

## 94TH GENERAL ASSEMBLY State of Illinois 2005 and 2006 HB5561

Introduced 01/27/06, by Rep. Kevin Joyce

## SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-128 30 ILCS 805/8.30 new from Ch. 108 1/2, par. 6-128

Amends the Chicago Firefighter Article of the Illinois Pension Code to base retirement benefits on the highest consecutive 36 months, rather than 4 years, of salary within the last 10 years of service. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 17417 AMC 52712 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT NOTE ACT MAY APPLY

STATE MANDATES ACT MAY REQUIRE REIMBURSEMENT 2

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1 AN ACT in relation to public employee benefits.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 5. The Illinois Pension Code is amended by changing

  Section 6-128 as follows:
- 6 (40 ILCS 5/6-128) (from Ch. 108 1/2, par. 6-128)
- 7 Sec. 6-128. <u>Alternative annuity for future entrants.</u>
- 8 (a) A future entrant who withdraws on or after July 21,
  9 1959, after completing at least 23 years of service, and for
  10 whom the annuity otherwise provided in this Article is less
  11 than that stated in this Section, has a right to receive
  12 annuity as follows:
- 13 If he is age 53 or more on withdrawal, his annuity after 14 withdrawal, shall be equal to 50% of his average salary.
  - An employee who reaches compulsory retirement age and who has less than 23 years of service shall be entitled to a minimum annuity equal to an amount determined by the product of (1) his years of service and (2) 2% of his average salary.
  - An employee who remains in service after qualifying for annuity under this Section shall have added to this annuity an additional 1% of average salary for each completed year of service or fraction thereof rendered until July 21, 1959, and an additional 1% for a total of 2% of average salary from July 21, 1959. Each future entrant who has completed 23 years of service before reaching age 53 shall have added to this annuity 1% of average salary for each completed year of service or fraction thereof in excess of 23 years up to age 53.
- 28 (b) In lieu of the annuity provided in the foregoing 29 provisions of this Section any future entrant who withdraws 30 from the service either (i) after December 31, 1983 with at 31 least 22 years of service credit and having attained age 52 in 32 the service, or (ii) after December 31, 1984 with at least 21

years of service credit and having attained age 51 in the service, or (iii) after December 31, 1985 with at least 20 years of service credit and having attained age 50 in the service, or (iv) after December 31, 1990 with at least 20 years of service regardless of age, may elect to receive an annuity, to begin not earlier than upon attainment of age 50 if under that age at withdrawal, computed as follows: an annuity equal to 50% of average salary, plus additional annuity equal to 2% of average salary for each completed year of service or fraction thereof rendered after his completion of the minimum number of years of service required for him to be eligible under this subsection (b). However, the annuity provided under this subsection (b) may not exceed 75% of average salary.

- (c) In lieu of the annuity provided in any other provision of this Section, a future entrant who withdraws from service after the effective date of this amendatory Act of the 93rd General Assembly with at least 20 years of service may elect to receive an annuity, to begin no earlier than upon attainment of age 50 if under that age at withdrawal, equal to 50% of average salary plus 2.5% of average salary for each completed year of service or fraction thereof over 20, but not to exceed 75% of average salary.
- (d) For the purpose of this Section, "average salary"
  means:
  - (1) for persons who terminate service before the effective date of this amendatory Act of the 94th General Assembly, the average of the highest 4 consecutive years of salary within the last 10 years of service; or.
  - (2) for persons in service on or after the effective date of this amendatory Act of the 94th General Assembly, the average of the highest 36 consecutive months of salary within the last 10 years of service.
- 33 (Source: P.A. 93-654, eff. 1-16-04.)
- Section 90. The State Mandates Act is amended by adding Section 8.30 as follows:

- 1 (30 ILCS 805/8.30 new)
- 2 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
- 3 of this Act, no reimbursement by the State is required for the
- 4 <u>implementation of any mandate created by this amendatory Act of</u>
- 5 <u>the 94th General Assembly.</u>
- 6 Section 99. Effective date. This Act takes effect upon
- 7 becoming law.