17 is as defined in Section 3-101 of the Code of Civil Procedure.

18 (b) If any fireman whose application for either a duty  
19 disability benefit under Section 6-151 or for an occupational  
20 disease disability benefit under Section 6-151.1 has been  
21 denied by the Retirement Board brings an action for  
22 administrative review challenging the denial of disability  
23 benefits and the fireman prevails in the action in  
24 administrative review, then the prevailing fireman shall be  
25 entitled to recover from the Fund court costs and litigation  
26 expenses, including reasonable attorney's fees, as part of the  
27 costs of the action.

28 (Source: P.A. 82-783.)

29 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

30 Sec. 8-137. Automatic increase in annuity.

31 (a) An employee who retired or retires from service after  
32 December 31, 1959 and before January 1, 1987, having attained



1 age 60 or more, shall, in January of the year after the year in  
2 which the first anniversary of retirement occurs, have the  
3 amount of his then fixed and payable monthly annuity increased  
4 by 1 1/2%, and such first fixed annuity as granted at  
5 retirement increased by a further 1 1/2% in January of each  
6 year thereafter. Beginning with January of the year 1972, such  
7 increases shall be at the rate of 2% in lieu of the aforesaid  
8 specified 1 1/2%, and beginning with January of the year 1984  
9 such increases shall be at the rate of 3%. Beginning in January  
10 of 1999, such increases shall be at the rate of 3% of the  
11 currently payable monthly annuity, including any increases  
12 previously granted under this Article. An employee who retires  
13 on annuity after December 31, 1959 and before January 1, 1987,  
14 but before age 60, shall receive such increases beginning in  
15 January of the year after the year in which he attains age 60.

16 An employee who retires from service on or after January 1,  
17 1987 shall, upon the first annuity payment date following the  
18 first anniversary of the date of retirement, or upon the first  
19 annuity payment date following attainment of age 60, whichever  
20 occurs later, have his then fixed and payable monthly annuity  
21 increased by 3%, and such annuity shall be increased by an  
22 additional 3% of the original fixed annuity on the same date  
23 each year thereafter. Beginning in January of 1999, such  
24 increases shall be at the rate of 3% of the currently payable  
25 monthly annuity, including any increases previously granted  
26 under this Article.

27 (a-5) Notwithstanding the provisions of subsection (a),  
28 upon the first annuity payment date following (1) the third  
29 anniversary of retirement, (2) the attainment of age 53, or (3)  
30 January 1, 2002, ~~the date 60 days after the effective date of~~  
31 ~~this amendatory Act of the 92nd General Assembly,~~ whichever  
32 occurs latest, the monthly annuity of an employee who retires  
33 on annuity prior to the attainment of age 60 and ~~who~~ has not  
34 received an increase under subsection (a) shall be increased by

1 3%, and the ~~such~~ annuity shall be increased by an additional 3%  
2 of the current payable monthly annuity, including any ~~such~~  
3 increases previously granted under this Article, on the same  
4 date each year thereafter. The increases provided under this  
5 subsection are in lieu of the increases provided in subsection  
6 (a).

7 (a-6) Notwithstanding the provisions of subsections (a)  
8 and (a-5), for all calendar years following the year in which  
9 this amendatory Act of the 93rd General Assembly takes effect,  
10 an increase in annuity under this Section that would otherwise  
11 take effect at any time during the year shall instead take  
12 effect in January of that year.

13 (b) Subsections (a), ~~and~~ (a-5), and (a-6) are not  
14 applicable to an employee retiring and receiving a term  
15 annuity, as herein defined, nor to any otherwise qualified  
16 employee who retires before he makes employee contributions (at  
17 the 1/2 of 1% rate as provided in this Act) for this additional  
18 annuity for not less than the equivalent of one full year. Such  
19 employee, however, shall make arrangement to pay to the fund a  
20 balance of such 1/2 of 1% contributions, based on his final  
21 salary, as will bring such 1/2 of 1% contributions, computed  
22 without interest, to the equivalent of or completion of one  
23 year's contributions.

24 Beginning with January, 1960, each employee shall  
25 contribute by means of salary deductions 1/2 of 1% of each  
26 salary payment, concurrently with and in addition to the  
27 employee contributions otherwise made for annuity purposes.

28 Each such additional contribution shall be credited to an  
29 account in the prior service annuity reserve, to be used,  
30 together with city contributions, to defray the cost of the  
31 specified annuity increments. Any balance in such account at  
32 the beginning of each calendar year shall be credited with  
33 interest at the rate of 3% per annum.

34 Such additional employee contributions are not refundable,

1 except to an employee who withdraws and applies for refund  
2 under this Article, and in cases where a term annuity becomes  
3 payable. In such cases his contributions shall be refunded,  
4 without interest, and charged to such account in the prior  
5 service annuity reserve.

6 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
7 revised 8-26-02.)

8 (40 ILCS 5/8-138.4 new)

9 Sec. 8-138.4. Early retirement incentive.

10 (a) To be eligible for the benefits provided in this  
11 Section, an employee must:

12 (1) have been a contributor to the Fund who (i) on  
13 October 15, 2003, was in active payroll status as an  
14 employee; (ii) returns to active payroll status from an  
15 approved leave of absence prior to December 15, 2003; (iii)  
16 on October 15, 2003, is receiving ordinary or duty  
17 disability benefits under Section 8-160 or 8-161; or (iv)  
18 has been subjected to an involuntary termination or layoff  
19 by the employer and restored to service by his or her  
20 employer prior to January 31, 2004;

21 (2) have not previously retired under this Article;

22 (3) file with the Board on or before January 30, 2004,  
23 a written election requesting the benefits provided in this  
24 Section;

25 (4) withdraw from service on or after January 31, 2004  
26 and on or before February 29, 2004 (or the date established  
27 under subsection (a-5), if applicable); and

28 (5) by the date of withdrawal or by February 29, 2004,  
29 whichever is earlier, have attained age 50 with at least 10  
30 years of creditable service in this Fund, without including  
31 any creditable service established under this Section, and  
32 a total of at least 70 combined years of age and creditable  
33 service, without including any creditable service

1 established under this Section, in one or more of the  
2 participating systems under the Retirement Systems  
3 Reciprocal Act.

4 A person is not eligible for the benefits provided in this  
5 Section if the person (i) elects to receive the alternative  
6 annuity for city officers under Section 8-243.2, or (ii) elects  
7 to receive a retirement annuity calculated under the  
8 alternative formula formerly set forth in Section 20-122.

9 (a-5) To ensure that the efficient operation of employers  
10 under this Article is not jeopardized by the simultaneous  
11 retirement of large numbers of critical personnel, each  
12 employer may, for its critical employees, extend the February  
13 29, 2004 deadline for terminating employment under this Article  
14 established in subdivision (a) (4) of this Section to a date not  
15 later than May 31, 2004 by so notifying the Fund by January 31,  
16 2004.

17 (b) An eligible employee may establish up to 5 years of  
18 creditable service under this Section, in increments of one  
19 month, by making the contributions specified in subsection (d).  
20 In addition, for each month of creditable service established  
21 under this Section, a person's age at retirement shall be  
22 deemed to be one month older than it actually is, except for  
23 determination of eligibility for automatic annual increases  
24 under Sections 8-137 and 8-137.1. Furthermore, an eligible  
25 employee must establish at least the amount of age and  
26 creditable service necessary to bring his or her age and total  
27 creditable service, including service in this Fund, service  
28 established under this Section, and service in any of the other  
29 participating systems under the Retirement Systems Reciprocal  
30 Act, to a minimum that will satisfy the requirements of Section  
31 8-138.

32 The creditable service under this Section may be used for  
33 all purposes under this Article and the Retirement Systems  
34 Reciprocal Act, except for the computation of average annual

1 salary and the determination of salary, earnings, or  
2 compensation under this or any other Article of this Code.

3 (c) An eligible employee shall be entitled to have his or  
4 her retirement annuity calculated in accordance with the  
5 formula provided in Section 8-138, except that the annuity  
6 shall not be subject to reduction because of withdrawal or  
7 commencement of the annuity before attainment of age 60.

8 (d) For each month of creditable service established under  
9 this Section, the employee must pay to the Fund an employee  
10 contribution, to be calculated by the Fund, equal to 4.25% of  
11 the member's monthly salary rate on October 15, 2003. The  
12 employee may elect to pay the entire contribution before the  
13 retirement annuity commences, or to have it deducted from the  
14 annuity over a period not longer than 24 months. If the retired  
15 employee dies before the contribution has been paid in full,  
16 the unpaid installments may be deducted from any annuity or  
17 other benefit payable to the employee's survivors.

18 All employee contributions paid under this Section shall  
19 not be deemed contributions made by employees for annuity  
20 purposes under Section 8-173, and shall be made and credited to  
21 a special reserve, without interest. Employee contributions  
22 paid under this Section may be refunded under the same terms  
23 and conditions as are applicable to other employee  
24 contributions for retirement annuity.

25 (e) Notwithstanding Section 8-165, an annuitant who  
26 reenters service under this Article after receiving a  
27 retirement annuity based on benefits provided under this  
28 Section thereby forfeits the right to continue to receive those  
29 benefits, and shall have his or her retirement annuity  
30 recalculated at the appropriate time without the benefits  
31 provided in this Section.

32 (f) No employer action in declaring an employee to be a  
33 critical employee pursuant to subsection (a-5) shall be  
34 construed as an impairment of any pension benefit or

1 entitlement. No early retirement option or resultant benefit  
2 conferred under this Section shall, in any manner, vest for any  
3 employee until the earlier date of the employer's decision to  
4 release the employee from service or May 31, 2004.

5 (40 ILCS 5/8-138.5 new)

6 Sec. 8-138.5. Early retirement incentive for employees who  
7 have earned maximum pension benefits.

8 (a) A person who is eligible for the benefits provided  
9 under Section 8-138.4 and who, if he or she had retired on or  
10 before February 29, 2004, would have been entitled to a pension  
11 equal to 80% of his or her highest average annual salary for  
12 any 4 consecutive years within the last 10 years of service  
13 immediately preceding February 29, 2004 without receiving the  
14 benefits provided in Section 8-138.4, may elect, by filing  
15 written election with the Fund by January 30, 2004, to receive  
16 a lump sum from the Fund equal to 100% of his or her salary on  
17 February 29, 2004 or the date of withdrawal, whichever is  
18 earlier. To be eligible to receive the benefit provided under  
19 this Section, the person must withdraw from service on or after  
20 January 31, 2004 and on or before February 29, 2004 (or the  
21 date established under subsection (b), if applicable). If a  
22 person elects to receive the benefit provided under this  
23 Section, his or her retirement annuity otherwise payable under  
24 Section 8-138 shall be reduced by an amount equal to the  
25 actuarial equivalent of the lump sum.

26 (b) To ensure that the efficient operation of employers  
27 under this Article is not jeopardized by the simultaneous  
28 retirement of large numbers of critical personnel, each  
29 employer may, for its critical employees, extend the February  
30 29, 2004 deadline for terminating employment under this Article  
31 established in subdivision (a) of this Section to a date not  
32 later than May 31, 2004 by so notifying the Fund by January 31,  
33 2004.

1 (40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

2 Sec. 8-150.1. Minimum annuities for widows. The widow  
3 (otherwise eligible for widow's annuity under other Sections of  
4 this Article 8) of an employee hereinafter described, who  
5 retires from service or dies while in the service subsequent to  
6 the effective date of this amendatory provision, and for which  
7 widow the amount of widow's annuity and widow's prior service  
8 annuity combined, fixed or provided for such widow under other  
9 provisions of this Article is less than the amount provided in  
10 this Section, shall, from and after the date her otherwise  
11 provided annuity would begin, in lieu of such otherwise  
12 provided widow's and widow's prior service annuity, be entitled  
13 to the following indicated amount of annuity:

14 (a) The widow of any employee who dies while in service on  
15 or after the date on which he attains age 60 if the death  
16 occurs before July 1, 1990, or on or after the date on which he  
17 attains age 55 if the death occurs on or after July 1, 1990,  
18 with at least 20 years of service, or on or after the date on  
19 which he attains age 50 if the death occurs on or after the  
20 effective date of this amendatory Act of 1997 with at least 30  
21 years of service, shall be entitled to an annuity equal to  
22 one-half of the amount of annuity which her deceased husband  
23 would have been entitled to receive had he withdrawn from the  
24 service on the day immediately preceding the date of his death,  
25 conditional upon such widow having attained the age of 60 or  
26 more years on such date if the death occurs before July 1,  
27 1990, or age 55 or more if the death occurs on or after July 1,  
28 1990, or age 50 or more if the death occurs on or after January  
29 1, 1998 and the employee is age 50 or over with at least 30  
30 years of service or age 55 or over with at least 25 years of  
31 service. Except as provided in subsection (k), this widow's  
32 annuity shall not, however, exceed the sum of \$500 a month if  
33 the employee's death in service occurs before January 23, 1987.

1 The widow's annuity shall not be limited to a maximum dollar  
2 amount if the employee's death in service occurs on or after  
3 January 23, 1987.

4 If the employee dies in service before July 1, 1990, and if  
5 such widow of such described employee shall not be 60 or more  
6 years of age on such date of death, the amount provided in the  
7 immediately preceding paragraph for a widow 60 or more years of  
8 age, shall, in the case of such younger widow, be reduced by  
9 0.25% for each month that her then attained age is less than 60  
10 years if the employee was born before January 1, 1936 or dies  
11 in service on or after January 1, 1988, or by 0.5% for each  
12 month that her then attained age is less than 60 years if the  
13 employee was born on or after July 1, 1936 and dies in service  
14 before January 1, 1988.

15 If the employee dies in service on or after July 1, 1990,  
16 and if the widow of the employee has not attained age 55 on or  
17 before the employee's date of death, the amount otherwise  
18 provided in this subsection (a) shall be reduced by 0.25% for  
19 each month that her then attained age is less than 55 years;  
20 except that if the employee dies in service on or after January  
21 1, 1998 at age 50 or over with at least 30 years of service or  
22 at age 55 or over with at least 25 years of service, there  
23 shall be no reduction due to the widow's age if she has  
24 attained age 50 on or before the employee's date of death, and  
25 if the widow has not attained age 50 on or before the  
26 employee's date of death the amount otherwise provided in this  
27 subsection (a) shall be reduced by 0.25% for each month that  
28 her then attained age is less than 50 years.

29 (b) The widow of any employee who dies subsequent to the  
30 date of his retirement on annuity, and who so retired on or  
31 after the date on which he attained the age of 60 or more years  
32 if retirement occurs before July 1, 1990, or on or after the  
33 date on which he attained age 55 if retirement occurs on or  
34 after July 1, 1990, with at least 20 years of service, or on or



1 after the date on which he attained age 50 if the retirement  
2 occurs on or after the effective date of this amendatory Act of  
3 1997 with at least 30 years of service, shall be entitled to an  
4 annuity equal to one-half of the amount of annuity which her  
5 deceased husband received as of the date of his retirement on  
6 annuity, conditional upon such widow having attained the age of  
7 60 or more years on the date of her husband's retirement on  
8 annuity if retirement occurs before July 1, 1990, or age 55 or  
9 more if retirement occurs on or after July 1, 1990, or age 50  
10 or more if the retirement on annuity occurs on or after January  
11 1, 1998 and the employee is age 50 or over with at least 30  
12 years of service or age 55 or over with at least 25 years of  
13 service. Except as provided in subsection (k), this widow's  
14 annuity shall not, however, exceed the sum of \$500 a month if  
15 the employee's death occurs before January 23, 1987. The  
16 widow's annuity shall not be limited to a maximum dollar amount  
17 if the employee's death occurs on or after January 23, 1987,  
18 regardless of the date of retirement; provided that, if  
19 retirement was before January 23, 1987, the employee or  
20 eligible spouse repays the excess spouse refund with interest  
21 at the effective rate from the date of refund to the date of  
22 repayment.

23 If the date of the employee's retirement on annuity is  
24 before July 1, 1990, and if such widow of such described  
25 employee shall not have attained such age of 60 or more years  
26 on such date of her husband's retirement on annuity, the amount  
27 provided in the immediately preceding paragraph for a widow 60  
28 or more years of age on the date of her husband's retirement on  
29 annuity, shall, in the case of such then younger widow, be  
30 reduced by 0.25% for each month that her then attained age was  
31 less than 60 years if the employee was born before January 1,  
32 1936 or withdraws from service on or after January 1, 1988, or  
33 by 0.5% for each month that her then attained age is less than  
34 60 years if the employee was born on or after January 1, 1936

1 and withdraws from service before January 1, 1988.

2 If the date of the employee's retirement on annuity is on  
3 or after July 1, 1990, and if the widow of the employee has not  
4 attained age 55 by the date of the employee's retirement on  
5 annuity, the amount otherwise provided in this subsection (b)  
6 shall be reduced by 0.25% for each month that her then attained  
7 age is less than 55 years; except that if the employee retires  
8 on annuity on or after January 1, 1998 at age 50 or over with at  
9 least 30 years of service or at age 55 or over with at least 25  
10 years of service, there shall be no reduction due to the  
11 widow's age if she has attained age 50 on or before the  
12 employee's date of death, and if the widow has not attained age  
13 50 on or before the employee's date of death the amount  
14 otherwise provided in this subsection (b) shall be reduced by  
15 0.25% for each month that her then attained age is less than 50  
16 years.

17 (c) The foregoing provisions relating to minimum annuities  
18 for widows shall not apply to the widow of any former municipal  
19 employee receiving an annuity from the fund on August 9, 1965  
20 or on the effective date of this amendatory provision, who  
21 re-enters service as a municipal employee, unless such employee  
22 renders at least 3 years of additional service after the date  
23 of re-entry.

24 (d) In computing the amount of annuity which the husband  
25 specified in the foregoing paragraphs (a) and (b) of this  
26 Section would have been entitled to receive, or received, such  
27 amount shall be the annuity to which such husband would have  
28 been, or was entitled, before reduction in the amount of his  
29 annuity for the purposes of the voluntary optional reversionary  
30 annuity provided for in Section 8-139 of this Article, if such  
31 option was elected.

32 (e) (Blank).

33 (f) (Blank).

34 (g) The amendatory provisions of this amendatory Act of

1 1985 relating to annuity discount because of age for widows of  
2 employees born before January 1, 1936, shall apply only to  
3 qualifying widows of employees withdrawing or dying in service  
4 on or after July 18, 1985.

5 (h) Beginning on January 1, 1999, the minimum amount of  
6 widow's annuity shall be \$800 per month for life for the  
7 following classes of widows, without regard to the fact that  
8 the death of the employee occurred prior to the effective date  
9 of this amendatory Act of 1998:

10 (1) any widow annuitant alive and receiving a life  
11 annuity on the effective date of this amendatory Act of  
12 1998, except a reciprocal annuity;

13 (2) any widow annuitant alive and receiving a term  
14 annuity on the effective date of this amendatory Act of  
15 1998, except a reciprocal annuity;

16 (3) any widow annuitant alive and receiving a  
17 reciprocal annuity on the effective date of this amendatory  
18 Act of 1998, whose employee spouse's service in this fund  
19 was at least 5 years;

20 (4) the widow of an employee with at least 10 years of  
21 service in this fund who dies after retirement, if the  
22 retirement occurred prior to the effective date of this  
23 amendatory Act of 1998;

24 (5) the widow of an employee with at least 10 years of  
25 service in this fund who dies after retirement, if  
26 withdrawal occurs on or after the effective date of this  
27 amendatory Act of 1998;

28 (6) the widow of an employee who dies in service with  
29 at least 5 years of service in this fund, if the death in  
30 service occurs on or after the effective date of this  
31 amendatory Act of 1998.

32 The increases granted under items (1), (2), (3) and (4) of  
33 this subsection (h) shall not be limited by any other Section  
34 of this Act.

1 (i) The widow of an employee who retired or died in service  
2 on or after January 1, 1985 and before July 1, 1990, at age 55  
3 or older, and with at least 35 years of service credit, shall  
4 be entitled to have her widow's annuity increased, effective  
5 January 1, 1991, to an amount equal to 50% of the retirement  
6 annuity that the deceased employee received on the date of  
7 retirement, or would have been eligible to receive if he had  
8 retired on the day preceding the date of his death in service,  
9 provided that if the widow had not attained age 60 by the date  
10 of the employee's retirement or death in service, the amount of  
11 the annuity shall be reduced by 0.25% for each month that her  
12 then attained age was less than age 60 if the employee's  
13 retirement or death in service occurred on or after January 1,  
14 1988, or by 0.5% for each month that her attained age is less  
15 than age 60 if the employee's retirement or death in service  
16 occurred prior to January 1, 1988. However, in cases where a  
17 refund of excess contributions for widow's annuity has been  
18 paid by the Fund, the increase in benefit provided by this  
19 subsection (i) shall be contingent upon repayment of the refund  
20 to the Fund with interest at the effective rate from the date  
21 of refund to the date of payment.

22 (j) If a deceased employee is receiving a retirement  
23 annuity at the time of death and that death occurs on or after  
24 June 27, 1997, the widow may elect to receive, in lieu of any  
25 other annuity provided under this Article, 50% of the deceased  
26 employee's retirement annuity at the time of death reduced by  
27 0.25% for each month that the widow's age on the date of death  
28 is less than 55; except that if the employee dies on or after  
29 January 1, 1998 and withdrew from service on or after June 27,  
30 1997 at age 50 or over with at least 30 years of service or at  
31 age 55 or over with at least 25 years of service, there shall  
32 be no reduction due to the widow's age if she has attained age  
33 50 on or before the employee's date of death, and if the widow  
34 has not attained age 50 on or before the employee's date of

1 death the amount otherwise provided in this subsection (j)  
2 shall be reduced by 0.25% for each month that her age on the  
3 date of death is less than 50 years. However, in cases where a  
4 refund of excess contributions for widow's annuity has been  
5 paid by the Fund, the benefit provided by this subsection (j)  
6 is contingent upon repayment of the refund to the Fund with  
7 interest at the effective rate from the date of refund to the  
8 date of payment.

9 (k) For widows of employees who died before January 23,  
10 1987 after retirement on annuity or in service, the maximum  
11 dollar amount limitation on widow's annuity shall cease to  
12 apply, beginning with the first annuity payment after the  
13 effective date of this amendatory Act of 1997; except that if a  
14 refund of excess contributions for widow's annuity has been  
15 paid by the Fund, the increase resulting from this subsection  
16 (k) shall not begin before the refund has been repaid to the  
17 Fund, together with interest at the effective rate from the  
18 date of the refund to the date of repayment.

19 (l) In lieu of any other annuity provided in this Article,  
20 an eligible spouse of an employee who dies in service on or  
21 after January 1, 2002 (regardless of whether that death in  
22 service occurs prior to ~~at least 60 days after~~ the effective  
23 date of this amendatory Act of the 93rd ~~92nd~~ General Assembly)  
24 with at least 10 years of service shall be entitled to an  
25 annuity of 50% of the minimum formula annuity earned and  
26 accrued to the credit of the employee at the date of death. For  
27 the purposes of this subsection, the minimum formula annuity  
28 earned and accrued to the credit of the employee is equal to  
29 2.40% for each year of service of the highest average annual  
30 salary for any 4 consecutive years within the last 10 years of  
31 service immediately preceding the date of death, up to a  
32 maximum of 80% of the highest average annual salary. This  
33 annuity shall not be reduced due to the age of the employee or  
34 spouse. In addition to any other eligibility requirements under

1 this Article, the spouse is eligible for this annuity only if  
2 the marriage was in effect for 10 full years or more.

3 (Source: P.A. 92-599, eff. 6-28-02.)

4 (40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

5 Sec. 8-167. Restoration of rights. An employee who has  
6 withdrawn as a refund the amounts credited for annuity  
7 purposes, and who (i) re-enters service of the employer and  
8 serves for periods comprising at least 90 days ~~2 years~~ after  
9 the date of the last refund paid to him or (ii) has completed  
10 at least 2 years of service under a participating system (as  
11 defined in the Retirement Systems Reciprocal Act) other than  
12 this Fund after the date of the last refund, shall have his  
13 annuity rights restored by compliance with the following  
14 provisions:

15 (a) After that 90 day or ~~such~~ 2 year period, whichever  
16 applies, he shall repay in full to the fund, while in service,  
17 ~~in full~~ all refunds received, together with interest at the  
18 effective rate from the dates of refund to the date of  
19 repayment. ~~or~~

20 (b) If payment is not made in a single sum, the repayment  
21 may be made in installments by deductions from salary or  
22 otherwise in such manner and amounts and manner as the board,  
23 by rule, may prescribe, with interest at the effective rate  
24 accruing on unpaid balances. ~~or~~

25 (c) If the employee withdraws from service or dies in  
26 service before full repayment is made, service credit shall be  
27 restored in accordance with Section 8-230.3(b).

28 (d) If the employee repays the refund while participating  
29 in a participating system (as defined in the Retirement Systems  
30 Reciprocal Act) other than this Fund, the service credit  
31 restored must be used for a proportional annuity calculated in  
32 accordance with the Retirement Systems Reciprocal Act. If not  
33 so used, the restored service credit shall be forfeited and the

1 amount of the repayment shall be refunded, without interest. 7  
2 ~~such rights shall not be restored, but the amount, including~~  
3 ~~interest, repaid by him, but without any further interest~~  
4 ~~otherwise normally credited, shall be refunded to him or to his~~  
5 ~~widow, or in the manner provided by the refund provisions of~~  
6 ~~this Article if no widow survives.~~

7 This Section applies also to any person who received a  
8 refund from any annuity and benefit fund or pension fund which  
9 was merged into and superseded by the annuity and benefit fund  
10 provided for in this Article on or after December 31, 1959.  
11 Upon repayment such person shall receive credit for all annuity  
12 purposes in the annuity and benefit fund provided for in this  
13 Article for the period of service covered by the repayment ~~such~~  
14 ~~refund.~~

15 The amount of refund repayment is considered as salary  
16 deductions for age and service annuity and widow's annuity  
17 purposes in the case of a male person. In the latter case the  
18 amount of refund repayment is allocated in the applicable  
19 proportion for age and service and widow's annuity purposes.  
20 Such person shall also be credited with city contributions for  
21 age and service annuity, and widow's annuity if a male  
22 employee, in the amount which would have been credited and  
23 accrued if such person had been a participant in and  
24 contributor to the annuity and benefit fund provided for in  
25 this Article during the period of such service on the basis of  
26 his salary during such period.

27 (Source: P.A. 81-1536.)

28 (40 ILCS 5/8-172) (from Ch. 108 1/2, par. 8-172)

29 Sec. 8-172. Refunds - Transfer of city contributions.  
30 Whenever any amount is refunded as provided in Sections 8-168  
31 and 8-169, except in the case of a male employee who becomes a  
32 widower while in service after he becomes age 65, the amounts  
33 to the credit of the male employee from contributions by the

1 city shall be transferred to the prior service annuity  
2 reserve. Thereafter, except as otherwise provided in Section  
3 8-172.1, any such amounts shall become a credit to the city  
4 and, with interest thereon at the effective rate, be used to  
5 reduce the amount which the city would otherwise pay during a  
6 succeeding year.

7 (Source: Laws 1963, p. 161 database correction 9-24-03.)

8 (40 ILCS 5/8-172.1 new)

9 Sec. 8-172.1. Transfer of city contributions for  
10 paramedics.

11 (a) Municipality credits computed and credited under this  
12 Article 8 for all persons who (1) accumulated service credit in  
13 this Article 8 fund for service as a paramedic, (2) have  
14 terminated that Article 8 service credit and received a refund  
15 of contributions, and (3) are participants in the Article 6  
16 fund on the effective date of this amendatory Act of the 93rd  
17 General Assembly shall be transferred by this Article 8 fund to  
18 the Article 6 fund together with interest at the rate of 11%  
19 per annum, compounded annually, to the date of transfer. The  
20 city shall not be responsible for making any additional  
21 employer contributions to the Fund to replace the amounts  
22 transferred under this Section.

23 (b) Municipality credits computed and credited under this  
24 Article 8 for all persons who (1) accumulated service credit in  
25 this Article 8 fund for service as a paramedic, (2) have  
26 terminated that Article 8 service credit and received a refund  
27 of contributions, and (3) are not participants in the Article 6  
28 fund on the effective date of this amendatory Act of the 93rd  
29 General Assembly shall be used as provided in Section 8-172.

30 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

31 Sec. 8-174. Contributions for age and service annuities for  
32 present employees and future entrants. (a) Beginning on the



1 effective date and prior to July 1, 1947, 3 1/4%; and beginning  
2 on July 1, 1947 and prior to July 1, 1953, 5%; and beginning  
3 July 1, 1953, and prior to January 1, 1972, 6%; and beginning  
4 January 1, 1972, 6-1/2% of each payment of the salary of each  
5 present employee and future entrant shall be contributed to the  
6 fund as a deduction from salary for age and service annuity.

7 Such deductions beginning on the effective date and prior  
8 to July 1, 1947 shall be made for a future entrant while he is  
9 in the service until he attains age 65 and for a present  
10 employee while he is in the service until the amount so  
11 deducted from his salary with the amount deducted from his  
12 salary or paid by him according to law to any municipal pension  
13 fund in force on the effective date with interest on both such  
14 amounts at 4% per annum equals the sum that would have been to  
15 his credit from sums deducted from his salary if deductions at  
16 the rate herein stated had been made during his entire service  
17 until he attained age 65 with interest at 4% per annum for the  
18 period subsequent to his attainment of age 65. Such deductions  
19 beginning July 1, 1947 shall be made and continued for  
20 employees while in the service.

21 (b) Concurrently with each employee contribution beginning  
22 on the effective date and prior to July 1, 1947 the city shall  
23 contribute 5 3/4%; and beginning on July 1, 1947 and prior to  
24 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each  
25 payment of such salary until the employee attains age 65.  
26 Notwithstanding any provision of this subsection (b) to the  
27 contrary, the city shall not make a contribution for any credit  
28 established by an employee under subsection (b) of Section  
29 8-138.4.

30 (c) Each employee contribution made prior to the date the  
31 age and service annuity for an employee is fixed and each  
32 corresponding city contribution shall be credited to the  
33 employee and allocated to the account of the employee for whose  
34 benefit it is made.

1 (Source: P.A. 81-1536.)

2 (40 ILCS 5/8-174.1) (from Ch. 108 1/2, par. 8-174.1)

3 Sec. 8-174.1. Employer contributions on behalf of  
4 employees.

5 (a) The employer may make and may incur an obligation to  
6 make contributions on behalf of its employees in an amount not  
7 to exceed the employee contributions required by Sections  
8 8-137, 8-161, 8-174, 8-182 and 8-182.1 for all salary earned  
9 after December 31, 1981. If such employee contributions are not  
10 made or an obligation to make such contributions is not  
11 incurred by the employer on behalf of its employees, the amount  
12 that could have been contributed shall continue to be deducted  
13 from salary. If employee contributions are made by the employer  
14 on behalf of its employees, they shall be treated as employer  
15 contributions in determining tax treatment under the United  
16 States Internal Revenue Code; however, each city shall continue  
17 to withhold Federal and State income taxes based upon these  
18 contributions until the Internal Revenue Service or the Federal  
19 courts rule that pursuant to Section 414(h) of the United  
20 States Internal Revenue Code, these contributions shall not be  
21 included as gross income of the employee until such time as  
22 they are distributed or made available. The employer may make  
23 these contributions on behalf of its employees by a reduction  
24 in the cash salary of the employee or by an offset against a  
25 future salary increase or by a combination of a reduction in  
26 salary and offset against a future salary increase. The  
27 employer shall pay these employee contributions from the same  
28 source of funds used in paying salary to the employee or, if  
29 the employer is a Board of Education, it may also or  
30 alternatively pay such contributions in whole or in part from  
31 the proceeds of the pension contribution liability tax  
32 authorized by Section 34-60.1 of the School Code, as amended.  
33 If such a tax is levied with respect to any fiscal year of a

1 Board of Education, that portion of the contributions to be  
2 paid by the Board of Education on behalf of its employees for  
3 that fiscal year from the proceeds of such a tax shall not be  
4 due and payable into the Fund until the collection, in the  
5 calendar year following the calendar year in which such levy  
6 was made, of the actual tax bills extending the second  
7 installment of real estate taxes for the Board of Education for  
8 that calendar year, pursuant to Section 21-30 of the Property  
9 Tax Code, and such Board of Education shall not be required to  
10 pay those contributions to be paid from the proceeds of such a  
11 tax into the Fund except as collected from the extension of the  
12 actual tax bills. If employee contributions are made by the  
13 employer on behalf of its employees, they shall be treated for  
14 all purposes of this Article 8, including Section 8-173, in the  
15 same manner and to the same extent as employee contributions  
16 made by employees and deducted from salary; provided, however,  
17 that contributions which are made by a Board of Education on  
18 behalf of its employees shall not be treated as a pension or  
19 retirement obligation of the Board of Education for purposes of  
20 Section 12 of "An Act in relation to State revenue sharing with  
21 local governmental entities", approved July 31, 1969, as  
22 amended. For purposes of Section 8-173, contributions made by a  
23 Board of Education on behalf of its employees shall be treated  
24 as contributions made by or on behalf of employees to the Fund  
25 for the fiscal year for which the Board of Education incurred  
26 the obligation to make such contributions.

27 (b) Subject to the requirements of federal law and the  
28 rules of the Board, the Fund may allow the employee to elect to  
29 have the employer make on behalf of the employee the optional  
30 contributions that the employee has elected to pay to the Fund,  
31 and the contributions so made on the employee's behalf shall be  
32 treated as employer contributions for the purpose of  
33 determining federal tax treatment. The employer shall make  
34 contributions on behalf of an employee by a reduction in the

1 cash salary of the employee and shall pay contributions from  
2 the same source of funds that is used to pay earnings of the  
3 employee. The election to have the contributions made on the  
4 employee's behalf is irrevocable, and the optional  
5 contributions may not thereafter be prepaid, by direct payment  
6 or otherwise.

7 If the provision authorizing the optional contribution  
8 requires payment by a stated date (rather than the date of  
9 withdrawal or retirement), the requirement will be deemed to  
10 have been satisfied if (i) on or before the stated date the  
11 employee executes a valid irrevocable election to have the  
12 contributions made on his or her behalf under this subsection,  
13 and (ii) the contributions made on his or her behalf are in  
14 fact paid to the Fund as provided in the election.

15 If employee contributions are made by the employer on the  
16 employee's behalf under this subsection, they shall be treated  
17 for all purposes of this Article 8, including Section 8-173, in  
18 the same manner and to the same extent as optional employee  
19 contributions made prior to the date made on the employee's  
20 behalf.

21 (Source: P.A. 88-670, eff. 12-2-94.)

22 (40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

23 Sec. 8-192. Board created. A board of 5 members shall  
24 constitute a Board of Trustees authorized to carry out the  
25 provisions of this Article. The board shall be known as the  
26 Retirement Board of the Municipal Employees', Officers', and  
27 Officials' Annuity and Benefit Fund of the city, or for the  
28 sake of brevity may also be known and referred to as the  
29 Retirement Board of the Municipal Employees' Annuity and  
30 Benefit Fund of such city. The board shall consist of the city  
31 comptroller, the city treasurer, and 3 members who shall be  
32 employees, to be elected as follows:

33 Within 30 days after the effective date, the mayor of the

1 city shall arrange for and hold an election.

2 One employee shall be elected for a term ending on the  
3 first day in the month of December of the first year next  
4 following the effective date; one for a term ending December  
5 1st of the following year; and one for a term ending on  
6 December 1st of the second following year.

7 The city comptroller, with the approval of the board, may  
8 appoint a designee from among employees of the city who are  
9 versed in the affairs of the comptroller's office to act in the  
10 absence of the comptroller on all matters pertaining to  
11 administering the provisions of this Article.

12 The members of a Retirement Board of a municipal  
13 employees', officers', and officials' annuity and benefit fund  
14 holding office in a city at the time this Article becomes  
15 effective, including elective and ex-officio members, shall  
16 continue in office until the expiration of their terms and  
17 until their respective successors are elected or appointed and  
18 have qualified.

19 An employee member who takes advantage of the early  
20 retirement incentives provided under this amendatory Act of the  
21 93rd General Assembly may continue as a member until the end of  
22 his or her term.

23 (Source: P.A. 85-964.)

24 (40 ILCS 5/11-133.3 new)

25 Sec. 11-133.3. Early retirement incentive.

26 (a) To be eligible for the benefits provided in this  
27 Section, an employee must:

28 (1) have been a contributor to the Fund who (i) on  
29 October 15, 2003, was in active payroll status as an  
30 employee; (ii) returns to active payroll status from an  
31 approved leave of absence prior to December 15, 2003; (iii)  
32 on October 15, 2003, is receiving ordinary or duty  
33 disability benefits under Section 11-155 or 11-156 or (iv)

1 has been subjected to an involuntary termination or layoff  
2 by the employer and restored to service by his or her  
3 employer prior to January 31, 2004;

4 (2) have not previously retired under this Article;

5 (3) file with the Board on or before January 30, 2004,  
6 a written election requesting the benefits provided in this  
7 Section;

8 (4) withdraw from service on or after January 31, 2004  
9 and on or before February 29, 2004 (or the date established  
10 under subsection (a-5), if applicable); and

11 (5) by the date of withdrawal or by January 31, 2004,  
12 whichever is earlier, have attained age 50 with at least 10  
13 years of creditable service in this Fund, without including  
14 any creditable service established under this Section, and  
15 a total of at least 70 combined years of age and creditable  
16 service, without including any creditable service  
17 established under this Section, in one or more of the  
18 participating systems under the Retirement Systems  
19 Reciprocal Act.

20 A person is not eligible for the benefits provided in this  
21 Section if the person elects to receive a retirement annuity  
22 calculated under the alternative formula formerly set forth in  
23 Section 20-122.

24 (a-5) To ensure that the efficient operation of employers  
25 under this Article is not jeopardized by the simultaneous  
26 retirement of large numbers of critical personnel, each  
27 employer may, for its critical employees, extend the February  
28 29, 2004 deadline for terminating employment under this Article  
29 established in subdivision (a) (4) of this Section to a date not  
30 later than May 31, 2004 by so notifying the Fund by January 31,  
31 2004.

32 (b) An eligible employee may establish up to 5 years of  
33 creditable service under this Section, in increments of one  
34 month, by making the contributions specified in subsection (d).

1 In addition, for each month of creditable service established  
2 under this Section, a person's age at retirement shall be  
3 deemed to be one month older than it actually is, except for  
4 determination of eligibility for automatic annual increases  
5 under Sections 11-134.1 and 11-134.3. Furthermore, an eligible  
6 employee must establish at least the amount of age and  
7 creditable service necessary to bring his or her age and total  
8 creditable service, including service in this Fund, service  
9 established under this Section, and service in any of the other  
10 participating systems under the Retirement Systems Reciprocal  
11 Act, to a minimum that will satisfy the requirements of Section  
12 11-134.

13 The creditable service under this Section may be used for  
14 all purposes under this Article and the Retirement Systems  
15 Reciprocal Act, except for the computation of average annual  
16 salary and the determination of salary, earnings, or  
17 compensation under this or any other Article of this Code.

18 (c) An eligible employee shall be entitled to have his or  
19 her retirement annuity calculated in accordance with the  
20 formula provided in Section 11-134, except that the annuity  
21 shall not be subject to reduction because of withdrawal or  
22 commencement of the annuity before attainment of age 60.

23 (d) For each month of creditable service established under  
24 this Section, the employee must pay to the Fund an employee  
25 contribution, to be calculated by the Fund, equal to 4.25% of  
26 the member's monthly salary rate on October 15, 2003. The  
27 employee may elect to pay the entire contribution before the  
28 retirement annuity commences, or to have it deducted from the  
29 annuity over a period not longer than 24 months. If the retired  
30 employee dies before the contribution has been paid in full,  
31 the unpaid installments may be deducted from any annuity or  
32 other benefit payable to the employee's survivors.

33 All employee contributions paid under this Section shall  
34 not be deemed contributions made by employees for annuity

1 purposes under Section 11-169, and shall be made and credited  
2 to a special reserve, without interest. Employee contributions  
3 paid under this Section may be refunded under the same terms  
4 and conditions as are applicable to other employee  
5 contributions for retirement annuity.

6 (e) Notwithstanding Section 11-161, an annuitant who  
7 reenters service under this Article after receiving a  
8 retirement annuity based on benefits provided under this  
9 Section thereby forfeits the right to continue to receive those  
10 benefits, and shall have his or her retirement annuity  
11 recalculated at the appropriate time without the benefits  
12 provided in this Section.

13 (f) No employer action in declaring an employee to be a  
14 critical employee pursuant to subsection (a-5) shall be  
15 construed as an impairment of any pension benefit or  
16 entitlement. No early retirement option or resultant benefit  
17 conferred under this Section shall, in any manner, vest for any  
18 employee until the earlier date of the employer's decision to  
19 release the employee from service or May 31, 2004.

20 (40 ILCS 5/11-133.4 new)

21 Sec. 11-133.4. Early retirement incentive for employees  
22 who have earned maximum pension benefits.

23 (a) A person who is eligible for the benefits provided  
24 under Section 11-133.3 and who, if he or she had retired on or  
25 before February 29, 2004, would have been entitled to a pension  
26 equal to 80% of his or her highest average annual salary for  
27 any 4 consecutive years within the last 10 years of service  
28 immediately preceding February 29, 2004 without receiving the  
29 benefits provided in Section 11-133.3, may elect, by filing a  
30 written election with the Fund by January 30, 2004, to receive  
31 a lump sum from the Fund equal to 100% of his or her salary on  
32 February 29, 2004 or the date of withdrawal, whichever is  
33 earlier. To be eligible to receive the benefit provided under



1 this Section, the person must withdraw from service on or after  
2 January 31, 2004 and on or before February 29, 2004 (or the  
3 date established under subsection (b), if applicable). If a  
4 person elects to receive the benefit provided under this  
5 Section, his or her retirement annuity otherwise payable under  
6 Section 11-134 shall be reduced by an amount equal to the  
7 actuarial equivalent of the lump sum.

8 (b) To ensure that the efficient operation of employers  
9 under this Article is not jeopardized by the simultaneous  
10 retirement of large numbers of critical personnel, each  
11 employer may, for its critical employees, extend the February  
12 29, 2004 deadline for terminating employment under this Article  
13 established in subdivision (a) of this Section to a date not  
14 later than May 31, 2004 by so notifying the Fund by January 31,  
15 2004.

16 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

17 Sec. 11-134.1. Automatic increase in annuity.

18 (a) An employee who retired or retires from service after  
19 December 31, 1963, and before January 1, 1987, having attained  
20 age 60 or more, shall, in the month of January of the year  
21 following the year in which the first anniversary of retirement  
22 occurs, have the amount of his then fixed and payable monthly  
23 annuity increased by 1 1/2%, and such first fixed annuity as  
24 granted at retirement increased by a further 1 1/2% in January  
25 of each year thereafter. Beginning with January of the year  
26 1972, such increases shall be at the rate of 2% in lieu of the  
27 aforesaid specified 1 1/2%. Beginning January, 1984, such  
28 increases shall be at the rate of 3%. Beginning in January of  
29 1999, such increases shall be at the rate of 3% of the  
30 currently payable monthly annuity, including any increases  
31 previously granted under this Article. An employee who retires  
32 on annuity after December 31, 1963 and before January 1, 1987,  
33 but prior to age 60, shall receive such increases beginning

1 with January of the year immediately following the year in  
2 which he attains the age of 60 years.

3 An employee who retires from service on or after January 1,  
4 1987 shall, upon the first annuity payment date following the  
5 first anniversary of the date of retirement, or upon the first  
6 annuity payment date following attainment of age 60, whichever  
7 occurs later, have his then fixed and payable monthly annuity  
8 increased by 3%, and such annuity shall be increased by an  
9 additional 3% of the original fixed annuity on the same date  
10 each year thereafter. Beginning in January of 1999, such  
11 increases shall be at the rate of 3% of the currently payable  
12 monthly annuity, including any increases previously granted  
13 under this Article.

14 (a-5) Notwithstanding the provisions of subsection (a),  
15 upon the first annuity payment date following (1) the third  
16 anniversary of retirement, (2) the attainment of age 53, or (3)  
17 January 1, 2002, ~~the date 60 days after the effective date of~~  
18 ~~this amendatory Act of the 92nd General Assembly,~~ whichever  
19 occurs latest, the monthly annuity of an employee who retires  
20 on annuity prior to the attainment of age 60 and ~~who~~ has not  
21 received an increase under subsection (a) shall be increased by  
22 3%, and the ~~such~~ annuity shall be increased by an additional 3%  
23 of the current payable monthly annuity, including any ~~such~~  
24 increases previously granted under this Article, on the same  
25 date each year thereafter. The increases provided under this  
26 subsection are in lieu of the increases provided in subsection  
27 (a).

28 (a-6) Notwithstanding the provisions of subsections (a)  
29 and (a-5), for all calendar years following the year in which  
30 this amendatory Act of the 93rd General Assembly takes effect,  
31 an increase in annuity under this Section that would otherwise  
32 take effect at any time during the year shall instead take  
33 effect in January of that year.

34 (b) Subsections (a), ~~and~~ (a-5), and (a-6) are not

1 applicable to an employee retiring and receiving a term  
2 annuity, as defined in this Article, nor to any otherwise  
3 qualified employee who retires before he shall have made  
4 employee contributions (at the 1/2 of 1% rate as hereinafter  
5 provided) for the purposes of this additional annuity for not  
6 less than the equivalent of one full year. Such employee,  
7 however, shall make arrangement to pay to the fund a balance of  
8 such 1/2 of 1% contributions, based on his final salary, as  
9 will bring such 1/2 of 1% contributions, computed without  
10 interest, to the equivalent of or completion of one year's  
11 contributions.

12 Beginning with the month of January, 1964, each employee  
13 shall contribute by means of salary deductions 1/2 of 1% of  
14 each salary payment, concurrently with and in addition to the  
15 employee contributions otherwise made for annuity purposes.

16 Each such additional employee contribution shall be  
17 credited to an account in the prior service annuity reserve, to  
18 be used, together with city contributions, to defray the cost  
19 of the specified annuity increments. Any balance as of the  
20 beginning of each calendar year existing in such account shall  
21 be credited with interest at the rate of 3% per annum.

22 Such employee contributions shall not be subject to refund,  
23 except to an employee who resigns or is discharged and applies  
24 for refund under this Article, and also in cases where a term  
25 annuity becomes payable.

26 In such cases the employee contributions shall be refunded  
27 him, without interest, and charged to the aforementioned  
28 account in the prior service annuity reserve.

29 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
30 revised 8-26-02.)

31 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

32 Sec. 11-145.1. Minimum annuities for widows.

33 The widow otherwise eligible for widow's annuity under

1 other Sections of this Article 11, of an employee hereinafter  
2 described, who retires from service or dies while in the  
3 service subsequent to the effective date of this amendatory  
4 provision, and for which widow the amount of widow's annuity  
5 and widow's prior service annuity combined, fixed or provided  
6 for such widow under other provisions of said Article 11 is  
7 less than the amount hereinafter provided in this section,  
8 shall, from and after the date her otherwise provided annuity  
9 would begin, in lieu of such otherwise provided widow's and  
10 widow's prior service annuity, be entitled to the following  
11 indicated amount of annuity:

12 (a) The widow of any employee who dies while in service on  
13 or after the date on which he attains age 60 if the death  
14 occurs before July 1, 1990, or on or after the date on which he  
15 attains age 55 if the death occurs on or after July 1, 1990,  
16 with at least 20 years of service, or on or after the date on  
17 which he attains age 50 if the death occurs on or after the  
18 effective date of this amendatory Act of 1997 with at least 30  
19 years of service, shall be entitled to an annuity equal to  
20 one-half of the amount of annuity which her deceased husband  
21 would have been entitled to receive had he withdrawn from the  
22 service on the day immediately preceding the date of his death,  
23 conditional upon such widow having attained age 60 on or before  
24 such date if the death occurs before July 1, 1990, or age 55 if  
25 the death occurs on or after July 1, 1990, or age 50 if the  
26 death occurs on or after January 1, 1998 and the employee is  
27 age 50 or over with at least 30 years of service or age 55 or  
28 over with at least 25 years of service. Except as provided in  
29 subsection (j), the widow's annuity shall not, however, exceed  
30 the sum of \$500 a month if the employee's death in service  
31 occurs before January 23, 1987. The widow's annuity shall not  
32 be limited to a maximum dollar amount if the employee's death  
33 in service occurs on or after January 23, 1987.

34 If the employee dies in service before July 1, 1990, and if

1 such widow of such described employee shall not be 60 or more  
2 years of age on such date of death, the amount provided in the  
3 immediately preceding paragraph for a widow 60 or more years of  
4 age, shall, in the case of such younger widow, be reduced by  
5 0.25% for each month that her then attained age is less than 60  
6 years if the employee was born before January 1, 1936, or dies  
7 in service on or after January 1, 1988, or 0.5% for each month  
8 that her then attained age is less than 60 years if the  
9 employee was born on or after January 1, 1936 and dies in  
10 service before January 1, 1988.

11 If the employee dies in service on or after July 1, 1990,  
12 and if the widow of the employee has not attained age 55 on or  
13 before the employee's date of death, the amount otherwise  
14 provided in this subsection (a) shall be reduced by 0.25% for  
15 each month that her then attained age is less than 55 years;  
16 except that if the employee dies in service on or after January  
17 1, 1998 at age 50 or over with at least 30 years of service or  
18 at age 55 or over with at least 25 years of service, there  
19 shall be no reduction due to the widow's age if she has  
20 attained age 50 on or before the employee's date of death, and  
21 if the widow has not attained age 50 on or before the  
22 employee's date of death the amount otherwise provided in this  
23 subsection (a) shall be reduced by 0.25% for each month that  
24 her then attained age is less than 50 years.

25 (b) The widow of any employee who dies subsequent to the  
26 date of his retirement on annuity, and who so retired on or  
27 after the date on which he attained age 60 if retirement occurs  
28 before July 1, 1990, or on or after the date on which he  
29 attained age 55 if retirement occurs on or after July 1, 1990,  
30 with at least 20 years of service, or on or after the date on  
31 which he attained age 50 if the retirement occurs on or after  
32 the effective date of this amendatory Act of 1997 with at least  
33 30 years of service, shall be entitled to an annuity equal to  
34 one-half of the amount of annuity which her deceased husband

1 received as of the date of his retirement on annuity,  
2 conditional upon such widow having attained age 60 on or before  
3 the date of her husband's retirement on annuity if retirement  
4 occurs before July 1, 1990, or age 55 if retirement occurs on  
5 or after July 1, 1990, or age 50 if the retirement on annuity  
6 occurs on or after January 1, 1998 and the employee is age 50  
7 or over with at least 30 years of service or age 55 or over with  
8 at least 25 years of service. Except as provided in subsection  
9 (j), this widow's annuity shall not, however, exceed the sum of  
10 \$500 a month if the employee's death occurs before January 23,  
11 1987. The widow's annuity shall not be limited to a maximum  
12 dollar amount if the employee's death occurs on or after  
13 January 23, 1987, regardless of the date of retirement;  
14 provided that, if retirement was before January 23, 1987, the  
15 employee or eligible spouse repays the excess spouse refund  
16 with interest at the effective rate from the date of refund to  
17 the date of repayment.

18 If the date of the employee's retirement on annuity is  
19 before July 1, 1990, and if such widow of such described  
20 employee shall not have attained such age of 60 or more years  
21 on such date of her husband's retirement on annuity, the amount  
22 provided in the immediately preceding paragraph for a widow 60  
23 or more years of age on the date of her husband's retirement on  
24 annuity, shall, in the case of such then younger widow, be  
25 reduced by 0.25% for each month that her then attained age was  
26 less than 60 years if the employee was born before January 1,  
27 1936, or withdraws from service on or after January 1, 1988, or  
28 0.5% for each month that her then attained age was less than 60  
29 years if the employee was born on or after January 1, 1936 and  
30 withdraws from service before January 1, 1988.

31 If the date of the employee's retirement on annuity is on  
32 or after July 1, 1990, and if the widow of the employee has not  
33 attained age 55 by the date of the employee's retirement on  
34 annuity, the amount otherwise provided in this subsection (b)

1 shall be reduced by 0.25% for each month that her then attained  
2 age is less than 55 years; except that if the employee retires  
3 on annuity on or after January 1, 1998 at age 50 or over with at  
4 least 30 years of service or at age 55 or over with at least 25  
5 years of service, there shall be no reduction due to the  
6 widow's age if she has attained age 50 on or before the  
7 employee's date of death, and if the widow has not attained age  
8 50 on or before the employee's date of death the amount  
9 otherwise provided in this subsection (b) shall be reduced by  
10 0.25% for each month that her then attained age is less than 50  
11 years.

12 (c) The foregoing provisions relating to minimum annuities  
13 for widows shall not apply to the widow of any former employee  
14 receiving an annuity from the fund on August 2, 1965 or on the  
15 effective date of this amendatory provision, who re-enters  
16 service as a former employee, unless such employee renders at  
17 least 3 years of additional service after the date of re-entry.

18 (d) (Blank).

19 (e) (Blank).

20 (f) The amendments to this Section by this amendatory Act  
21 of 1985, relating to changing the discount because of age from  
22 1/2 of 1% to 0.25% per month for widows of employees born  
23 before January 1, 1936, shall apply only to qualifying widows  
24 whose husbands die while in the service on or after August 16,  
25 1985 or withdraw and enter on annuity on or after August 16,  
26 1985.

27 (g) Beginning on January 1, 1999, the minimum amount of  
28 widow's annuity shall be \$800 per month for life for the  
29 following classes of widows, without regard to the fact that  
30 the death of the employee occurred prior to the effective date  
31 of this amendatory Act of 1998:

32 (1) any widow annuitant alive and receiving a term  
33 annuity on the effective date of this amendatory Act of  
34 1998, except a reciprocal annuity;

1           (2) any widow annuitant alive and receiving a life  
2 annuity on the effective date of this amendatory Act of  
3 1998, except a reciprocal annuity;

4           (3) any widow annuitant alive and receiving a  
5 reciprocal annuity on the effective date of this amendatory  
6 Act of 1998, whose employee spouse's service in this fund  
7 was at least 5 years;

8           (4) the widow of an employee with at least 10 years of  
9 service in this fund who dies after retirement, if the  
10 retirement occurred prior to the effective date of this  
11 amendatory Act of 1998;

12           (5) the widow of an employee with at least 10 years of  
13 service in this fund who dies after retirement, if  
14 withdrawal occurs on or after the effective date of this  
15 amendatory Act of 1998;

16           (6) the widow of an employee who dies in service with  
17 at least 5 years of service in this fund, if the death in  
18 service occurs on or after the effective date of this  
19 amendatory Act of 1998.

20           The increases granted under items (1), (2), (3) and (4) of  
21 this subsection (g) shall not be limited by any other Section  
22 of this Act.

23           (h) The widow of an employee who retired or died in service  
24 on or after January 1, 1985 and before July 1, 1990, at age 55  
25 or older, and with at least 35 years of service credit, shall  
26 be entitled to have her widow's annuity increased, effective  
27 January 1, 1991, to an amount equal to 50% of the retirement  
28 annuity that the deceased employee received on the date of  
29 retirement, or would have been eligible to receive if he had  
30 retired on the day preceding the date of his death in service,  
31 provided that if the widow had not attained age 60 by the date  
32 of the employee's retirement or death in service, the amount of  
33 the annuity shall be reduced by 0.25% for each month that her  
34 then attained age was less than age 60 if the employee's



1 retirement or death in service occurred on or after January 1,  
2 1988, or by 0.5% for each month that her attained age is less  
3 than age 60 if the employee's retirement or death in service  
4 occurred prior to January 1, 1988. However, in cases where a  
5 refund of excess contributions for widow's annuity has been  
6 paid by the Fund, the increase in benefit provided by this  
7 subsection (h) shall be contingent upon repayment of the refund  
8 to the Fund with interest at the effective rate from the date  
9 of refund to the date of payment.

10 (i) If a deceased employee is receiving a retirement  
11 annuity at the time of death and that death occurs on or after  
12 June 27, 1997, the widow may elect to receive, in lieu of any  
13 other annuity provided under this Article, 50% of the deceased  
14 employee's retirement annuity at the time of death reduced by  
15 0.25% for each month that the widow's age on the date of death  
16 is less than 55; except that if the employee dies on or after  
17 January 1, 1998 and withdrew from service on or after June 27,  
18 1997 at age 50 or over with at least 30 years of service or at  
19 age 55 or over with at least 25 years of service, there shall  
20 be no reduction due to the widow's age if she has attained age  
21 50 on or before the employee's date of death, and if the widow  
22 has not attained age 50 on or before the employee's date of  
23 death the amount otherwise provided in this subsection (i)  
24 shall be reduced by 0.25% for each month that her age on the  
25 date of death is less than 50 years. However, in cases where a  
26 refund of excess contributions for widow's annuity has been  
27 paid by the Fund, the benefit provided by this subsection (i)  
28 is contingent upon repayment of the refund to the Fund with  
29 interest at the effective rate from the date of refund to the  
30 date of payment.

31 (j) For widows of employees who died before January 23,  
32 1987 after retirement on annuity or in service, the maximum  
33 dollar amount limitation on widow's annuity shall cease to  
34 apply, beginning with the first annuity payment after the

1 effective date of this amendatory Act of 1997; except that if a  
2 refund of excess contributions for widow's annuity has been  
3 paid by the Fund, the increase resulting from this subsection  
4 (j) shall not begin before the refund has been repaid to the  
5 Fund, together with interest at the effective rate from the  
6 date of the refund to the date of repayment.

7 (k) In lieu of any other annuity provided in this Article,  
8 an eligible spouse of an employee who dies in service on or  
9 after January 1, 2002 (regardless of whether that death in  
10 service occurs prior to ~~at least 60 days after~~ the effective  
11 date of this amendatory Act of the 93rd ~~92nd~~ General Assembly)  
12 with at least 10 years of service shall be entitled to an  
13 annuity of 50% of the minimum formula annuity earned and  
14 accrued to the credit of the employee at the date of death. For  
15 the purposes of this subsection, the minimum formula annuity  
16 earned and accrued to the credit of the employee is equal to  
17 2.40% for each year of service of the highest average annual  
18 salary for any 4 consecutive years within the last 10 years of  
19 service immediately preceding the date of death, up to a  
20 maximum of 80% of the highest average annual salary. This  
21 annuity shall not be reduced due to the age of the employee or  
22 spouse. In addition to any other eligibility requirements under  
23 this Article, the spouse is eligible for this annuity only if  
24 the marriage was in effect for 10 full years or more.

25 (Source: P.A. 92-599, eff. 6-28-02.)

26 (40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

27 Sec. 11-163. Restoration of rights. An employee who has  
28 withdrawn as a refund the amounts credited for annuity  
29 purposes, and who (i) re-enters service of the employer and  
30 serves for periods comprising at least 90 days ~~2 years~~ after  
31 the date of the last refund paid to him or (ii) has completed  
32 at least 2 years of service under a participating system (as  
33 defined in the Retirement Systems Reciprocal Act) other than

1 this Fund after the date of the last refund, shall have his  
2 annuity rights restored by making application to the board in  
3 writing for the privilege of re-instating such rights and by  
4 compliance with the following provisions:

5 (a) After that 90 day or 2 year period, whichever  
6 applies, he shall repay in full to the Fund, while in  
7 service, ~~in full~~ all refunds received, together with  
8 interest at the effective rate from the application dates  
9 of such refund or refunds to the date of repayment.~~†~~

10 (b) If payment is not made in a single sum, repayment  
11 may be made in installments by deductions from salary or  
12 otherwise, in such manner and amounts as the board, by  
13 rule, may prescribe, with interest at the effective rate  
14 accruing on the unpaid balance ~~employee may elect~~. The  
15 employee shall be credited with interest at the effective  
16 rate from the date of each installment until full repayment  
17 is made.

18 (c) If the employee withdraws from service or dies in  
19 service before full repayment is made, service credit shall  
20 be restored in accordance with Section 11-221.2(b).

21 (d) If the employee withdraws from service or dies in  
22 service ~~or~~ during the required 90 day or 2 year period, any  
23 repayments made shall be refunded, without interest  
24 thereon and in accordance with the refund provisions of  
25 this Article.

26 (e) If the employee repays the refund while  
27 participating in a participating system (as defined in the  
28 Retirement Systems Reciprocal Act) other than this Fund,  
29 the service credit restored must be used for a proportional  
30 annuity calculated in accordance with the Retirement  
31 Systems Reciprocal Act. If not so used, the restored  
32 service credit shall be forfeited and the amount of the  
33 repayment shall be refunded, without interest.

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

1 (40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

2 Sec. 11-167. Refunds in lieu of annuity. In lieu of an  
3 annuity, an employee who withdraws, and whose annuity would  
4 amount to less than \$800 a month for life may elect to receive  
5 a refund of the total sum accumulated to his credit from  
6 employee contributions for annuity purposes.

7 The widow of any employee, eligible for annuity upon the  
8 death of her husband, whose annuity would amount to less than  
9 \$800 a month for life, may, in lieu of a widow's annuity, elect  
10 to receive a refund of the accumulated contributions for  
11 annuity purposes, based on the amounts contributed by her  
12 deceased employee husband, but reduced by any amounts  
13 theretofore paid to him in the form of an annuity or refund out  
14 of such accumulated contributions.

15 Accumulated contributions shall mean the amounts including  
16 interest credited thereon contributed by the employee for age  
17 and service and widow's annuity to the date of his withdrawal  
18 or death, whichever first occurs, and including the  
19 accumulations from any amounts contributed for him as salary  
20 deductions while receiving duty disability benefits; provided  
21 that such amounts contributed by the city after December 31,  
22 1983 while the employee is receiving duty disability benefits  
23 and amounts credited to the employee for annuity purposes by  
24 the fund after December 31, 2000 while the employee is  
25 receiving ordinary disability benefits shall not be included.

26 The acceptance of such refund in lieu of widow's annuity,  
27 on the part of a widow, shall not deprive a child or children  
28 of the right to receive a child's annuity as provided for in  
29 Sections 11-153 and 11-154 of this Article, and neither shall  
30 the payment of a child's annuity in the case of such refund to  
31 a widow reduce the amount herein set forth as refundable to  
32 such widow electing a refund in lieu of widow's annuity.

33 (Source: P.A. 91-887, eff. 7-6-00; 92-599, eff. 6-28-02;

1 revised 10-22-02This is for DRAFTING PURPOSES ONLY - NOT FOR  
2 THE REVISORY BILL.)

3 (40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)

4 Sec. 11-170.1. Pickup of employee contributions.

5 (a) The employer may pick up the employee contributions  
6 required by Sections 11-156, 11-170, 11-174 and 11-175.1 for  
7 salary earned after December 31, 1981. If employee  
8 contributions are not picked up, the amount that would have  
9 been picked up under this amendatory Act of 1980 shall continue  
10 to be deducted from salary. If contributions are picked up they  
11 shall be treated as employer contributions in determining tax  
12 treatment under the United States Internal Revenue Code;  
13 however, the employer shall continue to withhold Federal and  
14 state income taxes based upon these contributions until the  
15 Internal Revenue Service or the Federal courts rule that  
16 pursuant to Section 414(h) of the United States Internal  
17 Revenue Code, these contributions shall not be included as  
18 gross income of the employee until such time as they are  
19 distributed or made available. The employer shall pay these  
20 employee contributions from the same source of funds which is  
21 used in paying salary to the employee. The employer may pick up  
22 these contributions by a reduction in the cash salary of the  
23 employee or by an offset against a future salary increase or by  
24 a combination of a reduction in salary and offset against a  
25 future salary increase. If employee contributions are picked up  
26 they shall be treated for all purposes of this Article 11,  
27 including Section 11-169, in the same manner and to the same  
28 extent as employee contributions made prior to the date picked  
29 up.

30 (b) Subject to the requirements of federal law and the  
31 rules of the Board, the Fund may allow the employee to elect to  
32 have the employer pick up the optional contributions that the  
33 employee has elected to pay to the Fund, and the contributions

1 so picked up shall be treated as employer contributions for the  
2 purpose of determining federal tax treatment. The employer  
3 shall pick up the contributions by a reduction in the cash  
4 salary of the employee and shall pay contributions from the  
5 same source of funds that is used to pay earnings of the  
6 employee. The election to have the contributions picked up is  
7 irrevocable, and the optional contributions may not thereafter  
8 be prepaid, by direct payment or otherwise.

9 If the provision authorizing the optional contribution  
10 requires payment by a stated date (rather than the date of  
11 withdrawal or retirement), the requirement will be deemed to  
12 have been satisfied if (i) on or before the stated date the  
13 employee executes a valid irrevocable election to have the  
14 contributions picked up under this subsection, and (ii) the  
15 picked-up contributions are in fact paid to the Fund as  
16 provided in the election.

17 If employee contributions are picked up under this  
18 subsection, they shall be treated for all purposes of this  
19 Article 11, including Section 11-169, in the same manner and to  
20 the same extent as optional employee contributions made prior  
21 to the date picked up.

22 (Source: P.A. 81-1536.)

23 (40 ILCS 5/11-178) (from Ch. 108 1/2, par. 11-178)

24 Sec. 11-178. Contributions by city for prior service  
25 annuities and other benefits.

26 The city shall make contributions to provide prior service  
27 and widow's prior service annuities, and other annuities and  
28 benefits, as follows:

29 1. To credit to the city contribution reserve such amounts  
30 required from the city but not contributed by it for age and  
31 service and prior service annuities, and widow's annuities and  
32 widows' prior service annuities;

33 2. To meet such part of any minimum annuity as shall be in

1 excess of the age and service annuity and prior service  
2 annuity, and to meet such part of any minimum widow's annuity  
3 in excess of the amount of widow's annuity and widow's prior  
4 service annuity;

5 3. To provide a sufficient balance in the investment and  
6 interest reserve to permit a transfer from that reserve to  
7 other reserves of the fund. Whenever the balance of the  
8 investment and interest reserve is not sufficient to permit a  
9 transfer from that reserve to any other reserve, the city shall  
10 contribute sums sufficient to make possible such transfer;

11 4. An amount equal to the difference between (1) the sum  
12 produced by the tax levy stated in Section 11--169 and (2) all  
13 sums required for the purposes of this Article 11 in accordance  
14 with the provisions of this Article 11 except those stated in  
15 this Section, shall be applied for purposes of this Section.

16 Provided that if in any year such total sums together with  
17 all other sums required during such year for the other purposes  
18 of the fund, are in excess of the total amount contributed by  
19 the city during such year, the sums required for purposes other  
20 than those stated in this section shall first be provided for.  
21 The balance shall then be applied for the purposes stated in  
22 this section.

23 All such contributions shall be credited to the prior  
24 service annuity reserve. When the balance of this reserve  
25 equals its liabilities (including in addition to all other  
26 liabilities, the present values of all annuities, present or  
27 prospective, according to the applicable mortality tables and  
28 rates of interest, but excluding any liabilities arising under  
29 Sections 11-133.3 and 11-133.4), the city shall cease to  
30 contribute the sum stated in this section.

31 If annexation of territory and the employment by the city  
32 of any person employed as a city laborer in any such territory  
33 at the time of annexation, after the city has ceased to  
34 contribute as herein provided, results in additional

1 liabilities for prior service annuity and widow's prior service  
2 annuity for any such employee, contributions by the city for  
3 such purposes shall be resumed.

4 Notwithstanding any provision in this Section to the  
5 contrary, the city shall not make a contribution for credit  
6 established by an employee under subsection (b) of Section  
7 11-133.3.

8 (Source: Laws 1965, p. 2292.)

9 (40 ILCS 5/11-181) (from Ch. 108 1/2, par. 11-181)

10 Sec. 11-181. Board created. A board of 8 members shall  
11 constitute the board of trustees authorized to carry out the  
12 provisions of this Article. The board shall be known as the  
13 Retirement Board of the Laborers' and Retirement Board  
14 Employees' Annuity and Benefit Fund of the city. The board  
15 shall consist of 5 persons appointed and 2 employees and one  
16 annuitant elected in the manner hereinafter prescribed.

17 The appointed members of the board shall be appointed as  
18 follows:

19 One member shall be appointed by the comptroller of the  
20 city, who may be himself or anyone chosen from among employees  
21 of the city who are versed in the affairs of the comptroller's  
22 office; one member shall be appointed by the City Treasurer of  
23 the city, who may be himself or a person chosen from among  
24 employees of the city who are versed in the affairs of the City  
25 Treasurer's office; one member shall be an employee of the city  
26 appointed by the president of the local labor organization  
27 representing a majority of the employees participating in the  
28 Fund; and 2 members shall be appointed by the civil service  
29 commission or the Department of Personnel of the city from  
30 among employees of the city who are versed in the affairs of  
31 the civil service commission's office or the Department of  
32 Personnel.

33 The member appointed by the comptroller shall hold office



1 for a term ending on December 1st of the first year following  
2 the year of appointment. The member appointed by the City  
3 Treasurer shall hold office for a term ending on December 1st  
4 of the second year following the year of appointment. The  
5 member appointed by the civil service commission shall hold  
6 office for a term ending on the first day in the month of  
7 December of the third year following the year of appointment.  
8 The additional member appointed by the civil service commission  
9 under this amendatory Act of 1998 shall hold office for an  
10 initial term ending on December 1, 2000, and the member  
11 appointed by the labor organization president shall hold office  
12 for an initial term ending on December 1, 2001. Thereafter each  
13 appointive member shall be appointed by the officer or body  
14 that appointed his predecessor, for a term of 3 years.

15 The 2 employee members of the board shall be elected as  
16 follows:

17 Within 30 days from and after the appointive members have  
18 been appointed and have qualified, the appointive members shall  
19 arrange for and hold an election.

20 One employee shall be elected for a term ending on December  
21 1st of the first year next following the effective date; one  
22 for a term ending on December 1st of the following year.

23 An employee member who takes advantage of the early  
24 retirement incentives provided under this amendatory Act of the  
25 93rd General Assembly may continue as a member until the end of  
26 his or her term.

27 The initial annuitant member shall be appointed by the  
28 other members of the board for an initial term ending on  
29 December 1, 1999. The annuitant member elected in 1999 shall be  
30 deemed to have been elected for a 3-year term ending on  
31 December 1, 2002. Thereafter, the annuitant member shall be  
32 elected for a 3-year term ending on December 1st of the third  
33 year following the election.

34 (Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

1 (40 ILCS 5/12-133) (from Ch. 108 1/2, par. 12-133)

2 Sec. 12-133. Fixed benefit retirement annuity.

3 (a) Subject to the provisions of paragraph (b) of this  
4 Section, the retirement annuity for any employee who withdraws  
5 from service on or after January 1, 1983 and before January 1,  
6 1990, at age 60 or over, having at least 4 years of service,  
7 shall be 1.70% for each of the first 10 years of service; 2.00%  
8 for each of the next 10 years of service; 2.40% for each year  
9 of service in excess of 20 but not exceeding 30; and 2.80% for  
10 each year of service in excess of 30, with a pro-rated amount  
11 for service of less than a full year, based upon the highest  
12 average annual salary for any 4 consecutive years within the  
13 last 10 years of service immediately preceding the date of  
14 withdrawal, provided that: (1) if retirement of the employee  
15 occurs below age 60, such annuity shall be reduced 1/2 of 1%  
16 for each month or fraction thereof that the employee's age is  
17 less than 60, except that an employee retiring at age 55 or  
18 over but less than age 60, having at least 35 years of service,  
19 shall not be subject to the reduction in his retirement annuity  
20 because of retirement below age 60; (2) the annuity shall not  
21 exceed 75% of such average annual salary; (3) the actual salary  
22 shall be considered in the computation of this annuity.

23 The retirement annuity for any employee who withdraws from  
24 service on or after January 1, 1990 and prior to December 31,  
25 2003 at age 50 or over with at least 10 years of service, or at  
26 age 60 or over with at least 4 years of service, shall be 1.90%  
27 for each of the first 10 years of service, 2.20% for each of  
28 the next 10 years of service, 2.40% for each of the next 10  
29 years of service, and 2.80% for each year of service in excess  
30 of 30, with a pro-rated amount for service of less than a full  
31 year, based upon the highest average annual salary for any 4  
32 consecutive years within the last 10 years of service  
33 immediately preceding the date of withdrawal, provided that:

1 (1) if retirement of the employee occurs below age 60,  
2 such annuity shall be reduced 1/4 of 1% (1/2 of 1% in the  
3 case of withdrawal from service before January 1, 1991) for  
4 each month or fraction thereof that the employee's age is  
5 less than 60, except that an employee retiring at age 50 or  
6 over having at least 30 years of service shall not be  
7 subject to the reduction in retirement annuity because of  
8 retirement below age 60;

9 (2) the annuity shall not exceed 80% of such average  
10 annual salary; and

11 (3) the actual salary shall be considered in the  
12 computation of this annuity.

13 An employee who withdraws from service on or after December  
14 31, 2003, at age 50 or over with at least 10 years of service or  
15 at age 60 or over with at least 4 years of service, shall  
16 receive, in lieu of any other retirement annuity provided for  
17 in this Section, a retirement annuity calculated as follows:  
18 for each year of service immediately preceding the date of  
19 withdrawal, 2.40% of the highest average annual salary for any  
20 4 consecutive years within the last 10 years of service  
21 immediately preceding the date of withdrawal, with a prorated  
22 amount for service of less than a full year, provided that:

23 (1) if retirement of the employee occurs below age 60,  
24 such annuity shall be reduced 1/4 of 1% for each month or  
25 fraction thereof that the employee's age is less than 60,  
26 except that an employee retiring at age 50 or over having  
27 at least 30 years of service shall not be subject to the  
28 reduction in retirement annuity because of retirement  
29 below age 60;

30 (2) the annuity shall not exceed 80% of such average  
31 annual salary; and

32 (3) the actual salary shall be considered in the  
33 computation of this annuity.

34 Notwithstanding any other formula, the annuity for

1 employees retiring on or after January 31, 2004 and on or  
2 before February 29, 2004 with at least 30 years of service  
3 shall be 80% of average annual salary for any 4 consecutive  
4 years within the last 10 years of service immediately preceding  
5 the date of withdrawal.

6 (b) In lieu of the retirement annuity provided as an  
7 actuarial equivalent of the total accumulations from  
8 contributions by the employee, contributions by the employer,  
9 and prior service annuity plus regular interest, an employee in  
10 service prior to July 1, 1971 shall be entitled to the largest  
11 applicable retirement annuity provided in this Section if the  
12 same is larger than the annuity provided in other Sections of  
13 this Article.

14 (c) The following schedule shall govern the computation of  
15 service for the fixed benefit annuities provided by this  
16 Section: Service during 9 months or more during any fiscal year  
17 shall constitute a year of service; 6 to 8 months, inclusive,  
18 3/4 of a year; 3 to 5 months, inclusive, 1/2 year; less than 3  
19 months, 1/4 of a year; 15 days or more in any month, a month of  
20 service.

21 (d) The other provisions of this Section shall not apply in  
22 the case of any former employee who is receiving a retirement  
23 annuity from the fund and who re-enters service as an employee,  
24 unless the employee renders from and after the date of  
25 re-entry, at least 3 years of additional service.

26 (Source: P.A. 86-272; 86-1488; 87-794.)

27 (40 ILCS 5/12-133.6 new)

28 Section 12-133.6. Early retirement incentive.

29 (a) To be eligible for the benefits provided in this  
30 Section, a person must:

31 (1) have been, on November 1, 2003, an employee (i)  
32 contributing to the Fund in active payroll status in a  
33 position of employment under this Article, (ii) returning

1 to active payroll status from an approved leave of absence  
2 prior to December 1, 2003, (iii) receiving ordinary or duty  
3 disability benefits under Section 12-140, 12-142, or  
4 12-143 or (iv) or have been subjected to an involuntary  
5 termination or layoff by the employer and restored to  
6 service by his or her employer prior to January 31, 2004;

7 (2) have not previously retired under this Article;

8 (3) file with the Board before January 31, 2004 a  
9 written election requesting the benefits provided in this  
10 Section;

11 (4) withdraw from service on or after January 31, 2004  
12 and on or before February 29, 2004 (or the date established  
13 under subsection (a-5), if applicable); and

14 (5) have, by the date of withdrawal or by February 29,  
15 2004, whichever is earlier, attained age 50 with at least  
16 10 years of creditable service in one or more participating  
17 systems under the Retirement Systems Reciprocal Act,  
18 without including any creditable service established under  
19 this Section.

20 (a-5) To ensure that the efficient operation of employers  
21 under this Article is not jeopardized by the simultaneous  
22 retirement of large numbers of critical personnel, each  
23 employer may, for its critical employees, extend the February  
24 29, 2004 deadline for terminating employment under this Article  
25 established in subdivision (a) (4) of this Section to a date not  
26 later than May 31, 2004 by so notifying the Fund by January 31,  
27 2004.

28 (b) An eligible person may establish up to 5 years of  
29 creditable service under this Section, in increments of one  
30 month, by making the contributions specified in subsection (c).  
31 In addition, for each month of creditable service established  
32 under this Section, a person's age at retirement shall be  
33 deemed to be one month older than it actually is, except for  
34 purposes of determining age under item (5) of subsection (a).

1       The creditable service established under this Section may  
2 be used for all purposes under this Article and the Retirement  
3 Systems Reciprocal Act, except for the computation of highest  
4 average annual salary under Section 12-133 or the determination  
5 of salary under this or any other Article of this Code.

6       (c) For each month of creditable service established under  
7 this Section, the person must pay to the Fund an employee  
8 contribution to be determined by the Fund, equal to 4.50% of  
9 the person's monthly salary rate on the date of withdrawal from  
10 service. Subject to the requirements of subsection (d), the  
11 person may elect to pay the required employee contribution  
12 before the retirement annuity commences or through deductions  
13 from the retirement annuity over a period not longer than 24  
14 months.

15       If a person who retires dies before all payments of the  
16 employee contribution have been made, the remaining payments  
17 shall be deducted from any survivor or death benefits payable  
18 to the employee's surviving spouse or beneficiary.

19       Notwithstanding any provision in this Article to the  
20 contrary, all employee contributions paid under this Section  
21 shall not be deemed employee contributions for the purpose of  
22 determining the tax levy under Section 12-149. Notwithstanding  
23 any provision in this Article to the contrary, the employer  
24 shall not make a contribution for any credit established by an  
25 employee under subsection (b) of this Section. Employee  
26 contributions made under this Section may be refunded under the  
27 same terms and conditions as other employee contributions under  
28 this Article.

29       (d) A person who retires under the provisions of this  
30 Section shall be entitled to have his or her retirement annuity  
31 calculated under the provisions of Section 12-133, except that  
32 the retirement annuity shall not be subject to reduction for  
33 retirement under age 60.

34       (e) Notwithstanding Section 12-146 of this Article, an

1 annuitant who reenters service under this Article after  
2 receiving a retirement annuity based on additional benefits  
3 provided under this Section thereby forfeits the right to  
4 continue to receive those benefits, and upon again retiring  
5 shall have his or her retirement annuity recalculated at the  
6 appropriate time without the additional benefits provided in  
7 this Section.

8 (f) No employer action in declaring an employee to be a  
9 critical employee pursuant to subsection (a-5) shall be  
10 construed as an impairment of any pension benefit or  
11 entitlement. No early retirement option or resultant benefit  
12 conferred under this Section shall, in any manner, vest for any  
13 employee until the earlier date of the employer's decision to  
14 release the employee from service or May 31, 2004.

15 (40 ILCS 5/12-133.7 new)

16 Sec. 12-133.7. Early retirement incentive for employees  
17 who have earned maximum pension benefits. A person who is  
18 eligible for the benefits provided under Section 12-133.6 and  
19 who, if he or she had retired on or before February 29, 2004,  
20 would have been entitled to a pension equal to 80% of his or  
21 her highest average salary for any 4 consecutive years within  
22 the last 10 years of service immediately preceding February 29,  
23 2004 without receiving the benefits provided in Section  
24 12-133.6 may elect, by filing a written election with the Fund  
25 by January 30, 2004, to receive a lump sum from the Fund on his  
26 or her last day of employment equal to 100% of his or her  
27 salary for the year ending on February 29, 2004 or the date of  
28 withdrawal, whichever is earlier. To be eligible to receive the  
29 benefit provided under this Section, the person must withdraw  
30 from service on or after January 31, 2004 and on or before  
31 February 29, 2004. If a person elects to receive the benefit  
32 provided under this Section, his or her retirement annuity  
33 otherwise payable under Section 12-133 shall be reduced by an

1 amount equal to the actuarial equivalent of the lump sum. If a  
2 person elects to receive the benefit provided under this  
3 Section, the resulting reduction in retirement annuity under  
4 this Section shall not affect the amount of any widow's service  
5 annuity or widow's prior service annuity under Section 12-135  
6 or any optional reversionary annuity for a surviving spouse  
7 under Section 12-136.1.

8 (40 ILCS 5/12-149) (from Ch. 108 1/2, par. 12-149)

9 Sec. 12-149. Financing. The board of park commissioners of  
10 any such park district shall annually levy a tax (in addition  
11 to the taxes now authorized by law) upon all taxable property  
12 embraced in the district, at the rate which, when added to the  
13 employee contributions under this Article and applied to the  
14 fund created hereunder, shall be sufficient to provide for the  
15 purposes of this Article in accordance with the provisions  
16 thereof. Such tax shall be levied and collected with and in  
17 like manner as the general taxes of such district, and shall  
18 not in any event be included within any limitations of rate for  
19 general park purposes as now or hereafter provided by law, but  
20 shall be excluded therefrom and be in addition thereto. The  
21 amount of such annual tax to and including the year 1977 shall  
22 not exceed .0275% of the value, as equalized or assessed by the  
23 Department of Revenue, of all taxable property embraced within  
24 the park district, provided that for the year 1978, and for  
25 each year thereafter, the amount of such annual tax shall be at  
26 a rate on the dollar of assessed valuation of all taxable  
27 property that will produce, when extended, for the year 1978  
28 the following sum: 0.825 times the amount of employee  
29 contributions during the fiscal year 1976; for the year 1979,  
30 0.85 times the amount of employee contributions during the  
31 fiscal year 1977; for the year 1980, 0.90 times the amount of  
32 employee contributions during the fiscal year 1978; for the  
33 year 1981, 0.95 times the amount of employee contributions



1 during the fiscal year 1979; for the year 1982, 1.00 times the  
2 amount of employee contributions during the fiscal year 1980;  
3 for the year 1983, 1.05 times the amount of contributions made  
4 on behalf of employees during the fiscal year 1981; and for the  
5 year 1984 and each year thereafter, an amount equal to 1.10  
6 times the employee contributions during the fiscal year 2-years  
7 prior to the year for which the applicable tax is levied. As  
8 used in this Section, the term "employee contributions" means  
9 contributions by employees for retirement annuity, spouse's  
10 annuity, automatic increase in retirement annuity, and death  
11 benefit.

12 In respect to park district employees, other than  
13 policemen, who are transferred to the employment of a city by  
14 virtue of the "Exchange of Functions Act of 1957", the  
15 corporate authorities of the city shall annually levy a tax  
16 upon all taxable property embraced in the city, as equalized or  
17 assessed by the Department of Revenue, at such rate per cent of  
18 the value of such property as shall be sufficient, when added  
19 to the amounts deducted from the salary or wages of such  
20 employees, to provide the benefits to which such employees,  
21 their dependents and beneficiaries are entitled under the  
22 provisions of this Article. The park district shall not levy a  
23 tax hereunder in respect to such employees. The tax levied by  
24 the city under authority of this Article shall be in addition  
25 to and exclusive of all other taxes authorized by law to be  
26 levied by the city for corporate, annuity fund or other  
27 purposes.

28 All moneys accruing from the levy and collection of taxes,  
29 pursuant to this section, shall be remitted to the board by the  
30 employers as soon as they are received. Where a city has levied  
31 a tax pursuant to this Section in respect to park district  
32 employees transferred to the employment of a city, the  
33 treasurer of such city or other authorized officer shall remit  
34 the moneys accruing from the levy and collection of such tax as

1 soon as they are received. Such remittances shall be made upon  
2 a pro rata share basis, whereby each employer shall pay to the  
3 board such employer's proportionate percentage of each payment  
4 of taxes received by it, according to the ratio which its tax  
5 levy for this fund bears to the total tax levy of such  
6 employer.

7 Should any board of park commissioners included under the  
8 provisions of this Article be without authority to levy the tax  
9 provided in this Section the corporation authorities (meaning  
10 the supervisor, clerk and assessor) of the town or towns for  
11 which such board shall be the board of park commissioners shall  
12 levy such tax.

13 Employer contributions to the Fund may be reduced by  
14 \$5,000,000 for calendar years 2004 and 2005.

15 (Source: P.A. 81-1536.)

16 Section 90. The State Mandates Act is amended by adding  
17 Section 8.28 as follows:

18 (30 ILCS 805/8.28 new)

19 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8  
20 of this Act, no reimbursement by the State is required for the  
21 implementation of any mandate created by this amendatory Act of  
22 the 93rd General Assembly.

23  
24 Section 99. Effective date. This Act takes effect upon  
25 becoming law."