



Sen. Kwame Raoul

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LRB098 08482 EFG 60214 a

1 AMENDMENT TO HOUSE BILL 1154

2 AMENDMENT NO. _____. Amend House Bill 1154 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Cook
5 County Annuitant Healthcare Trust Act.

6 Section 5. Cook County Annuitant Healthcare Trust.

7 (a) On the effective date of this Act, there is established
8 an annuitant healthcare trust, and within the trust, a budget
9 stabilization fund, both for the strict and sole purpose of
10 financing and providing healthcare benefits to eligible
11 annuitants of the annuity and benefit funds created under
12 Articles 9 (Cook County) and 10 (Cook County Forest Preserve
13 District) of the Illinois Pension Code, in accordance with the
14 terms and conditions set forth in this Section and the policies
15 and procedures established by the board of trustees of the
16 annuitant healthcare trust. The annuitant healthcare trust

1 shall be solely responsible for providing healthcare benefits
2 to eligible annuitants by no later than January 1, 2016.

3 The budget stabilization fund of the annuitant healthcare
4 trust shall be maintained to ensure the ability of the
5 annuitant healthcare trust to absorb annual variances from
6 budgeted expenditures. The corpus of this fund shall be funded
7 with a deposit of \$40 million from Cook County and \$10 million
8 from the Cook County Forest Preserve District no later than
9 January 1, 2016. The corpus of the fund shall not be
10 incorporated nor utilized in the adoption of an annual budget,
11 and only interest earnings of the budget stabilization fund
12 shall be authorized to be included in an annual budget of the
13 annuitant healthcare trust fund.

14 (b) A board of 6 members shall constitute the board of
15 trustees authorized to carry out the provisions of this
16 Section. The board of trustees shall be known as the "Board of
17 Trustees of the Annuitant Healthcare Trust". All of the members
18 shall be appointed as follows:

19 (1) Two members shall be the persons appointed to the
20 Retirement Board of the County Employees' and Officers'
21 Annuity and Benefit Fund of Cook County by the President of
22 the Cook County Board of Commissioners pursuant to Section
23 9-185 of the Illinois Pension Code.

24 (2) One member shall be the chief financial officer of
25 the Cook County Forest Preserve District.

26 (3) Three members shall be appointed by the Retirement

1 Board of the County Employees' and Officers' Annuity and
2 Benefit Fund of Cook County from among its members holding
3 elected positions, at least one of whom shall be an
4 annuitant member and at least one of whom shall be an
5 employee member.

6 The term of a trustee appointed under item (1) or (3) shall
7 terminate upon the expiration or termination of the trustee's
8 term on the Retirement Board. Trustees shall serve until a
9 successor has been appointed and qualified, or until
10 resignation, death, incapacity, or disqualification.

11 Any person designated or selected as a trustee of the
12 annuitant healthcare trust shall qualify by taking an oath of
13 office that he or she will diligently and honestly administer
14 the affairs of the healthcare trust, will fulfill his or her
15 duties and obligations as a fiduciary for the healthcare trust
16 and its beneficiaries, and will not knowingly violate or
17 willfully permit the violation of any of the provisions of law.

18 (c) Each trustee shall cast an individual vote. For the
19 year 2016 and every year thereafter, the trustees shall
20 develop, adopt, authorize, and implement a balanced annual
21 healthcare budget and program through which the trust shall,
22 through the means and to the degree established by the
23 trustees, offer and deliver healthcare benefits to annuitants
24 through any legally available means, provided that: (i) the
25 adoption of the trust's healthcare budget and program shall not
26 take place except through a majority vote of the trustees; and

1 (ii) said annual budgets are balanced and limit annual trust
2 expenditures to \$50 million, adjusted annually as provided in
3 subsection (h-5), plus interest earnings derived from the
4 budget stabilization fund, donations, and grants.

5 (d) Each trustee shall have the rights, privileges,
6 authority and obligations that are usual and customary for such
7 fiduciaries.

8 (e) No later than January 1, 2016, the County shall
9 contribute \$40 million and the District shall contribute \$10
10 million to the budget stabilization fund within the annuitant
11 healthcare trust.

12 (f) In fiscal year 2016 and in every year thereafter, the
13 County shall contribute to the annuitant healthcare trust \$50
14 million, adjusted annually as provided in subsection (g). The
15 County must make payments toward this annual contribution on at
16 least a quarterly basis; no less than one-half of the annual
17 contribution must be paid by May 30, and the remaining amount
18 must be fully paid by the end of the County's fiscal year;
19 except that if the County and the Healthcare Trust Fund so
20 agree in writing, the County may, through issuance of bonds or
21 other debt instruments, make advance payment of the annual
22 contribution required by this subsection, under such terms and
23 conditions as are agreed to by the parties, provided that the
24 cost to the County for incurring and servicing that debt does
25 not exceed, in each year, the exact contribution amount
26 required in this subsection for that year.

1 The County may request, and upon a request of the County,
2 the District shall, in that same year, reimburse the County for
3 the proportion of the contribution made by the County that
4 corresponds to the pro-rata share of the trust's prior-year
5 expenditures that are associated with former District
6 employees, as confirmed by the annuitant healthcare trust. The
7 annual amount so contributed by the County under this
8 subsection shall be used by the trust strictly and solely to
9 finance and fund the annuitant healthcare budget for healthcare
10 benefits and programs for the year in which it is contributed.

11 (g) The \$50 million referred to in subsections (c) and (f)
12 of this Section shall, on January 1, 2017 and annually
13 thereafter, be increased by the annual unadjusted percentage
14 increase (but not less than zero) in the consumer price index-u
15 for the 12 months ending with the September preceding that
16 January 1, including all previous adjustments.

17 For the purposes of this Section, "consumer price index-u"
18 means the index published by the Bureau of Labor Statistics of
19 the United States Department of Labor that measures the average
20 change in prices of goods and services purchased by all urban
21 consumers, United States city average, all items, 1982-84 =
22 100.

23 The new amount resulting from each annual adjustment shall
24 be determined by the Public Pension Division of the Department
25 of Insurance and made available to the board of trustees of the
26 annuitant healthcare trust, the Cook County Board, and the

1 board of trustees of the Cook County Forest Preserve District
2 by November 1 of each year.

3 (h) The funding requirements established in subsections
4 (e) and (f) shall be enforceable by the board of trustees of
5 the healthcare trust in the same manner as is provided for the
6 enforcement of County pension contributions by the retirement
7 board under Section 9-169.1 of the Illinois Pension Code.

8 (i) The board of trustees of the healthcare trust may cause
9 amounts on deposit in the trust to be invested in such
10 investments as are permitted investments for the investment of
11 moneys held under any one or more of the pension or retirement
12 systems of the State, any unit of local government or school
13 district, or any agency or instrumentality thereof and may,
14 through a unanimous vote, transfer the management of
15 investments to the Illinois State Board of Investment, which is
16 hereby authorized to manage such investments when so requested
17 by the board of trustees.

18 (j) In the administration of the trust, the board of
19 trustees shall establish and maintain an appropriate funding
20 reserve level, which may be maintained with the budget
21 stabilization fund, and which shall not be less than the amount
22 of incurred and unreported claims plus 6 months' of expected
23 claims and administrative expenses.

24 (k) The board of trustees shall make an annual assessment
25 of the funding levels of the annuitant healthcare trust and
26 shall submit an estimated balanced budget for the trust's

1 ensuing fiscal year at least 90 days prior to the end of the
2 trust's fiscal year and a report to the County Board at least
3 45 days prior to the end of the trust's fiscal year, which
4 shall include an adopted balanced budget for the ensuing year.

5 Section 50. Findings. After reviewing the condition of the
6 Cook County Employees' Annuity and Benefit Fund (the "County
7 Fund") for employees and officers of Cook County (the "County")
8 under Article 9 of the Illinois Pension Code and the Forest
9 Preserve District Employees' Annuity and Benefit Fund
10 ("District Fund") under Article 10 of the Illinois Pension Code
11 for employees and officers of the Cook County Forest Preserve
12 District (the "District") as well as assessing the need for
13 reform thereof, the General Assembly finds and declares that:

14 (1) Current actuarial projections, based on the County
15 Fund's December 31, 2013 Actuarial Valuation Report and the
16 current finance-and-benefit regime established by the Illinois
17 Pension Code project that: (a) the County Fund's total assets
18 in fiscal year 2013 amount to approximately 56.6% of its total
19 accrued liabilities, yielding an estimated current unfunded
20 accrued liability of approximately \$6.4 billion; and (b) the
21 funding ratio for the County Fund will drop from 56.6% in
22 fiscal year 2013 to approximately 0% by 2038.

23 (2) Current actuarial projections, based on the District
24 Fund's December 31, 2013 Actuarial Valuation Report, project
25 that (a) the District Fund's total assets in fiscal year 2014

1 amount to approximately 59.5% of its total accrued liabilities,
2 yielding an estimated current unfunded accrued liability of
3 approximately \$124.3 million; and (b) the funding ratio for the
4 District Fund will drop from 59.5% in fiscal year 2014 to
5 approximately 0% by 2038.

6 (3) When the accrued assets of the County Fund and the
7 District Fund (collectively, the "Funds") are completely
8 spent, the Fund trustees will, in approximately 2038, be
9 dependent solely on annual contributions received from the
10 employers and their active employees in making pension payments
11 to annuitants, resulting in a projected annual funding deficit
12 in the County Fund of approximately \$1.49 billion in 2038 and a
13 projected annual funding deficit in the District Fund of
14 approximately \$25.9 million in 2038.

15 (4) Under the current finance-and-benefit regime
16 established by the Illinois Pension Code, annuitants of the
17 County Fund and the District Fund are projected to receive, in
18 2038, only a small fraction of their customary pensions,
19 projected at approximately 29 cents for every dollar
20 theretofore received from the County Fund, and 35 cents for
21 every dollar theretofore received from the District Fund.

22 (5) The current actuarial projections show that the
23 cumulative effect of the current statutory finance-and-benefit
24 regime will cause the unfunded accrued liability of the County
25 Fund to rise from its current level of approximately \$6.4
26 billion to approximately \$31.7 billion by 2038 and \$90 billion

1 by 2053, while the unfunded accrued liability of the District
2 Fund is projected to rise from its current level of
3 approximately \$124.3 million to approximately \$614.9 million
4 by 2038.

5 (6) As recently as 2001, the County Fund was approximately
6 90% funded, while the District Fund was 98% funded. However,
7 the downward stock market fluctuations in 2001 and 2002, and
8 the recession that began in 2008, took a significant toll on
9 the Funds' assets. In addition, recent recessionary periods
10 have led to employment reductions at the County, further
11 reducing employee and employer contributions to the County
12 Fund.

13 (7) Despite these factors, the County and its employees,
14 and the District and its employees, have annually performed all
15 of their statutory funding obligations.

16 (8) Some of the fundamental causes of the Funds' current
17 and projected future imbalance include the fact that (a) the
18 Illinois Pension Code has from time to time been amended to
19 increase the value of benefits, without a corresponding
20 revision in mechanisms to finance those benefits; (b) under the
21 regime, contributions are not based on actuarial assumptions;
22 (c) the contribution structure does not take into account
23 underfunding or downward fluctuations in investment
24 performance; and (d) there is a complete lack of correlation
25 between the finance and benefit aspects of the regime itself.

26 (9) Because of the flaws in the current finance-and-benefit

1 regime, it is mathematically impossible that the Funds will,
2 under this regime, be in a position to disburse to all eligible
3 annuitants by a date certain the benefits provided for in that
4 same regime.

5 (10) The foregoing financial projections are based on
6 actuarial assumptions related to mortality, consistent
7 increases in payroll, and consistent 7.5% annual rates of
8 investment return. If such assumptions are subject to
9 historical negative variances, such variances would hasten the
10 eventual insolvency of the Funds.

11 (11) The County's bond ratings have experienced a downgrade
12 from Moody's Investors Service, and have further been placed on
13 negative outlook by Moody's and Fitch Ratings, predominately
14 due to the declining solvency of the County Fund. In addition,
15 the District's bond ratings have experienced a downgrade from
16 Moody's Investors Service. As a result, the Funds'
17 ever-worsening funding problems are making it more expensive
18 for the County and the District to obtain financing.

19 (12) Absent legislative action, the Funds will have to
20 impose substantial reductions in the pension benefits for
21 85-90% of the County's and the District's current employees and
22 10-15% of the Funds' current annuitants, based on their current
23 ages and life expectancies.

24 (13) Action by the State is the sole means of remedying
25 these problems facing the Funds, their annuitants and
26 beneficiaries, the County, and the District.

1 (14) To correct the flaws associated with the current
2 finance-and-benefit regime, the provisions of this amendatory
3 Act would: (a) require a County contribution that is the
4 greater of 190% of the contributions made by its active
5 employees, or, starting with contributions for the year 2020,
6 such amount as corresponds to an actuarially projected
7 trajectory of 90% solvency for the County Fund, in a layered
8 closed-loop calculation; and (b) require a District
9 contribution that is the greater of 175% of the contribution
10 made by its active employees, or, starting with contributions
11 for the year 2020, such amount as corresponds to an actuarially
12 projected trajectory of 90% solvency for the District Fund, in
13 a layered closed-loop calculation.

14 (15) The provisions of this amendatory Act are necessary to
15 serve the vital public interest of ensuring that the Funds do
16 not become insolvent and can continue making full pension
17 payments well into the future.

18 (16) Through a shared sacrifice approach that entails a mix
19 of increased employer and employee contributions, revisions to
20 cost of living adjustments ("COLAs"), revisions to retirement
21 ages, and the like, those employees and annuitants associated
22 with the Fund will be the demonstrable recipients of markedly
23 increased value, in contrast to the illusory value now
24 available under the current finance-and-benefit regime.

25 (17) The modifications of this amendatory Act are
26 reasonable alterations of the pension rights of annuitants and

1 beneficiaries because, among other things: (a) such
2 modifications will enable annuitants to continue to receive
3 benefits into the future, which is essential to the theory of a
4 pension system and its successful operation; and (b) insofar as
5 any changes to the Funds as a result of this amendatory Act
6 result in disadvantages to annuitants, they are accompanied by
7 new advantages, which in addition to financial solvency include
8 higher cost-of-living adjustments in times of high inflation,
9 the creation of a separate and distinct health care trust to
10 provide health care benefits to annuitants funded at a rate of
11 \$50 million annually, adjusted annually for inflation, and,
12 perhaps most important, the County's and District's assumption
13 of actuarial responsibility for the funding of the Funds, which
14 will have a right to enforce the funding obligations.
15 Furthermore, participants in the Funds will be provided with
16 upside potential and increases in annual cost of living
17 adjustments, as well as decreased contributions in the event
18 that the Funds return to a 100% funded ratio of actuarial
19 assets to liabilities in the future.

20 (18) This amendatory Act distributes the burden of costs to
21 return the Funds to solvency commensurate with the current
22 funding burden between the County and the District on one hand
23 and their employees on the other, equal to approximately 60%
24 for the employers and 40% for the employees. As a result,
25 financial stability for the Funds is preserved without
26 requiring the County or District employees to shoulder a

1 greater share of the financial burden for doing so than they
2 are currently responsible for.

3 (19) Under this amendatory Act, the County Fund is
4 projected to attain a 100% funding status in 2043, based on
5 independent actuarial projections, and the District Fund is
6 projected to attain a 100% funding status in 2042. Absent
7 reforms to Articles 9 and 10 of the Illinois Pension Code,
8 current projections show that the County Fund funding status
9 would be at -33% in 2043 and the District Fund funding status
10 would be at -21% in 2042.

11 (20) Furthermore, this amendatory Act creates a secure,
12 self-adjusting pension system with automatic adjustments from
13 the County and the District, and their employees, and a
14 guarantee of minimum actuarially-based funding from the County
15 and the District.

16 Section 55. The Illinois Public Labor Relations Act is
17 amended by changing Sections 7.5 and 15 as follows:

18 (5 ILCS 315/7.5)

19 (This Section may contain text from a Public Act with a
20 delayed effective date)

21 Sec. 7.5. Duty to bargain regarding pension amendments.

22 (a) Notwithstanding any provision of this Act, employers
23 shall not be required to bargain over matters affected by the
24 changes, the impact of changes, and the implementation of

1 changes made to Article 14, 15, or 16 of the Illinois Pension
2 Code, or Article 1 of that Code as it applies to those
3 Articles, made by this amendatory Act of the 98th General
4 Assembly, or over any other provision of Article 14, 15, or 16
5 of the Illinois Pension Code, or of Article 1 of that Code as
6 it applies to those Articles, which are prohibited subjects of
7 bargaining; nor shall the changes, the impact of changes, or
8 the implementation of changes made to Article 14, 15, or 16 of
9 the Illinois Pension Code, or to Article 1 of that Code as it
10 applies to those Articles, by this amendatory Act of the 98th
11 General Assembly or any other provision of Article 14, 15, or
12 16 of the Illinois Pension Code, or of Article 1 of that Code
13 as it applies to those Articles, be subject to interest
14 arbitration or any award issued pursuant to interest
15 arbitration. The provisions of this Section shall not apply to
16 an employment contract or collective bargaining agreement that
17 is in effect on the effective date of this amendatory Act of
18 the 98th General Assembly. However, any such contract or
19 agreement that is subsequently modified, amended, or renewed
20 shall be subject to the provisions of this Section. The
21 provisions of this Section shall also not apply to the ability
22 of an employer and employee representative to bargain
23 collectively with regard to the pick up of employee
24 contributions pursuant to Section 14-133.1, 15-157.1, or
25 16-152.1 of the Illinois Pension Code.

26 (a-5) Notwithstanding any other provision of this Act,

1 except with respect to matters associated with pensions
2 provided for in Articles 9 and 10 of the Illinois Pension Code
3 over which the employer has sole and direct authority and
4 control and which are limited to the annual employer
5 contribution required in Section 9-169 in excess of said
6 contribution so required following the effective date of this
7 amendatory Act of the 98th General Assembly, employers shall
8 not be required to bargain over matters affected by the
9 changes, the impact of changes, or the implementation of
10 changes made to Article 9 or 10 of the Illinois Pension Code,
11 or Article 1 of that Code as it applies to those Articles, made
12 by this amendatory Act of the 98th General Assembly, or over
13 any other provision of Article 9 or 10 of the Illinois Pension
14 Code, or of Article 1 of that Code as it applies to those
15 Articles, which are not mandatory subjects of bargaining; nor
16 shall the changes, the impact of changes, or the implementation
17 of changes made to Article 9 or 10 of the Illinois Pension
18 Code, or to Article 1 of that Code as it applies to those
19 Articles, by this amendatory Act of the 98th General Assembly
20 or any other provision of Article 9 or 10 of the Illinois
21 Pension Code, or of Article 1 of that Code as it applies to
22 those Articles, be subject to interest arbitration or any award
23 issued pursuant to interest arbitration. Nothing in this
24 subsection shall be construed as limiting or abridging any
25 other legally permissible subjects of collective bargaining.

26 (b) Nothing in this Section, however, shall be construed as

1 otherwise limiting any of the obligations and requirements
2 applicable to each employer under any of the provisions of this
3 Act, including, but not limited to, the requirement to bargain
4 collectively with regard to policy matters directly affecting
5 wages, hours and terms and conditions of employment as well as
6 the impact thereon upon request by employee representatives,
7 except for the matters deemed prohibited subjects of bargaining
8 under subsection (a) or (a-5) of this Section. Nothing in this
9 Section shall further be construed as otherwise limiting any of
10 the rights of employees or employee representatives under the
11 provisions of this Act, except for matters deemed prohibited
12 subjects of bargaining under subsection (a) or (a-5) of this
13 Section.

14 (c) In case of any conflict between this Section and any
15 other provisions of this Act or any other law, the provisions
16 of this Section shall control.

17 (Source: P.A. 98-599, eff. 6-1-14.)

18 (5 ILCS 315/15) (from Ch. 48, par. 1615)

19 (Text of Section before amendment by P.A. 98-599)

20 Sec. 15. Act Takes Precedence.

21 (a) In case of any conflict between the provisions of this
22 Act and any other law (other than Section 5 of the State
23 Employees Group Insurance Act of 1971 and other than the
24 changes made to the Illinois Pension Code by Public Act 96-889
25 and this amendatory Act of the 98th General Assembly ~~this~~

1 ~~amendatory Act of the 96th General Assembly~~), executive order
2 or administrative regulation relating to wages, hours and
3 conditions of employment and employment relations, the
4 provisions of this Act or any collective bargaining agreement
5 negotiated thereunder shall prevail and control. Nothing in
6 this Act shall be construed to replace or diminish the rights
7 of employees established by Sections 28 and 28a of the
8 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
9 of the Regional Transportation Authority Act. The provisions of
10 this Act are subject to Section 5 of the State Employees Group
11 Insurance Act of 1971. Nothing in this Act shall be construed
12 to replace the necessity of complaints against a sworn peace
13 officer, as defined in Section 2(a) of the Uniform Peace
14 Officer Disciplinary Act, from having a complaint supported by
15 a sworn affidavit.

16 (b) Except as provided in subsection (a) above, any
17 collective bargaining contract between a public employer and a
18 labor organization executed pursuant to this Act shall
19 supersede any contrary statutes, charters, ordinances, rules
20 or regulations relating to wages, hours and conditions of
21 employment and employment relations adopted by the public
22 employer or its agents. Any collective bargaining agreement
23 entered into prior to the effective date of this Act shall
24 remain in full force during its duration.

25 (c) It is the public policy of this State, pursuant to
26 paragraphs (h) and (i) of Section 6 of Article VII of the

1 Illinois Constitution, that the provisions of this Act are the
2 exclusive exercise by the State of powers and functions which
3 might otherwise be exercised by home rule units. Such powers
4 and functions may not be exercised concurrently, either
5 directly or indirectly, by any unit of local government,
6 including any home rule unit, except as otherwise authorized by
7 this Act.

8 (Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

9 (Text of Section after amendment by P.A. 98-599)

10 Sec. 15. Act Takes Precedence.

11 (a) In case of any conflict between the provisions of this
12 Act and any other law (other than Section 5 of the State
13 Employees Group Insurance Act of 1971 and other than the
14 changes made to the Illinois Pension Code by Public Act 96-889
15 and this amendatory Act of the 98th General Assembly and other
16 than as provided in Section 7.5), executive order or
17 administrative regulation relating to wages, hours and
18 conditions of employment and employment relations, the
19 provisions of this Act or any collective bargaining agreement
20 negotiated thereunder shall prevail and control. Nothing in
21 this Act shall be construed to replace or diminish the rights
22 of employees established by Sections 28 and 28a of the
23 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
24 of the Regional Transportation Authority Act. The provisions of
25 this Act are subject to Section 7.5 of this Act and Section 5

1 of the State Employees Group Insurance Act of 1971. Nothing in
2 this Act shall be construed to replace the necessity of
3 complaints against a sworn peace officer, as defined in Section
4 2(a) of the Uniform Peace Officer Disciplinary Act, from having
5 a complaint supported by a sworn affidavit.

6 (b) Except as provided in subsection (a) above, any
7 collective bargaining contract between a public employer and a
8 labor organization executed pursuant to this Act shall
9 supersede any contrary statutes, charters, ordinances, rules
10 or regulations relating to wages, hours and conditions of
11 employment and employment relations adopted by the public
12 employer or its agents. Any collective bargaining agreement
13 entered into prior to the effective date of this Act shall
14 remain in full force during its duration.

15 (c) It is the public policy of this State, pursuant to
16 paragraphs (h) and (i) of Section 6 of Article VII of the
17 Illinois Constitution, that the provisions of this Act are the
18 exclusive exercise by the State of powers and functions which
19 might otherwise be exercised by home rule units. Such powers
20 and functions may not be exercised concurrently, either
21 directly or indirectly, by any unit of local government,
22 including any home rule unit, except as otherwise authorized by
23 this Act.

24 (Source: P.A. 98-599, eff. 6-1-14.)

25 Section 60. The Illinois Pension Code is amended by

1 changing Sections 1-160, 9-112, 9-119.1, 9-121.6, 9-128.1,
2 9-133, 9-133.1, 9-134, 9-146.2, 9-169, 9-170, 9-179.2,
3 9-179.3, 9-184, 9-185, 9-189, 9-195, 9-199, 9-220, 9-239,
4 10-103, and 10-107 and by adding Sections 9-108.3, 9-110.1,
5 9-110.2, 9-112.1, 9-117.1, 9-117.2, 9-117.3, 9-118.5, 9-124.1,
6 9-132.1, 9-133.2, 9-169.1, 9-201.1, and 9-245 as follows:

7 (40 ILCS 5/1-160)

8 (Text of Section before amendment by P.A. 98-622)

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

10 (a) The provisions of this Section apply to a person who,
11 on or after January 1, 2011, first becomes a member or a
12 participant under any reciprocal retirement system or pension
13 fund established under this Code, other than a retirement
14 system or pension fund established under Article 2, 3, 4, 5, 6,
15 15 or 18 of this Code, notwithstanding any other provision of
16 this Code to the contrary, but do not apply to any self-managed
17 plan established under this Code, to any person with respect to
18 service as a sheriff's law enforcement employee under Article
19 7, or to any participant of the retirement plan established
20 under Section 22-101. Notwithstanding anything to the contrary
21 in this Section, for purposes of this Section, a person who
22 participated in a retirement system under Article 15 prior to
23 January 1, 2011 shall be deemed a person who first became a
24 member or participant prior to January 1, 2011 under any
25 retirement system or pension fund subject to this Section. The

1 changes made to this Section by Public Act 98-596 ~~this~~
2 ~~amendatory Act of the 98th General Assembly~~ are a clarification
3 of existing law and are intended to be retroactive to the
4 effective date of Public Act 96-889, notwithstanding the
5 provisions of Section 1-103.1 of this Code.

6 (b) "Final average salary" means the average monthly (or
7 annual) salary obtained by dividing the total salary or
8 earnings calculated under the Article applicable to the member
9 or participant during the 96 consecutive months (or 8
10 consecutive years) of service within the last 120 months (or 10
11 years) of service in which the total salary or earnings
12 calculated under the applicable Article was the highest by the
13 number of months (or years) of service in that period. For the
14 purposes of a person who first becomes a member or participant
15 of any retirement system or pension fund to which this Section
16 applies on or after January 1, 2011, in this Code, "final
17 average salary" shall be substituted for the following:

18 (1) In Article 7 (except for service as sheriff's law
19 enforcement employees), "final rate of earnings".

20 (2) In Articles 8, 9, 10, 11, and 12, "highest average
21 annual salary for any 4 consecutive years within the last
22 10 years of service immediately preceding the date of
23 withdrawal".

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

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

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

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

3 Beginning January 1, 2015, for Tier 2 employees in service
4 under Article 9 or 10 of this Code, "final average salary" as
5 defined in this subsection (b) shall be determined on an annual
6 basis using the applicable salary cap provided in Section
7 9-112.

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

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

1 systems and pension funds by November 1 of each year.

2 However, the provisions of this subsection (b-5) are
3 subject to the contrary provisions of subsection (a-5) of
4 Section 9-112 with respect to service as a Tier 2 employee
5 under Article 9 or 10 of this Code.

6 (c) A member or participant is entitled to a retirement
7 annuity upon written application if he or she has attained age
8 67 and has at least 10 years of service credit and is otherwise
9 eligible under the requirements of the applicable Article.

10 A member or participant who has attained age 62 and has at
11 least 10 years of service credit and is otherwise eligible
12 under the requirements of the applicable Article may elect to
13 receive the lower retirement annuity provided in subsection (d)
14 of this Section.

15 (d) The retirement annuity of a member or participant who
16 is retiring after attaining age 62 with at least 10 years of
17 service credit shall be reduced by one-half of 1% for each full
18 month that the member's age is under age 67.

19 (d-5) The provisions of subsections (c) and (d) are subject
20 to the contrary provisions of Sections 9-124.1(e) and 9-133.2
21 with respect to Tier 2 employees and Tier 2 annuitants with
22 service under Article 9 or 10 of this Code.

23 (e) Any retirement annuity or supplemental annuity shall be
24 subject to annual increases on the January 1 occurring either
25 on or after the attainment of age 67 or the first anniversary
26 of the annuity start date, whichever is later. Each annual

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

10 However, the provisions of this subsection (e) are subject
11 to the contrary provisions of Section 9-132.1 with respect to
12 Tier 2 annuitants receiving an annuity under Article 9 or 10 of
13 this Code.

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

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

15 However, the provisions of this subsection (f) are subject
16 to the contrary provisions of Section 9-132.1 with respect to
17 Tier 2 annuitants receiving an annuity under Article 9 or 10 of
18 this Code.

19 (g) The benefits in Section 14-110 apply only if the person
20 is a State policeman, a fire fighter in the fire protection
21 service of a department, or a security employee of the
22 Department of Corrections or the Department of Juvenile
23 Justice, as those terms are defined in subsection (b) of
24 Section 14-110. A person who meets the requirements of this
25 Section is entitled to an annuity calculated under the
26 provisions of Section 14-110, in lieu of the regular or minimum

1 retirement annuity, only if the person has withdrawn from
2 service with not less than 20 years of eligible creditable
3 service and has attained age 60, regardless of whether the
4 attainment of age 60 occurs while the person is still in
5 service.

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

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then that
26 person's annuity or retirement pension earned as an active

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

13 (i) (Blank).

14 (j) In the case of a conflict between the provisions of
15 this Section and any other provision of this Code, the
16 provisions of this Section shall control, except as otherwise
17 explicitly provided in this Section.

18 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,
19 eff. 11-19-13; revised 1-23-14.)

20 (Text of Section after amendment by P.A. 98-622)

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

22 (a) The provisions of this Section apply to a person who,
23 on or after January 1, 2011, first becomes a member or a
24 participant under any reciprocal retirement system or pension
25 fund established under this Code, other than a retirement

1 system or pension fund established under Article 2, 3, 4, 5, 6,
2 15 or 18 of this Code, notwithstanding any other provision of
3 this Code to the contrary, but do not apply to any self-managed
4 plan established under this Code, to any person with respect to
5 service as a sheriff's law enforcement employee under Article
6 7, or to any participant of the retirement plan established
7 under Section 22-101. Notwithstanding anything to the contrary
8 in this Section, for purposes of this Section, a person who
9 participated in a retirement system under Article 15 prior to
10 January 1, 2011 shall be deemed a person who first became a
11 member or participant prior to January 1, 2011 under any
12 retirement system or pension fund subject to this Section. The
13 changes made to this Section by Public Act 98-596 ~~this~~
14 ~~amendatory Act of the 98th General Assembly~~ are a clarification
15 of existing law and are intended to be retroactive to the
16 effective date of Public Act 96-889, notwithstanding the
17 provisions of Section 1-103.1 of this Code.

18 (b) "Final average salary" means the average monthly (or
19 annual) salary obtained by dividing the total salary or
20 earnings calculated under the Article applicable to the member
21 or participant during the 96 consecutive months (or 8
22 consecutive years) of service within the last 120 months (or 10
23 years) of service in which the total salary or earnings
24 calculated under the applicable Article was the highest by the
25 number of months (or years) of service in that period. For the
26 purposes of a person who first becomes a member or participant

1 of any retirement system or pension fund to which this Section
2 applies on or after January 1, 2011, in this Code, "final
3 average salary" shall be substituted for the following:

4 (1) In Article 7 (except for service as sheriff's law
5 enforcement employees), "final rate of earnings".

6 (2) In Articles 8, 9, 10, 11, and 12, "highest average
7 annual salary for any 4 consecutive years within the last
8 10 years of service immediately preceding the date of
9 withdrawal".

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

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

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

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

15 Beginning January 1, 2015, for Tier 2 employees in service
16 under Article 9 or 10 of this Code, "final average salary" as
17 defined in this subsection (b) shall be determined on an annual
18 basis using the applicable salary cap provided in Section
19 9-112.

20 (b-5) Beginning on January 1, 2011, for all purposes under
21 this Code (including without limitation the calculation of
22 benefits and employee contributions), the annual earnings,
23 salary, or wages (based on the plan year) of a member or
24 participant to whom this Section applies shall not exceed
25 \$106,800; however, that amount shall annually thereafter be
26 increased by the lesser of (i) 3% of that amount, including all

1 previous adjustments, or (ii) one-half the annual unadjusted
2 percentage increase (but not less than zero) in the consumer
3 price index-u for the 12 months ending with the September
4 preceding each November 1, including all previous adjustments.

5 For the purposes of this Section, "consumer price index-u"
6 means the index published by the Bureau of Labor Statistics of
7 the United States Department of Labor that measures the average
8 change in prices of goods and services purchased by all urban
9 consumers, United States city average, all items, 1982-84 =
10 100. The new amount resulting from each annual adjustment shall
11 be determined by the Public Pension Division of the Department
12 of Insurance and made available to the boards of the retirement
13 systems and pension funds by November 1 of each year.

14 However, the provisions of this subsection (b-5) are
15 subject to the contrary provisions of subsection (a-5) of
16 Section 9-112 with respect to service as a Tier 2 employee
17 under Article 9 or 10 of this Code.

18 (c) A member or participant is entitled to a retirement
19 annuity upon written application if he or she has attained age
20 67 (beginning January 1, 2015, age 65 with respect to service
21 under Article 12 of this Code that is subject to this Section)
22 and has at least 10 years of service credit and is otherwise
23 eligible under the requirements of the applicable Article.

24 A member or participant who has attained age 62 (beginning
25 January 1, 2015, age 60 with respect to service under Article
26 12 of this Code that is subject to this Section) and has at

1 least 10 years of service credit and is otherwise eligible
2 under the requirements of the applicable Article may elect to
3 receive the lower retirement annuity provided in subsection (d)
4 of this Section.

5 (d) The retirement annuity of a member or participant who
6 is retiring after attaining age 62 (beginning January 1, 2015,
7 age 60 with respect to service under Article 12 of this Code
8 that is subject to this Section) with at least 10 years of
9 service credit shall be reduced by one-half of 1% for each full
10 month that the member's age is under age 67 (beginning January
11 1, 2015, age 65 with respect to service under Article 12 of
12 this Code that is subject to this Section).

13 (d-5) The provisions of subsections (c) and (d) are subject
14 to the contrary provisions of Sections 9-124.1(e) and 9-133.2
15 with respect to Tier 2 employees and Tier 2 annuitants with
16 service under Article 9 or 10 of this Code.

17 (e) Any retirement annuity or supplemental annuity shall be
18 subject to annual increases on the January 1 occurring either
19 on or after the attainment of age 67 (beginning January 1,
20 2015, age 65 with respect to service under Article 12 of this
21 Code that is subject to this Section) or the first anniversary
22 of the annuity start date, whichever is later. Each annual
23 increase shall be calculated at 3% or one-half the annual
24 unadjusted percentage increase (but not less than zero) in the
25 consumer price index-u for the 12 months ending with the
26 September preceding each November 1, whichever is less, of the

1 originally granted retirement annuity. If the annual
2 unadjusted percentage change in the consumer price index-u for
3 the 12 months ending with the September preceding each November
4 1 is zero or there is a decrease, then the annuity shall not be
5 increased.

6 However, the provisions of this subsection (e) are subject
7 to the contrary provisions of Section 9-132.1 with respect to
8 Tier 2 annuitants receiving an annuity under Article 9 or 10 of
9 this Code.

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

1 after the first anniversary of the commencement of the annuity.
2 Each annual increase shall be calculated at 3% or one-half the
3 annual unadjusted percentage increase (but not less than zero)
4 in the consumer price index-u for the 12 months ending with the
5 September preceding each November 1, whichever is less, of the
6 originally granted survivor's annuity. If the annual
7 unadjusted percentage change in the consumer price index-u for
8 the 12 months ending with the September preceding each November
9 1 is zero or there is a decrease, then the annuity shall not be
10 increased.

11 However, the provisions of this subsection (f) are subject
12 to the contrary provisions of Section 9-132.1 with respect to
13 Tier 2 annuitants receiving an annuity under Article 9 or 10 of
14 this Code.

15 (g) The benefits in Section 14-110 apply only if the person
16 is a State policeman, a fire fighter in the fire protection
17 service of a department, or a security employee of the
18 Department of Corrections or the Department of Juvenile
19 Justice, as those terms are defined in subsection (b) of
20 Section 14-110. A person who meets the requirements of this
21 Section is entitled to an annuity calculated under the
22 provisions of Section 14-110, in lieu of the regular or minimum
23 retirement annuity, only if the person has withdrawn from
24 service with not less than 20 years of eligible creditable
25 service and has attained age 60, regardless of whether the
26 attainment of age 60 occurs while the person is still in

1 service.

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

16 If a person who first becomes a member of a retirement
17 system or pension fund subject to this Section on or after
18 January 1, 2012 and is receiving a retirement annuity or
19 retirement pension under that system or fund and accepts on a
20 contractual basis a position to provide services to a
21 governmental entity from which he or she has retired, then that
22 person's annuity or retirement pension earned as an active
23 employee of the employer shall be suspended during that
24 contractual service. A person receiving an annuity or
25 retirement pension under this Code shall notify the pension
26 fund or retirement system from which he or she is receiving an

1 annuity or retirement pension, as well as his or her
2 contractual employer, of his or her retirement status before
3 accepting contractual employment. A person who fails to submit
4 such notification shall be guilty of a Class A misdemeanor and
5 required to pay a fine of \$1,000. Upon termination of that
6 contractual employment, the person's retirement annuity or
7 retirement pension payments shall resume and, if appropriate,
8 be recalculated under the applicable provisions of this Code.

9 (i) (Blank).

10 (j) In the case of a conflict between the provisions of
11 this Section and any other provision of this Code, the
12 provisions of this Section shall control, except as otherwise
13 explicitly provided in this Section.

14 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,
15 eff. 11-19-13; 98-622, eff. 6-1-14; revised 1-23-14.)

16 (40 ILCS 5/9-108.3 new)

17 Sec. 9-108.3. Security officer.

18 (a) "Security officer" means an employee who, as identified
19 by the employer for the relevant time period:

20 (1) has been deputized by the county sheriff, or has
21 been certified as a law enforcement officer by a training
22 academy accredited by the Illinois Law Enforcement
23 Training Standards Board, or a similar entity; has
24 satisfactorily completed at least 400 hours of law
25 enforcement training by such a training academy; and serves

1 in a capacity that utilizes such training; or

2 (2) provides safety and security services associated
3 with correctional or court facilities and has been
4 certified by a training academy accredited by the Illinois
5 Law Enforcement Training Standards Board, or a similar
6 entity, as having satisfactorily completed at least 400
7 hours of training regarding law enforcement or jail or
8 court safety and security; or

9 (3) provides security and safety services at a juvenile
10 temporary detention facility operated by the County and who
11 has received no less than 6 weeks of training, under
12 standards promulgated by the National Juvenile Detention
13 Association or a similar entity, regarding juvenile
14 justice or youth detention safety and security.

15 (b) Except as provided in subsection (d), an employee
16 determined by the employer to have been a security officer as
17 defined in subsection (a) of this Section prior to the
18 effective date of this Section shall be deemed a security
19 officer dating from the employee's first day of such employment
20 with the employer.

21 (c) An employee who, on or after January 1, 2015, begins
22 employment as a deputy sheriff as defined in subsection (f) of
23 Section 9-128.1 shall be deemed a security officer for the
24 purposes of this Article, provided the employee meets the
25 requirements of subsection (a) of this Section.

26 (d) An employee who is determined by the employer to have

1 been a deputy sheriff as defined in subsection (f) or (j) of
2 Section 9-128.1 prior to the effective date of this Section,
3 may elect to become a security officer for the purposes of this
4 Article, dating from the employee's first day of such
5 employment with the employer, and thereby relinquish any right
6 to receive an annuity computed under Section 9-128.1. An
7 employee so electing shall thereafter contribute to the Fund at
8 the rate provided for security officers and shall not be
9 eligible to receive an annuity computed under Section 9-128.1.

10 (e) Notwithstanding any other provision of this Section, an
11 employee who, on or before December 31, 2014, began employment
12 as a deputy sheriff as defined in subsection (f) or (j) of
13 Section 9-128.1 and who does not make an election to become a
14 security officer under subsection (d) of this Section shall not
15 be deemed to be a security officer for the purposes of this
16 Article with respect to any service rendered as a deputy
17 sheriff as defined in subsection (f) or (j) of Section 9-128.1.
18 Such an employee shall continue to contribute to the Fund at
19 the rate prescribed for such deputy sheriffs for as long as he
20 or she is so employed, and may elect to receive an annuity
21 computed as provided in Section 9-128.1 upon meeting the
22 eligibility requirements under that Section.

23 (40 ILCS 5/9-110.1 new)

24 Sec. 9-110.1. Tier 1 employee; Tier 1 annuitant.

25 "Tier 1 employee" means an employee, contributor, or

1 participant under this Article who first became a participant
2 or member before January 1, 2011 under any reciprocal
3 retirement system or pension fund established under this Code,
4 other than one established under Article 2, 3, 4, 5, 6, or 18
5 of this Code.

6 "Tier 1 annuitant" means an annuitant who is a former Tier
7 1 employee under this Article or whose annuity derives from the
8 service of a former Tier 1 employee under this Article.

9 (40 ILCS 5/9-110.2 new)

10 Sec. 9-110.2. Tier 2 employee; Tier 2 annuitant.

11 "Tier 2 employee" means an employee, contributor, or
12 participant under this Article who is not a Tier 1 employee.

13 "Tier 2 annuitant" means an annuitant who is a former Tier
14 2 employee under this Article or whose annuity derives from the
15 service of a former Tier 2 employee under this Article.

16 (40 ILCS 5/9-112) (from Ch. 108 1/2, par. 9-112)

17 Sec. 9-112. Salary. "Salary": Annual salary of an employee
18 under this Article as follows:

19 (a) Beginning on the effective date and prior to July 1,
20 1947 \$3000 shall be the maximum amount of annual salary of any
21 employee to be considered for the purposes of this Article; and
22 beginning on July 1, 1947 and prior to July 1, 1953, said
23 maximum amount shall be \$4800; and beginning on July 1, 1953
24 and prior to July 1, 1957 said maximum amount shall be \$6,000;

1 and from ~~beginning on~~ July 1, 1957 through December 31, 2014,
2 salary shall be based upon the actual sum paid and reported to
3 the Fund, exclusive of overtime and extra service.

4 (a-5) Beginning January 1, 2015, the maximum amount of
5 annual salary of any employee of the County to be considered
6 for the purposes of this Article shall be the greater of:

7 (1) for Tier 1 and Tier 2 employees, the annual
8 contribution and benefit base established for the
9 applicable year by the Commissioner of Social Security
10 under the United States Social Security Act; or

11 (2) for Tier 1 employees only, the participant's annual
12 salary or annualized wage calculated under this Article as
13 of December 31, 2014, based upon the rate reported to the
14 Fund and adjusted to reflect the actual hours paid during
15 the year ending on that date; provided, however, that such
16 amount shall annually thereafter be increased as provided
17 in subsection (a-10).

18 However, in no event shall the annual salary for the
19 purposes of this Article exceed any limitation imposed on
20 earnings under Section 1-117 of this Code.

21 Under no circumstances shall the maximum amount of annual
22 salary be greater than the amount set forth in this subsection
23 as a result of reciprocal service or any provision regarding
24 reciprocal service, nor shall the Fund be required to pay any
25 refund as a result of the application of this maximum annual
26 salary cap.

1 (a-10) Subject to the other restrictions of subsection
2 (a-5), the amount of maximum salary specified in item (2) of
3 subsection (a-5) shall be increased on January 1, 2016 and
4 annually thereafter by the lesser of (i) 3% of that amount,
5 including all previous adjustments, or (ii) one-half the annual
6 unadjusted percentage increase (but not less than zero) in the
7 consumer price index-u for the 12 months ending with the
8 September preceding that January 1, including all previous
9 adjustments.

10 For the purposes of this Section, "consumer price index-u"
11 means the index published by the Bureau of Labor Statistics of
12 the United States Department of Labor that measures the average
13 change in prices of goods and services purchased by all urban
14 consumers, United States city average, all items, 1982-84 =
15 100.

16 The percentage increase resulting from each annual
17 adjustment shall be determined by the Public Pension Division
18 of the Department of Insurance and made available to the
19 retirement board of this Fund and the Article 10 Fund by
20 November 1 of each year.

21 (b) (Blank).

22 (c) Where the county provides lodging, board and laundry
23 service for an employee without charge and so reports to the
24 Fund while the employee is receiving such lodging, board and
25 laundry service, his salary shall be considered to be \$480 a
26 year more for the period from the effective date to August 1,

1 1959 and thereafter \$960 more than the amount payable as salary
2 for the year, and the salary of an employee for whom one or
3 more daily meals are provided by the county without charge
4 therefor and are reported by the county to the Fund while the
5 employee is receiving such meals shall be considered to be \$120
6 a year more for each such daily meal for the period from the
7 effective date to August 1, 1959 and thereafter \$240 more for
8 each such daily meal than the amount payable as his salary for
9 the year.

10 (d) For the purposes of ordinary disability, salary shall
11 be based upon the rate reported to the Fund at the date of
12 disability and adjusted to reflect the actual hours paid during
13 the prior year.

14 (Source: P.A. 98-551, eff. 8-27-13.)

15 (40 ILCS 5/9-112.1 new)

16 Sec. 9-112.1. Average annual salary.

17 (a) For Tier 1 employees who withdraw from employment by
18 the County before January 1, 2016, "average annual salary"
19 means the total salary, as calculated in accordance with this
20 Article, for the 48 consecutive months out of the last 120
21 months of service for which that total is highest, divided by
22 48 and then multiplied by 12.

23 (b) For Tier 1 employees who withdraw from employment by
24 the County in the year 2016 or thereafter, "average annual
25 salary" means the total salary, as calculated in accordance

1 with this Article, for the x consecutive months out of the last
2 120 months of service for which that total is highest, divided
3 by x and then multiplied by 12. For purposes of this
4 calculation, "x" is a number determined by the month of
5 withdrawal from employment by the County, equal to 48 for
6 withdrawal before January 2016, equal to 49 for withdrawal in
7 January 2016, increasing by one for each month thereafter
8 through December 2019, and equal to 96 for withdrawal in
9 December 2019 or any month thereafter.

10 (c) For Tier 2 employees who withdraw from employment by
11 the County in the year 2015 or in any year thereafter, "average
12 annual salary" shall mean "final average salary" as defined in
13 subsection (b) of Section 1-160, determined on an annual basis,
14 but under the applicable salary cap provided in Section 9-112.

15 (40 ILCS 5/9-117.1 new)

16 Sec. 9-117.1. Funded ratio. "Funded ratio" means the ratio
17 of the actuarial value of the Fund's assets to the actuarial
18 value of the Fund's liabilities, based on a formula that
19 utilizes the technique of asset smoothing to amortize any gains
20 or losses of investment returns relative to actuarially assumed
21 rates of return over a multi-year period of 5 years, and a
22 discount rate for liabilities that reflects the actuarial
23 assumption for return on assets.

24 (40 ILCS 5/9-117.2 new)

1 Sec. 9-117.2. Annual Actuarial Report. "Annual Actuarial
2 Report" means an annual actuarial report of the Fund, produced
3 by an actuary who is a member in good standing of the American
4 Academy of Actuaries and is retained and approved by the
5 retirement board. The Annual Actuarial Report shall include,
6 but not be limited to: (1) a statement of the actuarial value
7 of the Fund's assets as projected over 30 years' time and the
8 actuarial value of the Fund's liabilities as projected over the
9 same period of time; and (2) the Minimum Required Employer
10 Contribution for the second year immediately following the year
11 ending on the valuation date upon which the Annual Actuarial
12 Report is based.

13 The Annual Actuarial Report may be prepared as part of the
14 annual audit required under Section 9-195. The Annual Actuarial
15 Report shall be reviewed and formally adopted by the retirement
16 board and shall be included in the annual report that is
17 required to be submitted to the County in July of each year
18 under Section 9-199.

19 (40 ILCS 5/9-117.3 new)

20 Sec. 9-117.3. Minimum Required Employer Contribution.
21 "Minimum Required Employer Contribution" for a specified year
22 means the amount, as set forth in an Annual Actuarial Report,
23 that shall be determined based on a formula that is the sum of
24 (i) the total normal cost for the valuation year, and (ii) a
25 "90% Amortization Payment" as described in the following

1 paragraph, less (iii) the projected member contributions for
2 the second year immediately following the year ending on the
3 valuation date upon which the Annual Actuarial Report is based.
4 Items (i) and (ii) of this paragraph shall be computed as of
5 the actuarial valuation date of said annual actuarial report.

6 The initial 90% Amortization Payment for the year 2020 will
7 make use of a 30-year amortization schedule in a calculation as
8 contained in the annual actuarial report as of December 31,
9 2018; the 90% Amortization Payment will be based on a 30-year
10 level percent of pay amortization of the difference between (i)
11 90% of the actuarial accrued liability and (ii) the actuarial
12 value of assets, both computed as of the actuarial valuation
13 date. The above referenced difference between 90% of the
14 actuarial accrued liability and the actuarial value of assets
15 shall be referred to as the initial 90% Amortization Amount. An
16 amortization schedule of this initial 90% Amortization Amount
17 shall be established and maintained by the Fund as developed by
18 an independent actuary. With each subsequent valuation, the
19 actuary will establish a new 90% amortization amount for the
20 second year immediately following the year ending on the
21 valuation date upon which the Annual Actuarial Report is based,
22 which shall be based on a 30-year level percent of pay
23 amortization of (i) the difference between 90% of the actuarial
24 accrued liability as of the valuation date and the actuarial
25 value of assets as of the valuation date; (ii) the outstanding
26 balance of the amortization schedule developed in the previous

1 annual actuarial report updated as of the new valuation date.
2 The 90% Amortization Payment as of the valuation date will be
3 the sum of all amortization payments contained in a 30-year
4 layered amortization schedule as of said valuation date.

5 For purposes of determining the Minimum Required Employer
6 Contribution, the calculation will make use of (i) a discount
7 rate for liabilities that reflects the actuarial assumption for
8 return on assets; (ii) an actuarial smoothing methodology to
9 amortize any investment gains or losses relative to actuarial
10 assumed rates of return over a period of 5 years; and (iii) an
11 entry age normal calculation method for employee benefits. The
12 aforementioned assumptions and methods may be amended as
13 recommended by an independent actuary engaged by the Fund, and
14 in compliance with actuarial standards of practice and as
15 adopted by no less than 8 votes in the affirmative by the
16 trustees of the Fund.

17 (40 ILCS 5/9-118.5 new)

18 Sec. 9-118.5. Annuitant. "Annuitant": A person receiving
19 an age and service annuity, a prior service annuity, a widow's
20 annuity, a widow's prior service annuity, a minimum annuity, or
21 a child's annuity under this Article.

22 (40 ILCS 5/9-119.1)

23 Sec. 9-119.1. Earned annuity. "Earned annuity": (1) The
24 annuity a participant has accrued as provided in Section

1 9-133.2 or 9-134, disregarding minimum age and service
2 eligibility requirements and without any reduction due to age,
3 or (2) the age and service annuity as provided in Sections
4 9-125 through 9-128, inclusive.

5 (Source: P.A. 98-551, eff. 8-27-13.)

6 (40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)

7 Sec. 9-121.6. Alternative annuity for county officers.

8 (a) Prior to January 1, 2015, any ~~Any~~ county officer
9 elected by vote of the people may elect to establish
10 alternative credits for an alternative annuity by electing in
11 writing to make additional optional contributions in
12 accordance with this Section and procedures established by the
13 board. Such elected county officer may discontinue making the
14 additional optional contributions by notifying the Fund in
15 writing in accordance with this Section and procedures
16 established by the board.

17 Additional optional contributions for the alternative
18 annuity shall be as follows:

19 (1) For service after the option is elected, an
20 additional contribution of 3% of salary shall be
21 contributed to the Fund on the same basis and under the
22 same conditions as contributions required under Sections
23 9-170 and 9-176.

24 (2) For service before the option is elected, an
25 additional contribution of 3% of the salary for the

1 applicable period of service, plus interest at the
2 effective rate from the date of service to the date of
3 payment. All payments for past service must be paid in full
4 before credit is given. No additional optional
5 contributions may be made for any period of service for
6 which credit has been previously forfeited by acceptance of
7 a refund, unless the refund is repaid in full with interest
8 at the effective rate from the date of refund to the date
9 of repayment.

10 (b) In lieu of the retirement annuity otherwise payable
11 under this Article, any county officer elected by vote of the
12 people who (1) has elected to participate in the Fund and has,
13 prior to January 1, 2015, made ~~make~~ additional optional
14 contributions in accordance with this Section, and (2) has
15 attained the minimum age specified below ~~age 60~~ with at least
16 10 years of service credit as an elected county officer, or has
17 attained age 65 with at least 8 years of service credit as an
18 elected county officer, may elect to have his retirement
19 annuity computed as follows:

20 For service as an elected official prior to January 1,
21 2015, 3% of the participant's average annual salary at the time
22 of termination of service for each of the first 8 years of
23 service credit, plus 4% of such average annual salary for each
24 of the next 4 years of service credit, plus 5% of such average
25 annual salary for each year of service credit in excess of 12
26 years, subject to a maximum of 80% of such average annual

1 salary.

2 For service as an elected county officer on or after
3 January 1, 2015, 2.9% of the participant's average annual
4 salary at the time of termination of service for each of the
5 first 8 years of service credit, plus 3.9% of such average
6 annual salary for each of the next 4 years of service credit,
7 plus 4.9% of such average annual salary for each year of
8 service credit in excess of 12 years, subject to a maximum of
9 80% of such average annual salary; except that beginning with
10 service in 2020, in the second year immediately following any
11 year for which the Annual Actuarial Report of the Fund
12 determines that the Fund's actuarial assets are less than 59%
13 of the Fund's actuarial liabilities, the percentage of average
14 annual salary to be used for service credit from that second
15 immediately following year shall be reduced by 0.10% of average
16 annual salary from the percentage otherwise specified in this
17 Section.

18 Beginning January 1, 2015, an elected county officer with
19 at least 10 years of service credit as an elected county
20 officer is not eligible to begin receiving an annuity under
21 this subsection (b) until he or she has attained the following
22 specified minimum age: age 60 if the annuity begins in 2015;
23 age 61 if the annuity begins in 2016 or 2017; age 62 if the
24 annuity begins in 2018 or 2019; age 63 if the annuity begins in
25 2020 or 2021; age 64 if the annuity begins in 2022 or 2023; or
26 age 65 if the annuity begins in 2024 or thereafter.

1 An elected county officer who does not elect to receive an
2 annuity under this Section may elect to receive a refund of the
3 difference between the contributions made under this Section
4 and the contributions that would have been made for such
5 service if it were not as an elected county officer, including
6 interest at the rate established in Section 9-151.

7 To the extent an ~~such~~ elected county officer has made
8 additional optional contributions with respect to only a
9 portion of his years of service credit, his retirement annuity
10 will first be determined in accordance with this Section to the
11 extent such additional optional contributions were made, and
12 then in accordance with the remaining Sections of this Article
13 to the extent of years of service credit with respect to which
14 additional optional contributions were not made.

15 (c) In lieu of the disability benefits otherwise payable
16 under this Article, any county officer elected by vote of the
17 people who (1) has elected to participate in the Fund, and (2)
18 has become permanently disabled and as a consequence is unable
19 to perform the duties of his office, and (3) was making
20 optional contributions in accordance with this Section at the
21 time the disability was incurred, may elect to receive a
22 disability annuity calculated in accordance with the formula in
23 subsection (b). For the purposes of this subsection, such
24 elected county officer shall be considered permanently
25 disabled only if: (i) disability occurs while in service as an
26 elected county officer and is of such a nature as to prevent

1 him from reasonably performing the duties of his office at the
2 time; and (ii) the board has received a written certification
3 by at least 2 licensed physicians appointed by it stating that
4 such officer is disabled and that the disability is likely to
5 be permanent.

6 (d) Refunds of additional optional contributions shall be
7 made on the same basis and under the same conditions as
8 provided under Section 9-164, 9-166 and 9-167. Interest shall
9 be credited at the effective rate on the same basis and under
10 the same conditions as for other contributions. Optional
11 contributions under this Section shall be included in the
12 amount of employee contributions used to compute the tax levy
13 under Section 9-169.

14 (e) The effective date of this plan of optional alternative
15 benefits and contributions shall be January 1, 1988, or the
16 date upon which approval is received from the U.S. Internal
17 Revenue Service, whichever is later. The plan of optional
18 alternative benefits and contributions shall not be available
19 to any former county officer or employee receiving an annuity
20 from the Fund on the effective date of the plan, unless he
21 re-enters service as an elected county officer and renders at
22 least 3 years of additional service after the date of re-entry.

23 (f) Any elected county officer who was entitled to receive
24 a stipend from the State on or after July 1, 2009 and on or
25 before June 30, 2010 may establish earnings credit for the
26 amount of stipend not received, if the elected county official

1 applies in writing to the fund within 6 months after the
2 effective date of this amendatory Act of the 96th General
3 Assembly and pays to the fund an amount equal to (i) employee
4 contributions on the amount of stipend not received, (ii)
5 employer contributions determined by the Board equal to the
6 employer's normal cost of the benefit on the amount of stipend
7 not received, plus (iii) interest on items (i) and (ii) at the
8 actuarially assumed rate.

9 (g) The plan of optional alternative benefits and
10 contributions authorized under this Section applies only to
11 county officers elected by vote of the people on or before
12 January 1, 2008 (the effective date of Public Act 95-654).

13 (h) For the purposes of Section 1-103.1, the changes made
14 to this Section by this amendatory Act of the 98th General
15 Assembly are not limited to persons in service on or after the
16 effective date of this amendatory Act.

17 (Source: P.A. 95-369, eff. 8-23-07; 95-654, eff. 1-1-08;
18 95-876, eff. 8-21-08; 96-961, eff. 7-2-10.)

19 (40 ILCS 5/9-124.1 new)

20 Sec. 9-124.1. Minimum age requirements for certain
21 annuities granted on or after January 1, 2015.

22 (a) Beginning January 1, 2015, eligibility to begin
23 receiving an age and service annuity calculated under Section
24 9-125, 9-126, 9-127, or 9-128 of this Article and the method of
25 calculating that annuity shall be subject to the requirements

1 of this Section.

2 (b) Beginning January 1, 2015, a Tier 1 employee who has
3 less than 30 years of service shall not be entitled to begin
4 receiving an age and service annuity under Section 9-125,
5 9-126, 9-127, or 9-128 unless he or she has attained the
6 following specified minimum age: age 60 if the annuity begins
7 in 2015; age 61 if the annuity begins in 2016 or 2017; age 62 if
8 the annuity begins in 2018 or 2019; age 63 if the annuity
9 begins in 2020 or 2021; age 64 if the annuity begins in 2022 or
10 2023; or age 65 if the annuity begins in 2024 or thereafter.
11 This minimum age requirement is in addition to any age
12 requirement provided under the specified Sections of this
13 Article.

14 (c) Beginning January 1, 2015, a Tier 1 employee who has at
15 least 30 years of service shall not be entitled to begin
16 receiving an age and service annuity under Section 9-125,
17 9-126, 9-127, or 9-128 unless he or she has attained the
18 following specified minimum age: age 50 if the annuity begins
19 in 2015; age 51 if the annuity begins in 2016 or 2017; age 52 if
20 the annuity begins in 2018 or 2019; age 53 if the annuity
21 begins in 2020 or 2021; age 54 if the annuity begins in 2022 or
22 2023; or age 55 if the annuity begins in 2024 or thereafter.
23 This minimum age requirement is in addition to any age
24 requirement provided under the specified Sections of this
25 Article.

26 (d) Beginning January 1, 2015, a Tier 1 employee who has at

1 least 30 years of service, with at least the final 10 years of
2 service as a county security officer, shall not be entitled to
3 begin receiving an age and service annuity under Section 9-125,
4 9-126, 9-127, or 9-128 unless he or she has attained age 50.
5 This minimum age requirement is in addition to any age
6 requirement provided under the specified Sections of this
7 Article.

8 (e) Beginning January 1, 2015, a Tier 1 or Tier 2 county
9 security officer who has at least 10 years of service as a
10 county security officer but does not qualify under subsection
11 (d) shall not be entitled to begin receiving an age and service
12 annuity under Section 9-125, 9-126, 9-127, or 9-128 unless he
13 or she has attained the following specified minimum age: age 60
14 if the annuity begins in 2015; age 61 if the annuity begins in
15 2016 or 2017; or age 62 if the annuity begins in 2018 or
16 thereafter. This minimum age requirement is in addition to any
17 age requirement provided under the specified Sections of this
18 Article.

19 (f) For the purposes of Section 1-103.1, the application of
20 this Section is not limited to persons in service on or after
21 the effective date of this amendatory Act of the 98th General
22 Assembly.

23 (40 ILCS 5/9-128.1) (from Ch. 108 1/2, par. 9-128.1)

24 Sec. 9-128.1. Annuities for members of the County Police
25 Department.

1 (a) In lieu of the regular or minimum annuity or annuities,
2 ~~for~~ any deputy sheriff who is a member of a County Police
3 Department and was recognized as such a member as of December
4 31, 2014, and who has been paying into the Fund at the rate
5 prescribed for members of the County Police Department, he may,
6 upon withdrawal from service after not less than 20 years of
7 service in the position of deputy sheriff as defined below,
8 upon or after attainment of age 55, receive a total annuity
9 equal to 2% for each year of service based upon his ~~highest~~
10 average annual salary ~~for any 4 consecutive years within the~~
11 ~~last 10 years of service immediately preceding the date of~~
12 ~~withdrawal from service,~~ subject to a maximum annuity equal to
13 75% of such average annual salary.

14 (b) Any deputy sheriff who withdraws from the service after
15 July 1, 1979 and was recognized as a deputy sheriff as of
16 December 31, 2014, and who has been paying into the Fund at the
17 rate prescribed for members of the County Police Department,
18 after having attained age 53 in the service with 23 or more
19 years of service credit in the position of deputy sheriff as
20 determined by the County, shall be entitled to an annuity
21 computed as follows if such annuity is greater than that
22 provided in the foregoing paragraphs of this Section 9-128.1:
23 An annuity equal to 50% of his ~~the~~ average annual salary ~~for~~
24 ~~the 4 highest consecutive years of the last 10 years of service~~
25 plus additional annuity equal to 2% of such average annual
26 salary for each completed year of service or fraction thereof

1 rendered after his attainment of age 53 and the completion of
2 23 years of service, plus an additional annuity equal to 1% of
3 such average annual salary for each completed year of service
4 or fraction thereof in excess of 23 years up to age 53.

5 (c) Any deputy sheriff who withdraws from the service after
6 December 31, 1987 and was recognized as a deputy sheriff as of
7 December 31, 2014, and who has been paying into the Fund at the
8 rate prescribed for members of the County Police Department,
9 with 20 or more years of service credit as determined by the
10 County, shall be entitled, upon attainment of age 50, to an
11 annuity computed as follows if such annuity is greater than
12 that provided in the foregoing paragraphs of this Section
13 9-128.1: An annuity equal to 50% of his ~~the~~ average annual
14 salary ~~for the 4 highest consecutive years of the last 10 years~~
15 ~~of service~~, plus additional annuity ~~equal to 2% of such average~~
16 ~~salary~~ for each completed year of service or fraction thereof
17 in excess of 20 years computed at the following rates:-

18 (i) for years of service beginning before January 1,
19 2015, 2.0% of average annual salary;

20 (ii) for years of service beginning on or after January
21 1, 2015, 1.8% of average annual salary unless item (iii)
22 applies;

23 (iii) for years of service to which this item (iii)
24 applies, 1.7% of average annual salary. This item (iii)
25 applies only to years of service in 2020 or thereafter, and
26 only if the Annual Actuarial Report of the Fund for the

1 second immediately preceding year determined that the
2 Fund's actuarial assets were less than 59% of the Fund's
3 actuarial liabilities.

4 (d) (Blank). ~~A deputy sheriff who reaches compulsory~~
5 ~~retirement age and who has less than 23 years of service shall~~
6 ~~be entitled to a minimum annuity equal to an amount determined~~
7 ~~by the product of (1) his years of service and (2) 2% of his~~
8 ~~average salary for the 4 consecutive highest years of salary~~
9 ~~within the last 10 years of service immediately prior to his~~
10 ~~reaching compulsory retirement age.~~

11 (e) Any deputy sheriff who retires after January 1, 1984
12 and elects to receive an annuity under this Section, and who
13 has credits under this Article for service not as a deputy
14 sheriff, shall be entitled to receive, in addition to the
15 amount of annuity otherwise provided under this Section, an
16 additional amount of annuity provided from the totals
17 accumulated to his credit for prior service and age and service
18 annuities for such service not as a deputy sheriff.

19 (f) The term "deputy sheriff" means an employee charged
20 with the duty of law enforcement as a deputy sheriff as
21 specified in Section 1 of "An Act in relation to County Police
22 Departments in certain Counties, creating a County Police
23 Department Merit Board and defining its powers and duties",
24 approved August 5, 1963, who rendered service in such position
25 before and after such date.

26 The terms "deputy sheriff" and "member of a County Police

1 Department" shall also include an elected sheriff of the county
2 who has elected to become a contributor and who has submitted
3 to the board his written election to be included within the
4 provisions of this Section. With respect to any such sheriff,
5 service as the elected sheriff of the county shall be deemed to
6 be service in the position of deputy sheriff for the purposes
7 of this Section provided that the employee contributions
8 therefor are made at the rate prescribed for members of the
9 County Police Department. A sheriff electing to be included
10 under this Section may also elect to have his service as
11 sheriff of the county before the date of such election included
12 as service as a deputy sheriff for the purposes of this
13 Section, by making an additional contribution for each year of
14 such service, equal to the difference between the amount he
15 would have contributed to the Fund during such year had he been
16 contributing at the rate then in effect for members of the
17 County Police Department and the amount actually contributed,
18 plus interest thereon at the rate of 6% per annum from the end
19 of such year to the date of payment.

20 (g) In no case shall an annual annuity provided in this
21 Section 9-128.1 exceed 80% of the average annual salary ~~for any~~
22 ~~4 consecutive years within the last 10 years of service~~
23 ~~immediately preceding the date of withdrawal from service.~~

24 A deputy sheriff may in addition, be entitled to the
25 benefits provided by Section 9-133 or 9-133.1 if he so
26 qualifies under such Sections.

1 (h) A deputy sheriff may elect, between January 1 and
2 January 15, 1983, to transfer his creditable service as a
3 member of the State Employees' Retirement System of Illinois to
4 any Fund established under this Article of which he is a
5 member, and such transferred creditable service shall be
6 included as service for the purpose of calculating his benefits
7 under this Article to the extent that the payment specified in
8 Section 14-105.3 has been received by such Fund.

9 (i) An active deputy sheriff who has at least 15 years of
10 service credit in that capacity may elect to have any or all of
11 his credits under this Article for service not as a deputy
12 sheriff deemed to be credits for service as a deputy sheriff,
13 by filing a written election with the Board, accompanied by
14 payment of an amount to be determined by the Board, equal to
15 (1) the difference between the amount of employee contributions
16 actually contributed by the applicant for such service not as a
17 deputy sheriff, and the amounts that would have been
18 contributed had such contributions been made at the rates
19 applicable to service as a deputy sheriff, plus (2) interest
20 thereon at the rate of 3% per annum, compounded annually, from
21 the date of service to the date of payment.

22 (j) Beginning on the effective date of this amendatory Act
23 of 1996, the terms "deputy sheriff" and "member of a County
24 Police Department" shall also include any chief of the County
25 Police Department or undersheriff of the County Sheriff's
26 Department who has submitted to the board his or her written

1 election to be included within the provisions of this Section.
2 With respect to any such police chief or undersheriff, service
3 as a chief of the County Police Department or an undersheriff
4 of the County Sheriff's Department shall be deemed to be
5 service in the position of deputy sheriff for the purposes of
6 this Section, provided that the employee contributions
7 therefor are made at the rate prescribed for members of the
8 County Police Department.

9 A chief of the County Police Department or undersheriff of
10 the County Sheriff's Department electing to be included under
11 this Section may also elect to have his or her service as chief
12 of the County Police Department or undersheriff of the County
13 Sheriff's Department before the date of the election included
14 as service as a deputy sheriff for the purposes of this
15 Section, by making an additional contribution for each year of
16 such service, equal to the difference between the amount that
17 he or she would have contributed to the Fund during that year
18 at the rate then in effect for members of the County Police
19 Department and the amount actually contributed, plus interest
20 thereon at the rate of 6% per year, compounded annually, from
21 the end of that year to the date of payment.

22 A chief of the County Police Department or undersheriff of
23 the County Sheriff's Department who has elected to be included
24 within the provisions of this Section may transfer to this Fund
25 credits and creditable service accumulated under any pension
26 fund or retirement system established under Article 3, 7, 8,

1 14, or 15, upon payment to the Fund of (1) the amount by which
2 the employee contributions that would have been required if he
3 or she had participated in this Fund during the period for
4 which credit is being transferred, plus interest, plus an equal
5 amount for employer contributions, exceeds the amounts
6 actually transferred from that other fund or system to this
7 Fund, plus (2) interest thereon at 6% per year, compounded
8 annually, from the date of transfer to the date of payment.

9 A chief of the County Police Department or undersheriff of
10 the County Sheriff's Department may purchase credits and
11 creditable service for up to 2 years of public employment
12 rendered to an out-of-state public agency. Payment for that
13 service shall be at the applicable rates in effect for employee
14 and employer contributions during the period for which credit
15 is being purchased, plus interest at the rate of 6% per year,
16 compounded annually, from the date of service until the date of
17 payment.

18 (k) For the purposes of Section 1-103.1, the changes made
19 to this Section by this amendatory Act of the 98th General
20 Assembly are not limited to persons in service on or after the
21 effective date of this amendatory Act.

22 (Source: P.A. 89-643, eff. 8-9-96.)

23 (40 ILCS 5/9-132.1 new)

24 Sec. 9-132.1. Hedge against inflation; adjusted annual
25 increase in annuity.

1 (a) In the event of a conflict, the provisions of this
2 Section are intended to control over any contrary provision of
3 this Article or of Section 1-160 of this Code; in addition,
4 subsection (f) of this Section is intended to control over
5 subsections (c), (d), and (e).

6 (b) As used in this Section:

7 "Consumer price index-u" means the index published by the
8 Bureau of Labor Statistics of the United States Department of
9 Labor that measures the average change in prices of goods and
10 services purchased by all urban consumers, United States city
11 average, all items, 1982-84 = 100. The new amount resulting
12 from each annual adjustment shall be determined by the Public
13 Pension Division of the Department of Insurance and made
14 available to the retirement board by November 1 of each year.

15 "Compound calculation" means that the increase is
16 calculated as a percentage of the annuity payable at the time
17 of the increase, including all previous increases in that
18 annuity.

19 "Simple calculation" means that the increase is calculated
20 as a percentage of the amount of annuity originally granted,
21 excluding any previous increases in that annuity.

22 (c) For a Tier 1 annuitant who began receiving an annuity
23 under this Article on or before January 1, 2015 (or after that
24 date if the annuity derives from the death of a Tier 1
25 annuitant who began receiving an annuity on or before that
26 date), the rate of annual increase in that annuity shall remain

1 at 3% in a compound calculation, except as follows:

2 (1) In 2016, no such annuitant shall receive an annual
3 increase.

4 (2) Beginning with the annual increase in 2020, in the
5 second year immediately following any year for which the
6 Annual Actuarial Report of the Fund determines that the
7 Fund's actuarial assets are less than 59% of the Fund's
8 actuarial liabilities, the rate of annual increase in that
9 annuity shall be 0%.

10 (d) For a Tier 1 annuitant who first receives an annuity
11 after January 1, 2015 and is not subject to subsection (c), the
12 rate of annual increase in that annuity through the year 2019
13 shall be the greater of 2% or the rate of one-half the annual
14 unadjusted percentage increase in the consumer price index-u
15 for the 12 months ending with the September preceding the date
16 of the increase, but not to exceed 4%, in a compound
17 calculation. However, no such annuitant shall receive an annual
18 increase in annuity in 2016.

19 Beginning with the annual increase in 2020, the rate of
20 annual increase in that annuity shall depend on the funded
21 ratio of the Fund as follows:

22 (1) In the second year immediately following any year
23 for which the Annual Actuarial Report of the Fund
24 determines that the Fund's actuarial assets are equal to or
25 greater than 59% but less than 100% of the Fund's actuarial
26 liabilities, the rate of annual increase in that annuity

1 shall be the greater of 2% or the rate of one-half the
2 annual unadjusted percentage increase in the consumer
3 price index-u for the 12 months ending with the September
4 preceding the date of the increase, but not to exceed 4%,
5 in a compound calculation.

6 (2) In the second year immediately following any year
7 for which the Annual Actuarial Report of the Fund
8 determines that the Fund's actuarial assets are equal to or
9 greater than 100% of the Fund's actuarial liabilities, the
10 rate of annual increase in that annuity shall be the
11 greater of 3% or the rate of one-half the annual unadjusted
12 percentage increase in the consumer price index-u for the
13 12 months ending with the September preceding the date of
14 the increase, but not to exceed 4%, in a compound
15 calculation.

16 (3) In the second year immediately following any year
17 for which the Annual Actuarial Report of the Fund
18 determines that the Fund's actuarial assets are less than
19 59% of the Fund's actuarial liabilities, the rate of annual
20 increase in that annuity shall be 0%.

21 (e) For a Tier 2 annuitant, the rate of annual increase in
22 that annuity through the year 2019 shall be the lesser of 3% or
23 the rate of one-half the annual unadjusted percentage increase
24 in the consumer price index-u for the 12 months ending with the
25 September preceding the date of the increase (but not not less
26 than zero), in a simple calculation. However, no such annuitant

1 shall receive an annual increase in annuity in 2016.

2 Beginning with the annual increase in 2020, the rate of
3 annual increase in that annuity shall depend on the funded
4 ratio of the Fund as follows:

5 (1) In the second year immediately following any year
6 for which the Annual Actuarial Report of the Fund
7 determines that the Fund's actuarial assets are equal to or
8 greater than 59% but less than 100% of the Fund's actuarial
9 liabilities, the rate of annual increase in that annuity
10 shall be the lesser of 3% or the rate of one-half the
11 annual unadjusted percentage increase in the consumer
12 price index-u for the 12 months ending with the September
13 preceding the date of the increase (but not not less than
14 zero), in a simple calculation.

15 (2) In the second year immediately following any year
16 for which the Annual Actuarial Report of the Fund
17 determines that the Fund's actuarial assets are equal to or
18 greater than 100% of the Fund's actuarial liabilities, the
19 rate of annual increase in that annuity shall be the
20 greater of 2% or the rate of one-half the annual unadjusted
21 percentage increase in the consumer price index-u for the
22 12 months ending with the September preceding the date of
23 the increase, but not to exceed 4%, in a simple
24 calculation.

25 (3) In the second year immediately following any year
26 for which the Annual Actuarial Report of the Fund

1 determines that the Fund's actuarial assets are less than
2 59% of the Fund's actuarial liabilities, the rate of annual
3 increase in that annuity shall be 0%.

4 (f) Notwithstanding the foregoing provisions of this
5 Section, the following provisions apply as specified to certain
6 initial annual increases in annuity granted on or after January
7 1, 2015:

8 (1) A Tier 1 employee who retires on annuity and first
9 receives an annual increase in that annuity on or after
10 January 1, 2015 shall not receive the initial annual
11 increase in that annuity until the first day of January
12 immediately following the 24-month period that follows the
13 employee's receipt of the annuity.

14 (2) A Tier 1 employee who retires on annuity before age
15 60 with less than 30 years of creditable service, and who
16 first receives an annuity after January 1, 2015, shall not
17 receive the initial annual increase in that annuity until
18 the later of (i) January of the year immediately following
19 the year in which he or she attains age 60 or (ii) the
20 first day of January immediately following the 24-month
21 period that follows the participant's receipt of the
22 annuity.

23 (3) A Tier 2 employee who retires on annuity and first
24 receives an annual increase in that annuity on or after
25 January 1, 2015 shall receive the initial annual increase
26 in that annuity on the January 1 occurring either on or

1 after the attainment of age 65 or the age of general
2 eligibility for Medicare under the laws of the United
3 States with respect to a person of the relevant birth year,
4 or the second anniversary of the annuity start date,
5 whichever is later.

6 (4) The initial annual increase in an annuity payable
7 to a Tier 1 or Tier 2 employee who first receives an annual
8 increase in annuity on or after January 1, 2015 shall be
9 discounted on a monthly pro rata basis according to the
10 month in which the employee first received the annuity,
11 based on 1/12th increments falling between 0/12ths for an
12 annuity beginning in January and 11/12ths for an annuity
13 beginning in December.

14 (g) For the purposes of Section 1-103.1, the application of
15 this Section is not limited to persons in service on or after
16 the effective date of this amendatory Act of the 98th General
17 Assembly.

18 (40 ILCS 5/9-133) (from Ch. 108 1/2, par. 9-133)

19 Sec. 9-133. Automatic increase in annuity.

20 Beginning January 1, 2015, this Section is subject to
21 Section 9-132.1, and to the extent that there is a conflict,
22 Section 9-132.1 controls. For the purposes of Section 1-103.1,
23 the application of this provision is not limited to persons in
24 service on or after the effective date of this amendatory Act
25 of the 98th General Assembly.

1 (a) An employee who retired or retires from service after
2 December 31, 1959, having attained age 60 or more or, beginning
3 January 1, 1991, having attained 30 or more years of creditable
4 service, shall, in the month of January of the year following
5 the year in which the first anniversary of retirement occurs,
6 have his then fixed and payable monthly annuity increased by 1
7 1/2%, and such first fixed annuity as granted at retirement
8 increased by a further 1 1/2% in January of each year
9 thereafter. Beginning with January of the year 1972, such
10 increases shall be at the rate of 2% in lieu of the aforesaid
11 specified 1 1/2%. Beginning with January of the year 1982, such
12 increases shall be at the rate of 3% in lieu of the aforesaid
13 specified 2%. Beginning January 1, 1998, these increases shall
14 be at the rate of 3% of the current amount of the annuity,
15 including any previous increases received under this Article,
16 without regard to whether the annuitant is in service on or
17 after the effective date of this amendatory Act of 1997.

18 An employee who retires on annuity before age 60 and,
19 beginning January 1, 1991, with less than 30 years of
20 creditable service shall receive such increases beginning with
21 January of the year immediately following the year in which he
22 attains the age of 60 years. An employee who retires on annuity
23 before age 60 and before January 1, 1991, with at least 30
24 years of creditable service, shall be entitled to receive the
25 first increase under this subsection no later than January 1,
26 1993.

1 For an employee who, in accordance with the provisions of
2 Section 9-108.1 of this Act, shall have become a member of the
3 State System established under Article 14 on February 1, 1974,
4 the first such automatic increase shall begin in January of
5 1975.

6 (b) Subsection (a) is not applicable to an employee
7 retiring and receiving a term annuity, as defined in this Act,
8 nor to any otherwise qualified employee who retires before he
9 makes employee contributions (at the 1/2 of 1% rate as provided
10 in this Section) for this additional annuity for not less than
11 the equivalent of one full year. Such employee, however, shall
12 make arrangement to pay to the fund a balance of such
13 contributions, based on his final salary, as will bring such
14 1/2 of 1% contributions, computed without interest, to the
15 equivalent of one year's contributions.

16 Beginning with the month of January, 1960, each employee
17 shall contribute by means of salary deductions 1/2 of 1% of
18 each salary payment, concurrently with and in addition to the
19 employee contributions otherwise provided for annuity
20 purposes.

21 Each such additional contribution shall be used, together
22 with county contributions, to defray the cost of the specified
23 annuity increments.

24 Such additional employee contributions are not refundable,
25 except to an employee who withdraws and applies for refund
26 under this Article, or applies for annuity, and also in cases

1 where a term annuity becomes payable. In such cases his
2 contributions shall be refunded, without interest.

3 (Source: P.A. 95-369, eff. 8-23-07.)

4 (40 ILCS 5/9-133.1) (from Ch. 108 1/2, par. 9-133.1)

5 Sec. 9-133.1. Automatic increases in annuity for certain
6 heretofore retired participants.

7 Beginning January 1, 2015, this Section is subject to
8 Section 9-132.1, and to the extent that there is a conflict,
9 Section 9-132.1 controls. For the purposes of Section 1-103.1,
10 the application of this provision is not limited to persons in
11 service on or after the effective date of this amendatory Act
12 of the 98th General Assembly.

13 A retired employee retired at age 55 or over and who (a) is
14 receiving annuity based on a service credit of 20 or more
15 years, and (b) does not qualify for the automatic increases in
16 annuity provided for in Sec. 9-133 of this Article, and (c)
17 elects to make a contribution to the Fund at a time and manner
18 prescribed by the Retirement Board, of a sum equal to 1% of the
19 final average monthly salary forming the basis of the
20 calculation of their annuity multiplied by years of credited
21 service, or 1% of their final monthly salary multiplied by
22 years of credited service in any case where the final average
23 salary is not used in the calculation, shall have his original
24 fixed and payable monthly amount of annuity increased in
25 January of the year following the year in which he attains the

1 age of 65 years, if such age of 65 years is attained in the year
2 1969 or later, by an amount equal to 1 1/2%, and by an equal
3 additional 1 1/2% in January of each year thereafter. Beginning
4 with January of the year 1972, such increases shall be at the
5 rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
6 with January of the year 1982, such increases shall be at the
7 rate of 3% in lieu of the aforesaid specified 2%. Beginning
8 January 1, 1998, these increases shall be at the rate of 3% of
9 the current amount of the annuity, including any previous
10 increases received under this Article, without regard to
11 whether the annuitant is in service on or after the effective
12 date of this amendatory Act of 1997.

13 In those cases in which the retired employee receiving
14 annuity has attained the age of 66 or more years in the year
15 1969, he shall have such annuity increased in January of the
16 year 1970 by an amount equal to 1 1/2% multiplied by the number
17 equal to the number of months of January elapsing from and
18 including January of the year immediately following the year he
19 attained the age of 65 years if retired at or prior to age 65,
20 or from and including January of the year immediately following
21 the year of retirement if retired at an age greater than 65
22 years, to and including January of the year 1970, and by an
23 equal additional 1 1/2% in January of each year thereafter.
24 Beginning with January of the year 1972, such increases shall
25 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.
26 Beginning with January of the year 1982, such increases shall

1 be at the rate of 3% in lieu of the aforesaid specified 2%.
2 Beginning January 1, 1998, these increases shall be at the rate
3 of 3% of the current amount of the annuity, including any
4 previous increases received under this Article, without regard
5 to whether the annuitant is in service on or after the
6 effective date of this amendatory Act of 1997.

7 To defray the annual cost of such increases, the annual
8 interest income of the Fund, accruing from investments held by
9 the Fund, exclusive of gains or losses on sales or exchanges of
10 assets during the year, over and above 4% a year, shall be used
11 to the extent necessary and available to finance the cost of
12 such increases for the following year.

13 (Source: P.A. 95-369, eff. 8-23-07.)

14 (40 ILCS 5/9-133.2 new)

15 Sec. 9-133.2. Minimum annuity - annuity beginning on or
16 after January 1, 2015.

17 (a) Notwithstanding any other provision of this Article,
18 beginning January 1, 2015, a Tier 1 employee with 10 or more
19 years of service who meets the minimum age requirement of this
20 subsection may elect to receive, in lieu of any other
21 retirement annuity provided under this Article, an annuity
22 calculated under this subsection.

23 The annuity shall begin no earlier than upon attainment of
24 the following specified minimum age: age 50 if the annuity
25 begins in 2015; age 51 if the annuity begins in 2016 or 2017;

1 age 52 if the annuity begins in 2018 or 2019; age 53 if the
2 annuity begins in 2020 or 2021; age 54 if the annuity begins in
3 2022 or 2023; or age 55 if the annuity begins in 2024 or
4 thereafter.

5 The annuity shall be equal to 2.40% of the employee's
6 average annual salary for each year of service before January
7 1, 2015, and 2.30% of that average annual salary for each year
8 of service on or after January 1, 2015, except that: (i) these
9 percentages are subject to reduction under subsection (e) of
10 this Section; (ii) the annuity shall in no event exceed 80% of
11 final average salary; and (iii) if the employee has less than
12 30 years of service, the annuity shall be reduced by 0.5% for
13 each full month or remaining fraction thereof that the
14 employee's attained age when the annuity is to begin is less
15 than age 60 for an annuity beginning in 2015, less than age 61
16 for an annuity beginning in 2016 or 2017, less than age 62 for
17 an annuity beginning in 2018 or 2019, less than age 63 for an
18 annuity beginning in 2020 or 2021, less than age 64 for an
19 annuity beginning in 2022 or 2023, or less than age 65 for an
20 annuity beginning in 2024 or thereafter.

21 (b) Notwithstanding any other provision of this Article or
22 Section 1-160, beginning January 1, 2015, a Tier 2 employee
23 with 10 or more years of service may elect to receive, in lieu
24 of any other retirement annuity provided under this Article, an
25 annuity calculated under this subsection, to begin no earlier
26 than upon attainment of age 62.

1 The annuity shall be equal to 2.40% of the employee's
2 average annual salary for each year of service before January
3 1, 2015, and 2.30% of that average annual salary for each year
4 of service on or after January 1, 2015, except that: (i) these
5 percentages are subject to reduction under subsection (e) of
6 this Section; (ii) the annuity shall in no event exceed 80% of
7 final average salary; and (iii) the annuity shall be reduced by
8 0.5% for each full month or remaining fraction thereof that the
9 employee's attained age when the annuity is to begin is less
10 than age 65 or the age of general eligibility for Medicare
11 under the laws of the United States with respect to a person of
12 the relevant birth year, whichever is greater.

13 (c) Notwithstanding any other provision of this Article,
14 beginning January 1, 2015, a Tier 1 employee who is a county
15 security officer with at least the final 10 years of service as
16 a county security officer may elect to receive, in lieu of any
17 other retirement annuity provided under this Article, an
18 annuity calculated under this subsection, to begin no earlier
19 than upon attainment of age 50.

20 The annuity shall be equal to 2.40% of the employee's
21 average annual salary for each year of service before January
22 1, 2015, and 2.30% of that average annual salary for each year
23 of service on or after January 1, 2015, except that: (i) these
24 percentages are subject to reduction under subsection (e) of
25 this Section; (ii) the annuity shall in no event exceed 80% of
26 final average salary; and (iii) if the employee has less than

1 30 years of service, the annuity shall be reduced by 0.5% for
2 each full month or remaining fraction thereof that the
3 employee's attained age when the annuity is to begin is less
4 than age 60 for an annuity beginning in 2015, less than age 61
5 for an annuity beginning in 2016 or 2017, or less than age 62
6 for an annuity beginning in 2018 or thereafter.

7 (d) Notwithstanding any other provision of law, beginning
8 January 1, 2015, a Tier 2 employee who is a county security
9 officer with at least the final 10 years of service as a county
10 security officer may elect to receive, in lieu of any other
11 retirement annuity provided under this Article or Section
12 1-160, an annuity calculated under this subsection, to begin no
13 earlier than upon attainment of age 62.

14 The annuity shall be equal to 2.40% of the employee's
15 average annual salary for each year of service prior to January
16 1, 2015, and 2.30% of that average annual salary for each year
17 of service on or after January 1, 2015, except that: (i) these
18 percentages are subject to reduction under subsection (e) of
19 this Section; and (ii) the annuity shall in no event exceed 80%
20 of final average salary.

21 (e) Beginning with service in 2020, in the second year
22 immediately following any year for which the Annual Actuarial
23 Report of the Fund determines that the Fund's actuarial assets
24 are less than 59% of the Fund's actuarial liabilities, the
25 percentage of average annual salary to be used for service
26 credit from that second immediately following year shall be

1 2.20% of average annual salary instead of the percentage
2 otherwise specified in this Section.

3 (f) For the purposes of Section 1-103.1, the application of
4 this Section is not limited to persons in service on or after
5 the effective date of this amendatory Act of the 98th General
6 Assembly.

7 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)
8 Sec. 9-134. Minimum annuity - Additional provisions =
9 Annuity beginning before January 1, 2015.

10 Notwithstanding any other provision of this Article, this
11 Section does not apply to an annuity that begins on or after
12 January 1, 2015. For the purposes of Section 1-103.1,
13 application of this provision is not limited to persons in
14 service on or after the effective date of this amendatory Act
15 of the 98th General Assembly.

16 (a) An employee who withdraws after July 1, 1957 at age 60
17 or more with 20 or more years of service, for whom the amount
18 of age and service and prior service annuity combined is less
19 than the amount stated in this Section from the date of
20 withdrawal, instead of all annuities otherwise provided in this
21 Article, is entitled to receive an annuity for life of an
22 amount equal to 1 2/3% for each year of service, of his highest
23 average annual salary for any 5 consecutive years within the
24 last 10 years of service immediately preceding the date of
25 withdrawal; provided that in the case of any employee who

1 withdraws on or after July 1, 1971, such employee age 60 or
2 over with 20 or more years of service, or who withdraws on or
3 after January 1, 1982 and on or after attainment of age 65 with
4 10 or more years of service, shall instead receive an annuity
5 for life equal to 1.67% for each of the first 10 years of
6 service; 1.90% for each of the next 10 years of service; 2.10%
7 for each year of service in excess of 20 but not exceeding 30;
8 and 2.30% for each year of service in excess of 30, based on
9 the highest average annual salary for any 4 consecutive years
10 within the last 10 years of service immediately preceding the
11 date of withdrawal.

12 An employee who withdraws after July 1, 1957, but prior to
13 January 1, 1988, with 20 or more years of service, before age
14 60 is entitled to annuity, to begin not earlier than age 55, if
15 under such age at withdrawal, as computed in the last preceding
16 paragraph, reduced 1/2 of 1% for each full month or fractional
17 part thereof that his attained age when annuity is to begin is
18 less than 60 to the end that the total reduction at age 55
19 shall be 30%, except that an employee retiring at age 55 or
20 over but less than age 60, having at least 35 years of service,
21 shall not be subject to the reduction in his retirement annuity
22 because of retirement below age 60.

23 An employee who withdraws on or after January 1, 1988, with
24 20 or more years of service and before age 60, is entitled to
25 annuity as computed above, to begin not earlier than age 50 if
26 under such age at withdrawal, reduced 1/2 of 1% for each full

1 month or fractional part thereof that his attained age when
2 annuity is to begin is less than 60, to the end that the total
3 reduction at age 50 shall be 60%, except that an employee
4 retiring at age 50 or over but less than age 60, having at
5 least 30 years of service, shall not be subject to the
6 reduction in retirement annuity because of retirement below age
7 60.

8 An employee who withdraws on or after January 1, 1992 but
9 before January 1, 1993, at age 60 or over with 5 or more years
10 of service, may elect, in lieu of any other employee annuity
11 provided in this Section, to receive an annuity for life equal
12 to 2.20% for each of the first 20 years of service, and 2.40%
13 for each year of service in excess of 20, based on the highest
14 average annual salary for any 4 consecutive years within the
15 last 10 years of service immediately preceding the date of
16 withdrawal. An employee who withdraws on or after January 1,
17 1992, but before January 1, 1993, on or after attainment of age
18 55 but before attainment of age 60 with 5 or more years of
19 service, is entitled to elect such annuity, but the annuity
20 shall be reduced 0.25% for each full month or fractional part
21 thereof that his attained age when the annuity is to begin is
22 less than age 60, to the end that the total reduction at age 55
23 shall be 15%, except that an employee retiring at age 55 or
24 over but less than age 60, having at least 30 years of service,
25 shall not be subject to the reduction in retirement annuity
26 because of retirement below age 60. This annuity benefit

1 formula shall only apply to those employees who are age 55 or
2 over prior to January 1, 1993, and who elect to withdraw at age
3 55 or over on or after January 1, 1992 but before January 1,
4 1993.

5 An employee who withdraws on or after July 1, 1996 but
6 before August 1, 1996, at age 55 or over with 8 or more years of
7 service, may elect, in lieu of any other employee annuity
8 provided in this Section, to receive an annuity for life equal
9 to 2.20% for each of the first 20 years of service, and 2.40%
10 for each year of service in excess of 20, based on the highest
11 average annual salary for any 4 consecutive years within the
12 last 10 years of service immediately preceding the date of
13 withdrawal, but the annuity shall be reduced by 0.25% for each
14 full month or fractional part thereof that the annuitant's
15 attained age when the annuity is to begin is less than age 60,
16 unless the annuitant has at least 30 years of service.

17 The maximum annuity under this paragraph (a) shall not
18 exceed 70% of highest average annual salary for any 5
19 consecutive years within the last 10 years of service in the
20 case of an employee who withdraws prior to July 1, 1971, and
21 75% of the highest average annual salary for any 4 consecutive
22 years within the last 10 years of service immediately preceding
23 the date of withdrawal if withdrawal takes place on or after
24 July 1, 1971 and prior to January 1, 1988, and 80% of the
25 highest average annual salary for any 4 consecutive years
26 within the last 10 years of service immediately preceding the

1 date of withdrawal if withdrawal takes place on or after
2 January 1, 1988. Fifteen hundred dollars shall be considered
3 the minimum amount of annual salary for any year, and the
4 maximum shall be his salary as defined in this Article, except
5 that for the years before 1957 and subsequent to 1952 the
6 maximum annual salary to be considered shall be \$6,000, and for
7 any year before the year 1953, \$4,800.

8 (b) Any employee who withdraws on or after July 1, 1985 but
9 prior to January 1, 1988, at age 60 or over with 10 or more
10 years of service, may elect in lieu of the benefit in paragraph
11 (a) to receive an annuity for life equal to 2.00% for each year
12 of service, based on the highest average annual salary for any
13 4 consecutive years within the last 10 years of service
14 immediately preceding the date of withdrawal. An employee who
15 withdraws on or after July 1, 1985, but prior to January 1,
16 1988, with 10 or more years of service, but before age 60, is
17 entitled to elect such annuity, to begin not earlier than age
18 55, but the annuity shall be reduced 0.5% for each full month
19 or fractional part thereof that his attained age when the
20 annuity is to begin is less than 60, to the end that the total
21 reduction at age 55 shall be 30%; except that an employee
22 retiring at age 55 or over but less than age 60, having at
23 least 30 years of service, shall not be subject to the
24 reduction in retirement annuity because of retirement below age
25 60.

26 An employee who withdraws on or after January 1, 1988, at

1 age 60 or over with 10 or more years of service, may elect, in
2 lieu of the benefit in paragraph (a), to receive an annuity for
3 life equal to 2.20% for each of the first 20 years of service,
4 and 2.4% for each year of service in excess of 20, based on the
5 highest average annual salary for any 4 consecutive years
6 within the last 10 years of service immediately preceding the
7 date of withdrawal. An employee who withdraws on or after
8 January 1, 1988, with 10 or more years of service, but before
9 age 60, is entitled to elect such annuity, to begin not earlier
10 than age 50, but the annuity shall be reduced 0.5% for each
11 full month or fractional part thereof that his attained age
12 when the annuity is to begin is less than 60, to the end that
13 the total reduction at age 50 shall be 60%, except that an
14 employee retiring at age 50 or over but less than age 60,
15 having at least 30 years of service, shall not be subject to
16 the reduction in retirement annuity because of retirement below
17 age 60.

18 An employee who withdraws on or after June 30, 2002 with 10
19 or more years of service may elect, in lieu of any other
20 retirement annuity provided under this Article, to receive an
21 annuity for life, beginning no earlier than upon attainment of
22 age 50, equal to 2.40% of his or her highest average annual
23 salary for any 4 consecutive years within the last 10 years of
24 service immediately preceding withdrawal, for each year of
25 service. If the employee has less than 30 years of service, the
26 annuity shall be reduced by 0.5% for each full month or

1 remaining fraction thereof that the employee's attained age
2 when the annuity is to begin is less than 60.

3 The maximum annuity under this paragraph (b) shall not
4 exceed 75% of the highest average annual salary for any 4
5 consecutive years within the last 10 years of service
6 immediately preceding the date of withdrawal if withdrawal
7 occurs prior to January 1, 1988, or 80% of the highest average
8 annual salary for any 4 consecutive years within the last 10
9 years of service immediately preceding the date of withdrawal
10 if withdrawal takes place on or after January 1, 1988.

11 The provisions of this paragraph (b) do not apply to any
12 former County employee receiving an annuity from the fund, who
13 re-enters service as a County employee, unless he renders at
14 least 3 years of additional service after the date of re-entry.

15 (c) For an employee receiving disability benefit, the
16 salary for annuity purposes under paragraph (a) or (b) of this
17 Section shall, for all periods of disability benefit subsequent
18 to the year 1956, be the amount on which his disability benefit
19 was based.

20 (d) A county employee with 20 or more years of service,
21 whose entire disability benefit credit period expires before
22 attainment of age 50 (age 55 if expiration occurs before
23 January 1, 1988), while still disabled for service is entitled
24 upon withdrawal to the larger of:

- 25 (1) The minimum annuity provided above, assuming that
26 he is then age 50 (age 55 if expiration occurs before

1 January 1, 1988), and reducing such annuity to its
2 actuarial equivalent at his attained age on such date, or

3 (2) the annuity provided from his age and service and
4 prior service annuity credits.

5 (e) The minimum annuity provisions above do not apply to
6 any former county employee receiving an annuity from the fund,
7 who re-enters service as a county employee, unless he renders
8 at least 3 years of additional service after the date of
9 re-entry.

10 (f) Any employee in service on July 1, 1947, or who enters
11 service thereafter before attaining age 65 and withdraws after
12 age 65 with less than 10 years of service for whom the annuity
13 has been fixed under the foregoing Sections of this Article,
14 shall, instead of the annuity so fixed, receive an annuity as
15 follows:

16 Such amount as he could have received had the accumulated
17 amounts for annuity been improved with interest at the
18 effective rate to the date of withdrawal, or to attainment of
19 age 70, whichever is earlier, and had the county contributed to
20 such earlier date for age and service annuity the amount that
21 it would have contributed had he been under age 65, after the
22 date his annuity was fixed in accordance with this Article, and
23 assuming his annuity were computed from such accumulations as
24 of his age on such earlier date. However those employees who
25 before July 1, 1953, made additional contributions in
26 accordance with this Article, the annuity so computed under

1 this paragraph shall not exceed the annuity which would be
2 payable under the other provisions of this Section if the
3 employee concerned was credited with 20 years of service and
4 would qualify for annuity thereunder.

5 (g) Instead of the annuity provided in this or any other
6 Section of this Article, an employee having attained age 65
7 with at least 15 years of service may elect to receive a
8 minimum annual annuity for life equal to 1% of the highest
9 average annual salary for any 4 consecutive years within the
10 last 10 years of service immediately preceding retirement for
11 each year of service, plus the sum of \$25 for each year of
12 service provided that no such minimum annual annuity may be
13 greater than 60% of such highest average annual salary.

14 (h) The annuity is payable in equal monthly installments.

15 (i) If, by operation of law, a function of a governmental
16 unit, as defined by Section 20-107 of this Code, is transferred
17 in whole or in part to the county in which this Article 9 is
18 created as set forth in Section 9-101, and employees of the
19 governmental unit are transferred as a class to such county,
20 the earnings credits in the retirement system covering the
21 governmental unit which have been validated under Section
22 20-109 of this Code shall be considered in determining the
23 highest average annual salary for purposes of this Section
24 9-134.

25 (j) The annuity being paid to an employee annuitant on July
26 1, 1988, shall be increased on that date by 1% for each full

1 year that has elapsed from the date the annuity began.

2 (k) Notwithstanding anything to the contrary in this
3 Article 9, Section 20-131 shall not apply to an employee who
4 withdraws on or after January 1, 1988, but prior to attaining
5 age 55. Therefore, no employee shall be entitled to elect to
6 have the alternative formula previously set forth in Section
7 20-122 prior to the amendatory Act of 1975 apply to any
8 annuity, the payment of which commenced after January 1, 1988,
9 but prior to such employee's attainment of age 55.

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

11 (40 ILCS 5/9-146.2)

12 Sec. 9-146.2. Automatic annual increase in widow's
13 annuity.

14 Beginning January 1, 2015, this Section is subject to
15 Section 9-132.1, and to the extent that there is a conflict,
16 Section 9-132.1 controls. For the purposes of Section 1-103.1,
17 the application of this provision is not limited to persons in
18 service on or after the effective date of this amendatory Act
19 of the 98th General Assembly.

20 (a) Every widow's annuity, other than a term annuity, shall
21 be increased on January 1, 1998 or the January 1 occurring on
22 or immediately after the first anniversary of the deceased
23 employee's death, whichever occurs later, by an amount equal to
24 3% of the amount of the annuity.

25 On each January 1 after the date of the initial increase

1 under this Section, the widow's annuity shall be increased by
2 an amount equal to 3% of the amount of the widow's annuity
3 payable at the time of the increase, including any increases
4 previously granted under this Article.

5 (b) Limitations on the maximum amount of widow's annuity
6 imposed under Section 9-150 do not apply to the annual
7 increases provided under this Section.

8 (c) The increases provided under this Section also apply to
9 compensation annuities and supplemental annuities payable
10 under Section 9-147. The increases provided under this Section
11 do not apply to term annuities.

12 (Source: P.A. 90-32, eff. 6-27-97.)

13 (40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

14 Sec. 9-169. Financing - Tax levy.

15 (a) For each fiscal year prior to 2016, the ~~The~~ county
16 board shall levy a tax annually upon all taxable property in
17 the county at the rate that will produce a sum which, when
18 added to the amounts deducted from the salaries of the
19 employees or otherwise contributed by them is sufficient for
20 the requirements of this Article.

21 For the years before 1962 the tax rate shall be as provided
22 in "The 1925 Act". For the years 1962 and 1963 the tax rate
23 shall be not more than .0200 per cent; for the years 1964 and
24 1965 the tax rate shall be not more than .0202 per cent; for
25 the years 1966 and 1967 the tax rate shall be not more than

1 .0207 per cent; for the year 1968 the tax rate shall be not
2 more than .0220 per cent; for the year 1969 the tax rate shall
3 be not more than .0233 per cent; for the year 1970 the tax rate
4 shall be not more than .0255 per cent; for the year 1971 the
5 tax rate shall be not more than .0268 per cent of the value, as
6 equalized or assessed by the Department of Revenue upon all
7 taxable property in the county.

8 Beginning with the year 1972 and for each year thereafter
9 through 2015, the county shall levy a tax annually at a rate on
10 the dollar of the value, as equalized or assessed by the
11 Department of Revenue of all taxable property within the county
12 that will produce, when extended, not to exceed an amount equal
13 to the total amount of contributions made by the employees to
14 the fund in the calendar year 2 years prior to the year for
15 which the annual applicable tax is levied multiplied by .8 for
16 the years 1972 through 1976; by .8 for the year 1977; by .87
17 for the year 1978; by .94 for the year 1979; by 1.02 for the
18 year 1980 and by 1.10 for the year 1981 and by 1.18 for the year
19 1982 and by 1.36 for the year 1983 and by 1.54 for the year 1984
20 and for each year thereafter through 2015.

21 Beginning with the year 2016 and for each year thereafter,
22 the county may levy a tax annually at a rate on the dollar of
23 the value, as equalized or assessed by the Department of
24 Revenue, of all taxable property within the County that will
25 produce, when extended, not to exceed an amount equal to the
26 total amount of County contributions required for that year

1 under subsection (a-5), (a-10), (a-15), or (a-20), whichever is
2 applicable.

3 (a-5) For each of years 2016 and 2017, the County shall
4 contribute to the Fund, from any permissible source, an amount
5 that is no less than 1.90 multiplied by the amount that would
6 have been contributed by employees in the calendar year 2 years
7 prior if they had contributed at the rate of 10.5% of the
8 salary upon which they actually contributed pension
9 contributions.

10 (a-10) For each of years 2018 and 2019, the County shall
11 contribute to the Fund, from any permissible source, an amount
12 that is no less than the amount contributed by employees in the
13 calendar year 2 years prior multiplied by 1.90, as certified by
14 the Retirement Board.

15 (a-15) For year 2020 and for each year thereafter, the
16 County shall contribute to the Fund, from any permissible
17 source, the greater of: (i) an amount that is no less than the
18 amount contributed by employees in the calendar year 2 years
19 prior multiplied by 1.90; or (ii) an amount which constitutes
20 the Minimum Required Employer Contribution for that year, as
21 certified by the Retirement Board.

22 (a-20) The provisions of subsection (a-15)
23 notwithstanding, whenever 2 consecutive Annual Actuarial
24 Reports determine that the funded ratio of the Fund exceeds
25 101%, then the County's contribution to the Fund for the second
26 year immediately following the year upon which the second such

1 Annual Actuarial Report is based shall be equal to the amount
2 required to maintain a projected funded ratio of 101% in 30
3 years' time, multiplied by 0.6.

4 (a-25) The tax referred to in subsection (a) ~~This tax~~ shall
5 be levied and collected in like manner with the general taxes
6 of the county, and shall be in addition to all other taxes
7 which the county is authorized to levy upon the aggregate
8 valuation of all taxable property within the county and shall
9 be exclusive of and in addition to the amount of tax the county
10 is authorized to levy for general purposes under any laws which
11 may limit the amount of tax which the county may levy for
12 general purposes. The county clerk, in reducing tax levies
13 under any Act concerning the levy and extension of taxes, shall
14 not consider this tax as a part of the general tax levy for
15 county purposes, and shall not include it within any limitation
16 of the per cent of the assessed valuation upon which taxes are
17 required to be extended for the county. It is lawful to extend
18 this tax in addition to the general county rate fixed by
19 statute, without being authorized as additional by a vote of
20 the people of the county.

21 Revenues derived from this tax shall be paid to the
22 treasurer of the county and held by him for the benefit of the
23 fund.

24 If the payments on account of taxes are insufficient during
25 any year to meet the requirements of this Article, the county
26 may issue tax anticipation warrants against the current tax

1 levy.

2 (a-30) Beginning January 1, 2016, the Fund shall not use
3 any contributions received by the Fund under this Article to
4 provide a subsidy for the cost of participation in an annuitant
5 healthcare program.

6 (b) By January 10, annually, the board shall notify the
7 county board of whether the tax referred to in subsection (a)
8 the requirement of this Article that this tax shall be levied.
9 The board shall make an annual determination of the required
10 county contributions, and shall certify the results thereof to
11 the county board.

12 (c) In lieu of levying all or a portion of real estate
13 taxes to fully meet the requirement of subsections (a-5),
14 (a-10), (a-15), and (a-20) in any year, the County may, through
15 its appropriation bill, disburse to and deposit with the County
16 treasurer no later than the final day of the fiscal year that
17 corresponds to said appropriation bill, for the benefit of the
18 Fund, to be held in accordance with this Article, an amount
19 that, together with such real estate taxes as are specifically
20 levied under this Section for that year, is not less than the
21 amount of the required County contributions for that year as
22 certified by the retirement board to the county board. The
23 deposit may be derived from any source legally available for
24 that purpose, including but not limited to, the proceeds of
25 County borrowing. The making of a deposit shall satisfy fully
26 the requirements of this Section for that year to the extent of

1 the amounts so deposited. Amounts deposited under this
2 subsection may be used by the Fund for any of the purposes for
3 which the proceeds of real estate taxes levied by the County
4 under this Section may otherwise be used, including the payment
5 of any amount that is otherwise required by this Article to be
6 paid from the proceeds of that tax. The various sums to be
7 contributed by the county board and allocated for the purposes
8 of this Article and any interest to be contributed by the
9 county shall be taken from the revenue derived from this tax
10 and no money of the county derived from any source other than
11 the levy and collection of this tax or the sale of tax
12 anticipation warrants, except state or federal funds
13 contributed for annuity and benefit purposes for employees of a
14 county department of public aid under "The Illinois Public Aid
15 Code", approved April 11, 1967, as now or hereafter amended,
16 may be used to provide revenue for the fund.

17 If it is not possible or practicable for the county to make
18 contributions for age and service annuity and widow's annuity
19 concurrently with the employee contributions made for such
20 purposes, such county shall make such contributions as soon as
21 possible and practicable thereafter with interest thereon at
22 the effective rate until the time it shall be made.

23 (d) With respect to employees whose wages are funded as
24 participants under the Comprehensive Employment and Training
25 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
26 93-567, 88 Stat. 1845), hereinafter referred to as CETA,

1 subsequent to October 1, 1978, and in instances where the board
2 has elected to establish a manpower program reserve, the board
3 shall compute the amounts necessary to be credited to the
4 manpower program reserves established and maintained as herein
5 provided, and shall make a periodic determination of the amount
6 of required contributions from the County to the reserve to be
7 reimbursed by the federal government in accordance with rules
8 and regulations established by the Secretary of the United
9 States Department of Labor or his designee, and certify the
10 results thereof to the County Board. Any such amounts shall
11 become a credit to the County and will be used to reduce the
12 amount which the County would otherwise contribute during
13 succeeding years for all employees.

14 (e) In lieu of establishing a manpower program reserve with
15 respect to employees whose wages are funded as participants
16 under the Comprehensive Employment and Training Act of 1973, as
17 authorized by subsection (d), the board may elect to establish
18 a special County contribution rate for all such employees. If
19 this option is elected, the County shall contribute to the Fund
20 from federal funds provided under the Comprehensive Employment
21 and Training Act program at the special rate so established and
22 such contributions shall become a credit to the County and be
23 used to reduce the amount which the County would otherwise
24 contribute during succeeding years for all employees.

25 (Source: P.A. 95-369, eff. 8-23-07.)

1 (40 ILCS 5/9-169.1 new)

2 Sec. 9-169.1. Actions to enforce payments by County.

3 (a) If the County fails to transmit to the Fund
4 contributions required of it under this Article or
5 contributions collected by it from its participating employees
6 for the purposes of this Article for more than 30 days after
7 the payment of such contributions is due, the Fund, after
8 giving notice to the County, may certify to the State
9 Comptroller the amounts of such delinquent payments and the
10 State Comptroller shall deduct and deposit into the Fund the
11 certified amounts or a portion of those amounts from grants of
12 State funds to the County. If State funds from which such
13 deductions may be made are not sufficiently available, the
14 retirement board may proceed against the County to recover the
15 amounts of such delinquent payments in the appropriate circuit
16 court.

17 (b) If the County fails to transmit to the Fund
18 contributions required of it under this Article or
19 contributions collected by it from its participating employees
20 for the purposes of this Article for more than 30 days after
21 the payment of such contributions is due, the Fund, after
22 giving notice to the County, may certify the fact of such
23 delinquent payment to the County treasurer, who shall
24 thereafter remit the amounts collected from any real estate
25 taxes levied by the County, provided, however, that any
26 payments made by the County under this subsection are expressly

1 subordinated to the payment of the principal, interest,
2 premium, if any, and other payments on or related to any bonded
3 or note debt obligation of the County, either currently
4 outstanding or to be issued, for which the source of repayment
5 or security thereon is derived directly or indirectly from any
6 funds collected or received by the County or collected or
7 received on behalf of the County. Payments on such bonded or
8 note obligations include any statutory fund transfers or other
9 prefunding mechanisms or formulas set forth, now or hereafter,
10 in State law, County ordinance, or bond indentures, into debt
11 service funds or accounts of the County related to such bonded
12 or note obligations, consistent with the payment schedules
13 associated with such obligations.

14 (c) Notwithstanding any other provision of law, if the
15 County fails to transmit to the Fund the contributions required
16 under this Article or contributions collected by it from its
17 participating employees for the purposes of this Article for
18 more than 30 days after the payment of such contributions is
19 due, the retirement board may bring a mandamus action in the
20 Circuit Court of Cook County to compel the County to make the
21 required payment, irrespective of other remedies that are
22 available to the Fund. The obligations and causes of action
23 created under this Section shall be in addition to any other
24 right or remedy otherwise accorded by common law or State or
25 federal law, and nothing in this Section shall be construed to
26 deny, abrogate, impair, or waive any such common law or

1 statutory right or remedy. Any payments required to be made by
2 the County pursuant to this Section are expressly subordinated
3 to the payment of the principal, interest, premium, if any, and
4 other payments on or related to any bonded or note debt
5 obligation of the County, either currently outstanding or to be
6 issued, for which the source of repayment or security thereon
7 is derived directly or indirectly from any funds collected or
8 received by the County or collected or received on behalf of
9 the County. Payments on such bonded or note obligations include
10 any statutory fund transfers or other prefunding mechanisms or
11 formulas set forth, now or hereafter, in State law, County
12 ordinance, or bond indentures, into debt service funds or
13 accounts of the County related to such bonded or note
14 obligations, consistent with the payment schedules associated
15 with such obligations.

16 If reports furnished to the Fund by the County are
17 inadequate for the computation of the amounts of such
18 delinquent payments, the Fund may provide for such audit of the
19 records of the County as may be required to establish the
20 amounts of such delinquent payments. The County shall make its
21 records available to the Fund for the purpose of such audit.
22 The cost of such audit shall be added to the amount of the
23 delinquent payments and shall be recovered by the Fund from the
24 County at the same time and in the same manner as the
25 delinquent payments are recovered.

26 (d) For the purposes of this Section, the due date for

1 contributions made by an appropriation bill is the final day of
2 the fiscal year that corresponds to the appropriation bill, and
3 the due date for contributions made from property taxes is 30
4 days after the date specified on the real estate tax bill as
5 the second installment due date for the specified tax year
6 associated with said appropriation bill.

7 (40 ILCS 5/9-170) (from Ch. 108 1/2, par. 9-170)

8 Sec. 9-170. Financing; employee and County contributions
9 ~~Contributions~~ for age and service annuities for present and
10 future employees, ~~future entrants and re-entrants.~~

11 (a) Beginning on the effective date as to a present
12 employee in paragraph (a) or (c) of Section 9-109, or as to a
13 future entrant in paragraph (a) of Section 9-110, and beginning
14 on September 1, 1935 as to a present employee in paragraph (b)
15 (1) of Section 9-109 or as to a future entrant in paragraph (b)
16 or (d) of Section 9-110, and beginning from the date of
17 becoming a contributor as to any present employee in paragraph
18 (b)(2) or (d) of Section 9-109, or any future entrant in
19 paragraph (c) or (e) of Section 9-110, there shall be deducted
20 and contributed to this fund 3 1/4% of each payment of salary
21 for age and service annuity until July 1, 1947. Beginning July
22 1, 1947 and prior to July 1, 1953, 5% and beginning July 1,
23 1953, and prior to September 1, 1971, 6%; and beginning
24 September 1, 1971, 6 1/2% of each payment of salary of such
25 employees shall be deducted and contributed for such purpose.

1 From and after January 1, 1966, each deputy sheriff as
2 defined in Section 9-128.1 who is a member of the County Police
3 Department and a participant of this fund, other than a deputy
4 sheriff who is deemed to be a security officer under Section
5 9-108.3, shall contribute 7% of salary for age and service
6 annuity. At the time of retirement on annuity, a deputy sheriff
7 who is a member of the County Police Department and retires,
8 ~~who chooses to retire~~ under provisions of this Article other
9 than Section 9-128.1~~7~~ may receive a refund of the difference
10 between the contributions made as a deputy sheriff who is a
11 member of the County Police Department and the contributions
12 that would have been made for such service not as a deputy
13 sheriff who is a member of the County Police Department,
14 including interest at the rate established under Section 9-151
15 earned.

16 Beginning January 1, 2015, an additional contribution to
17 the Fund for retirement fund solvency shall be contributed by
18 every employee and deducted from salary at the following rates:
19 (i) in the year 2015, 1% of each payment of salary; and (ii) in
20 the year 2016 and thereafter, 2% of each payment of salary. In
21 the event of withdrawal, these additional contributions are
22 refundable as is provided in this Article for other employee
23 contributions.

24 Such deductions beginning on the effective date and prior
25 to July 1, 1947 shall be made and continued for a future
26 entrant while he is in the service until he attains age 65, and

1 beginning on the effective date and prior to July 1, 1953 for a
2 present employee while he is in the service until the amount so
3 deducted from his salary or paid by him according to law to any
4 county pension fund in force on the effective date, with
5 interest on both such amounts at 4% per annum, equals the sum
6 that would have been to his credit from sums deducted from his
7 salary if deductions at the rate herein stated had been made
8 during his entire service until he attained age 65, with
9 interest at 4% per annum for the period subsequent to his
10 attainment of age 65. Such deductions beginning July 1, 1947
11 for future entrants and beginning July 1, 1953 for present
12 employees shall be made and continued while such future entrant
13 or present employee is in the service.

14 Notwithstanding any other provision of this Section, if in
15 any 2 consecutive years the actuarial value of the Fund's
16 assets exceeds 101% of the Fund's liabilities, the employees'
17 aggregate contribution, in the year following that second
18 consecutive year, shall be equal to the amount required to
19 maintain a projected funded ratio of 101% in 30 years' time,
20 multiplied by 0.4.

21 (b) Concurrently with each employee contribution, the
22 county shall contribute beginning on the effective date and
23 prior to July 1, 1947, 5 3/4%, and beginning on July 1, 1947
24 and prior to July 1, 1953, 7%; and beginning on July 1, 1953,
25 6% of each payment of such salary until the employee attains
26 age 65.

1 (c) Each present employee contribution made prior to the
2 date the age and service annuity for such employee is fixed,
3 each future entrant contribution, and each corresponding
4 county contribution shall be allocated to the account of and
5 credited to the employee for whose benefit it is made.

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

7 (40 ILCS 5/9-179.2) (from Ch. 108 1/2, par. 9-179.2)

8 Sec. 9-179.2. Other governmental service - Former County
9 Service. Any employee who (i) first became a contributor before
10 the effective date of this amendatory Act of the 98th General
11 Assembly, (ii) has rendered service to any "governmental unit"
12 as such term is defined in the "Retirement Systems Reciprocal
13 Act" under Article 20 of the Illinois Pension Code, (iii) who
14 did not contribute to the retirement system of such
15 "governmental unit", including the retirement system created
16 by this Article 9 of the Illinois Pension code, for such
17 service because of ineligibility for participation, and (iv)
18 has no equity or rights in such retirement system because of
19 such service shall be given credit for such service in this
20 fund, provided that:

21 (a) the ~~The~~ employee shall pay to this fund, while in
22 the service of such county, or while in the service of a
23 governmental unit whose retirement system has adopted the
24 "Retirement Systems Reciprocal Act", such amounts,
25 including interest at the effective rate, as he would have

1 paid to this fund, on the basis of his salary in effect
2 during the service rendered to such other "governmental
3 unit" at the rates prescribed in this Article 9 for the
4 periods of such service, to the end that such service shall
5 be considered as service rendered to such county, with all
6 the rights and conditions attaching to such service and
7 payments; and

8 (b) this Section shall not be applicable to any period
9 of such service for which the employee retains credit in
10 any other public annuity and benefit fund established by
11 Act of the Legislature of this State and in operation for
12 employees of such other "governmental unit" from which such
13 employee was transferred.

14 (Source: P.A. 90-655, eff. 7-30-98.)

15 (40 ILCS 5/9-179.3) (from Ch. 108 1/2, par. 9-179.3)

16 Sec. 9-179.3. Optional plan of additional benefits and
17 contributions.

18 (a) While this plan is in effect, an employee may establish
19 additional optional credit for additional optional benefits by
20 electing in writing at any time to make additional optional
21 contributions. The employee may discontinue making the
22 additional optional contributions at any time by notifying the
23 fund in writing.

24 (b) Additional optional contributions for the additional
25 optional benefits shall be as follows:

1 (1) For service after the option is elected, an
2 additional contribution of 3% of salary shall be
3 contributed to the fund on the same basis and under the
4 same conditions as contributions required under Sections
5 9-170 and 9-176.

6 (2) For service before the option is elected, an
7 additional contribution of 3% of the salary for the
8 applicable period of service, plus interest at the
9 effective rate from the date of service to the date of
10 payment. All payments for past service must be paid in full
11 before credit is given. No additional optional
12 contributions may be made for any period of service for
13 which credit has been previously forfeited by acceptance of
14 a refund, unless the refund is repaid in full with interest
15 at the effective rate from the date of refund to the date
16 of repayment.

17 (c) Additional optional benefits shall accrue for all
18 periods of eligible service for which additional contributions
19 are paid in full. The additional benefit shall consist of an
20 additional 1% for each year of service for which optional
21 contributions have been paid, based on the ~~highest~~ average
22 annual salary ~~for any 4 consecutive years within the last 10~~
23 ~~years of service immediately preceding the date of withdrawal,~~
24 to be added to the employee retirement annuity benefits as
25 otherwise computed under this Article. The calculation of these
26 additional benefits shall be subject to the same terms and

1 conditions as are used in the calculation of retirement annuity
2 under Section 9-133.2 or 9-134, whichever is applicable
3 depending on the date of retirement. The additional benefit
4 shall be included in the calculation of the automatic annual
5 increase in annuity, and in the calculation of widow's annuity,
6 where applicable. However no additional benefits will be
7 granted which produce a total annuity greater than the
8 applicable maximum established for that type of annuity in this
9 Article, and additional benefits shall not apply to any benefit
10 computed under Section 9-128.1.

11 (d) Refunds of additional optional contributions shall be
12 made on the same basis and under the same conditions as
13 provided under Sections 9-164, 9-166 and 9-167. Interest shall
14 be credited at the effective rate on the same basis and under
15 the same conditions as for other contributions.

16 (e) (Blank).

17 (f) The tax levy, computed under Section 9-169, shall be
18 based on employee contributions including the amount of
19 optional additional employee contributions.

20 (g) Service eligible under this Section may include only
21 service as an employee of the County as defined in Section
22 9-108, and subject to Sections 9-219 and 9-220. No service
23 granted under Section 9-121.1, 9-121.4 or 9-179.2 shall be
24 eligible for optional service credit. No optional service
25 credit may be established for any military service, or for any
26 service under any other Article of this Code. Optional service

1 credit may be established for any period of disability paid
2 from this fund, if the employee makes additional optional
3 contributions for such periods of disability.

4 (h) This plan of optional benefits and contributions shall
5 not apply to any former county employee receiving an annuity
6 from the fund, who re-enters service as a County employee,
7 unless he renders at least 3 years of additional service after
8 the date of re-entry.

9 (i) The effective date of the optional plan of additional
10 benefits and contributions shall be July 1, 1985, or the date
11 upon which approval is received from the Internal Revenue
12 Service, whichever is later.

13 (j) This plan of additional benefits and contributions
14 shall expire July 1, 2005. No additional contributions may be
15 made after that date, and no additional benefits will accrue
16 after that date.

17 (Source: P.A. 95-369, eff. 8-23-07.)

18 (40 ILCS 5/9-184) (from Ch. 108 1/2, par. 9-184)

19 Sec. 9-184. Estimates of sums required for certain
20 annuities and benefits. The board shall estimate the amounts
21 required each year to pay for all annuities and benefits and
22 administrative expenses associated with this Article. The
23 amounts shall be paid by the contributions paid by the County
24 under Section 9-169 ~~into the fund annually by the county from~~
25 ~~the prescribed tax levy.~~

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

2 (40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)

3 Sec. 9-185. Board created.

4 (a) A board of 9 members shall constitute the board of
5 trustees authorized to carry out the provisions of this
6 Article. The board of trustees shall be known as "The
7 Retirement Board of the County Employees' Annuity and Benefit
8 Fund of County". The board shall consist of 2 members
9 appointed and 7 members elected as hereinafter prescribed.

10 (b) The appointed members shall be appointed as follows:
11 One member shall be appointed by the president of the board
12 ~~comptroller~~ of such county, who may be the comptroller or some
13 person chosen by him from among employees of the county, who
14 are versed in the affairs of the comptroller's office; and one
15 member shall be appointed by the president of the board
16 ~~treasurer~~ of such county, who shall be ~~may be the treasurer or~~
17 ~~some person~~ chosen by him from among employees of the County
18 who are versed in finance and investment management ~~the affairs~~
19 ~~of the treasurer's office.~~

20 The members ~~member~~ appointed by the president of the board
21 of the County ~~comptroller~~ shall hold office for a term ending
22 on December 1st of the ~~first year following the year of~~
23 ~~appointment. The member appointed by the county treasurer shall~~
24 ~~hold office for a term ending on December 1st of the second~~
25 year following the year of appointment. The person appointed by

1 the comptroller of the County who is serving on the board on
2 the effective date of this amendatory Act of the 98th General
3 Assembly shall continue to serve until the expiration of his
4 appointed term, and until his successor has been appointed by
5 the president of the board of the County. However, the term of
6 the person appointed by the treasurer of the County who is
7 serving on the board on the effective date of this amendatory
8 Act of the 98th General Assembly shall terminate on that date,
9 and he shall continue to serve only until his successor has
10 been appointed by the president of the board of the County.

11 Thereafter, each appointed member shall be appointed by the
12 president of the board of the County ~~officer that appointed his~~
13 ~~predecessor~~ for a term of 2 years.

14 (c) Three county employee members of the board shall be
15 elected as follows: within 30 days from and after the date upon
16 which this Article comes into effect in the county, the clerk
17 of the county shall arrange for and hold an election. One
18 employee shall be elected for a term ending on the first day in
19 the month of December of the first year next following the
20 effective date; one for a term ending on December 1st of the
21 following year; and one for a term ending December 1st of the
22 second following year.

23 (d) Beginning December 1, 1988, and every 3 years
24 thereafter, an annuitant member of the board shall be elected
25 as follows: the board shall arrange for and hold an election in
26 which only those participants who are currently receiving

1 retirement benefits under this Article shall be eligible to
2 vote and be elected. Each such member shall be elected to a
3 term ending on the first day in the month of December of the
4 third following year.

5 (d-1) Beginning December 1, 2001, and every 3 years
6 thereafter, an annuitant member of the board shall be elected
7 as follows: the board shall arrange for and hold an election in
8 which only those participants who are currently receiving
9 retirement benefits under this Article shall be eligible to
10 vote and be elected. Each such member shall be elected to a
11 term ending on the first day in the month of December of the
12 third following year. Until December 1, 2001, the position
13 created under this subsection (d-1) may be filled by the board
14 as in the case of a vacancy.

15 (e) Beginning December 1, 1988, if a Forest Preserve
16 District Employees' Annuity and Benefit Fund shall be in force
17 in such county and the board of this fund is charged with
18 administering the affairs of such annuity and benefit fund for
19 employees of such forest preserve district, a forest preserve
20 district member of the board shall be elected as of December 1,
21 1988, and every 3 years thereafter as follows: the board shall
22 arrange for and hold an election in which only those employees
23 of such forest preserve district who are contributors to the
24 annuity and benefit fund for employees of such forest preserve
25 district shall be eligible to vote and be elected. Each such
26 member shall be elected to a term ending on the first day in

1 the month of December of the third following year.

2 (f) Beginning December 1, 2001, and every 3 years
3 thereafter, if a Forest Preserve District Employees' Annuity
4 and Benefit Fund is in force in the county and the board of
5 this Fund is charged with administering the affairs of that
6 annuity and benefit fund for employees of the forest preserve
7 district, a forest preserve district annuitant member of the
8 board shall be elected as follows: the board shall arrange for
9 and hold an election in which only those participants who are
10 currently receiving retirement benefits under Article 10 shall
11 be eligible to vote and be elected. Each such member shall be
12 elected to a term ending on the first day in the month of
13 December of the third following year. Until December 1, 2001,
14 the position created under this subsection (f) may be filled by
15 the board as in the case of a vacancy.

16 (Source: P.A. 92-66, eff. 7-12-01.)

17 (40 ILCS 5/9-189) (from Ch. 108 1/2, par. 9-189)

18 Sec. 9-189. Board meetings. The board shall hold regular
19 meetings in each month and special meetings as it deems
20 necessary. A majority of the members shall constitute a quorum
21 for the transaction of business at any meeting, provided that
22 the retirement fund may not adopt or adjust actuarial
23 assumptions or discount rates except through the affirmative
24 vote of no less than 8 members of the retirement board, and
25 such actions may only occur as the result of an actuarial

1 experience study conducted by a qualified actuary retained by
2 the board. No ~~but no~~ annuity or benefit shall be granted or
3 payments made by the fund unless ordered by a vote of the
4 majority of the board members as shown by roll call entered
5 upon the official record of the meeting. Meetings of the board
6 shall be open to the public.

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

8 (40 ILCS 5/9-195) (from Ch. 108 1/2, par. 9-195)

9 Sec. 9-195. To have an audit.

10 To have an audit of the accounts of the fund made at least
11 once each year by certified public accountants. The audit may
12 include the preparation of the Annual Actuarial Report required
13 under Section 9-117.2.

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

15 (40 ILCS 5/9-199) (from Ch. 108 1/2, par. 9-199)

16 Sec. 9-199. To submit an annual report. To submit a report
17 in July of each year to the county board of the county as of the
18 close of business on December 31st of the preceding year. The
19 report shall contain a detailed statement of the affairs of the
20 fund, its income and expenditures, and assets and liabilities;
21 and it shall include the Annual Actuarial Report required under
22 Section 9-117.2. The county board shall have power to require
23 and compel the retirement board to prepare and submit such
24 reports.

1 (Source: P.A. 95-369, eff. 8-23-07.)

2 (40 ILCS 5/9-201.1 new)

3 Sec. 9-201.1. To provide administrative services. To
4 authorize the provision of administrative services, including
5 the appointment of such actuarial, medical, legal, investment,
6 clerical, or other professional or administrative services or
7 resources, as are necessary for the healthcare trust created by
8 the Cook County Annuitant Healthcare Trust Act, provided that
9 the healthcare trust shall reimburse the Fund for the costs
10 associated with such administrative services and resources.
11 The provision of administrative services under this Section is
12 not and shall not be construed to be a pension or retirement
13 benefit for purposes of Section 5 of Article XIII of the
14 Illinois Constitution.

15 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

16 (Text of Section before amendment by P.A. 98-599)

17 Sec. 9-220. Basis of service credit.

18 (a) In computing the period of service of any employee for
19 annuity purposes under Section 9-133.2 or 9-134, the following
20 provisions shall govern:

21 (1) All periods prior to the effective date shall be
22 computed in accordance with the provisions governing the
23 computation of such service.

24 (2) Service on or after the effective date shall

1 include:

2 (i) The actual period of time the employee
3 contributes or has contributed to the fund for service
4 rendered to age 65 plus the actual period of time after
5 age 65 for which the employee performs the duties of
6 his position or performs such duties and is given a
7 county contribution for age and service annuity or
8 minimum annuity purposes.

9 (ii) Leaves of absence from duty, or vacation, for
10 which an employee receives all or part of his salary.

11 (iii) Accumulated vacation or other time for which
12 an employee who retires on or after November 1, 1990
13 receives a lump sum payment at the time of retirement,
14 provided that contributions were made to the fund at
15 the time such lump sum payment was received. The
16 service granted for the lump sum payment shall not
17 change the employee's date of withdrawal for computing
18 the effective date of the annuity.

19 (iv) Accumulated sick leave as of the date of the
20 employee's withdrawal from service, not to exceed a
21 total of 180 days, provided that the amount of such
22 accumulated sick leave is certified by the County
23 Comptroller to the Board and the employee pays an
24 amount equal to 8.5% (9% for members of the County
25 Police Department who are eligible to receive an
26 annuity under Section 9-128.1) of the amount that would

1 have been paid had such accumulated sick leave been
2 paid at the employee's final rate of salary; except
3 that beginning January 1, 2015, these payments shall
4 instead be calculated at the rate of 10.5% (11.0% for
5 deputy sheriffs who are eligible to receive an annuity
6 under Section 9-128.1). Such payment shall be made
7 within 30 days after the date of withdrawal and prior
8 to receipt of the first annuity check. The service
9 credit granted for such accumulated sick leave shall
10 not change the employee's date of withdrawal for the
11 purpose of computing the effective date of the annuity.

12 (v) Periods during which the employee has had
13 contributions for annuity purposes made for him in
14 accordance with law while on military leave of absence
15 during World War II.

16 (vi) Periods during which the employee receives a
17 disability benefit under this Article.

18 (vii) For any person who first becomes a member on
19 or after January 1, 2011, the actual period of time the
20 employee contributes or has contributed to the fund for
21 service rendered up to the limitation on salary in
22 subsection (b-5) of Section 1-160 plus the actual
23 period of time thereafter for which the employee
24 performs the duties of his position and ceased
25 contributing due to the salary limitation in
26 subsection (b-5) of Section 1-160.

1 (3) The right to have certain periods of time
2 considered as service as stated in paragraph (2) of Section
3 9-164 shall not apply for annuity purposes unless the
4 refunds shall have been repaid in accordance with this
5 Article.

6 (4) All service shall be computed in whole calendar
7 months, and at least 15 days of service in any one calendar
8 month shall constitute one calendar month of service, and 1
9 year of service shall be equal to the number of months,
10 days or hours for which an appropriation was made in the
11 annual appropriation ordinance for the position held by the
12 employee.

13 (b) For all other annuity purposes of this Article the
14 following schedule shall govern the computation of a year of
15 service of an employee whose salary or wages is on the basis
16 stated, and any fractional part of a year of service shall be
17 determined according to said schedule:

18 Annual or Monthly Basis: Service during 4 months in any 1
19 calendar year;

20 Weekly Basis: Service during any 17 weeks of any 1 calendar
21 year, and service during any week shall constitute a week of
22 service;

23 Daily Basis: Service during 100 days in any 1 calendar
24 year, and service during any day shall constitute a day of
25 service;

26 Hourly Basis: Service during 800 hours in any 1 calendar

1 year, and service during any hour shall constitute an hour of
2 service.

3 (Source: P.A. 96-1490, eff. 1-1-11.)

4 (Text of Section after amendment by P.A. 98-599)

5 Sec. 9-220. Basis of service credit.

6 (a) In computing the period of service of any employee for
7 annuity purposes under Section 9-133.2 or 9-134, the following
8 provisions shall govern:

9 (1) All periods prior to the effective date shall be
10 computed in accordance with the provisions governing the
11 computation of such service.

12 (2) Service on or after the effective date shall
13 include:

14 (i) The actual period of time the employee
15 contributes or has contributed to the fund for service
16 rendered to age 65 plus the actual period of time after
17 age 65 for which the employee performs the duties of
18 his position or performs such duties and is given a
19 county contribution for age and service annuity or
20 minimum annuity purposes.

21 (ii) Leaves of absence from duty, or vacation, for
22 which an employee receives all or part of his salary.

23 (iii) For a person who first becomes an employee
24 before the effective date of this amendatory Act of the
25 98th General Assembly, accumulated vacation or other

1 time for which an employee who retires on or after
2 November 1, 1990 receives a lump sum payment at the
3 time of retirement, provided that contributions were
4 made to the fund at the time such lump sum payment was
5 received. The service granted for the lump sum payment
6 shall not change the employee's date of withdrawal for
7 computing the effective date of the annuity.

8 (iv) For a person who first becomes an employee
9 before the effective date of Public Act 98-599 ~~this~~
10 ~~amendatory Act of the 98th General Assembly,~~
11 accumulated sick leave as of the date of the employee's
12 withdrawal from service, not to exceed a total of 180
13 days, provided that the amount of such accumulated sick
14 leave is certified by the County Comptroller to the
15 Board and the employee pays an amount equal to 8.5% (9%
16 for members of the County Police Department who are
17 eligible to receive an annuity under Section 9-128.1)
18 of the amount that would have been paid had such
19 accumulated sick leave been paid at the employee's
20 final rate of salary; except that beginning January 1,
21 2015, these payments shall instead be calculated at the
22 rate of 10.5% (11.0% for deputy sheriffs who are
23 eligible to receive an annuity under Section 9-128.1).
24 Such payment shall be made within 30 days after the
25 date of withdrawal and prior to receipt of the first
26 annuity check. The service credit granted for such

1 accumulated sick leave shall not change the employee's
2 date of withdrawal for the purpose of computing the
3 effective date of the annuity.

4 (v) Periods during which the employee has had
5 contributions for annuity purposes made for him in
6 accordance with law while on military leave of absence
7 during World War II.

8 (vi) Periods during which the employee receives a
9 disability benefit under this Article.

10 (vii) For any person who first becomes a member on
11 or after January 1, 2011, the actual period of time the
12 employee contributes or has contributed to the fund for
13 service rendered up to the limitation on salary in
14 subsection (b-5) of Section 1-160 plus the actual
15 period of time thereafter for which the employee
16 performs the duties of his position and ceased
17 contributing due to the salary limitation in
18 subsection (b-5) of Section 1-160.

19 (3) The right to have certain periods of time
20 considered as service as stated in paragraph (2) of Section
21 9-164 shall not apply for annuity purposes unless the
22 refunds shall have been repaid in accordance with this
23 Article.

24 (4) All service shall be computed in whole calendar
25 months, and at least 15 days of service in any one calendar
26 month shall constitute one calendar month of service, and 1

1 year of service shall be equal to the number of months,
2 days or hours for which an appropriation was made in the
3 annual appropriation ordinance for the position held by the
4 employee.

5 (5) Unused sick or vacation time shall not be used to
6 compute the service of an employee who first becomes an
7 employee on or after the effective date of this amendatory
8 Act of the 98th General Assembly.

9 (b) For all other annuity purposes of this Article the
10 following schedule shall govern the computation of a year of
11 service of an employee whose salary or wages is on the basis
12 stated, and any fractional part of a year of service shall be
13 determined according to said schedule:

14 Annual or Monthly Basis: Service during 4 months in any 1
15 calendar year;

16 Weekly Basis: Service during any 17 weeks of any 1 calendar
17 year, and service during any week shall constitute a week of
18 service;

19 Daily Basis: Service during 100 days in any 1 calendar
20 year, and service during any day shall constitute a day of
21 service;

22 Hourly Basis: Service during 800 hours in any 1 calendar
23 year, and service during any hour shall constitute an hour of
24 service.

25 (Source: P.A. 98-599, eff. 6-1-14.)

1 (40 ILCS 5/9-239) (from Ch. 108 1/2, par. 9-239)

2 Sec. 9-239. Optional Group Health Benefit.

3 (a) For the purposes of this Section, "annuitant" means a
4 person receiving an age and service annuity, a prior service
5 annuity, a widow's annuity, a widow's prior service annuity, a
6 minimum annuity, or a child's annuity on or after January 1,
7 1990, under Article 9 or 10 by reason of previous employment by
8 Cook County or the Forest Preserve District of Cook County
9 (hereinafter, in this Section, "the County").

10 (b) ~~From Beginning~~ December 1, 1991 through December 31,
11 2015, the Fund may pay, on behalf of each of the Fund's
12 annuitants who chooses to participate in any of the county's
13 health care plans or a group coverage plan administered by the
14 Fund, all or any portion of the total health care premium
15 (including coverage for other family members) due from each
16 such annuitant.

17 (c) The difference between the required monthly premiums
18 for such coverage and the amount paid by the Fund may be
19 deducted from the annuitant's annuity if the annuitant so
20 elects; otherwise such coverage shall terminate and the
21 obligation of the Fund shall also terminate.

22 (d) Beginning January 1, 2016, the Fund shall not use any
23 contributions received by the Fund under this Article to
24 provide a subsidy for the cost of participation in an annuitant
25 healthcare program provided for under this Section.

26 ~~Amounts contributed by the county as authorized under~~

1 ~~Section 9-182 for the benefits set forth in this Section shall~~
2 ~~be credited to the reserve for group hospital care and all such~~
3 ~~premiums shall be charged to it.~~

4 (e) The group coverage plan and benefits described in this
5 Section are not and shall not be construed to be pension or
6 retirement benefits for purposes of Section 5 of Article XIII
7 of the Illinois Constitution of 1970.

8 (Source: P.A. 86-1025; 87-794.)

9 (40 ILCS 5/9-245 new)

10 Sec. 9-245. Application and expiration of new benefit
11 increases.

12 (a) As used in this Section, "new benefit increase" means
13 an increase in the amount of any benefit provided under this
14 Article, or an expansion of the conditions of eligibility for
15 any benefit under this Article, that results from an amendment
16 to this Code that takes effect after the effective date of this
17 amendatory Act of the 98th General Assembly.

18 (b) Notwithstanding any other provision of this Code or any
19 subsequent amendment to this Code, every new benefit increase
20 is subject to this Section and shall be deemed to be granted
21 only in conformance with and contingent upon compliance with
22 the provisions of this Section.

23 (c) The Public Act enacting a new benefit increase must
24 identify and provide for payment to the Fund of additional
25 funding at least sufficient to fund the resulting annual

1 increase in cost to the Fund as it accrues.

2 Every new benefit increase is contingent upon the General
3 Assembly providing the additional funding required under this
4 subsection (c). The State Actuary shall analyze whether
5 adequate additional funding has been provided for the new
6 benefit increase. A new benefit increase created by a Public
7 Act that does not include the additional funding required under
8 this subsection (c) is null and void. If the State Actuary
9 determines that the additional funding provided for a new
10 benefit increase under this subsection (c) is or has become
11 inadequate, it may so certify to the Governor and the State
12 Comptroller and, in the absence of corrective action by the
13 General Assembly, the new benefit increase shall expire at the
14 end of the fiscal year in which the certification is made.

15 (40 ILCS 5/10-103) (from Ch. 108 1/2, par. 10-103)

16 Sec. 10-103. Members, contributions and benefits;
17 definitions.

18 (a) The definitions of Article 9 of this Code are
19 incorporated into this Article to the extent that they are
20 appropriate and applicable to this Fund and the District, but
21 they shall be interpreted with respect to the particular
22 circumstances, financing, and membership of this Fund rather
23 than those of the Article 9 Fund.

24 (b) The board shall cause the same deductions to be made
25 from salaries and, subject to Section 10-109, allow the same

1 annuities, refunds and benefits for employees of the district
2 as are made and allowed for employees of the county.

3 (c) The provisions and protections of Section 9-169.1 are
4 specifically declared to apply to this Fund.

5 (Source: P.A. 95-1036, eff. 2-17-09.)

6 (40 ILCS 5/10-107) (from Ch. 108 1/2, par. 10-107)

7 Sec. 10-107. Financing - Tax levy.

8 (a) The forest preserve district may levy an annual tax on
9 the value, as equalized or assessed by the Department of
10 Revenue, of all taxable property in the district for the
11 purpose of providing revenue for the fund. The rate of such tax
12 in any year may not exceed the rate herein specified for that
13 year or the rate which will produce, when extended, the sum
14 herein stated for that year, whichever is higher: for any year
15 prior to 1970, .00103% or \$195,000; for the year 1970, .00111%
16 or \$210,000; for the year 1971, .00116% or \$220,000. For the
17 year 1972 and each year thereafter, the Forest Preserve
18 District shall levy a tax annually at a rate on the dollar of
19 the value, as equalized or assessed by the Department of
20 Revenue upon all taxable property in the county, when extended,
21 not to exceed an amount equal to the total amount of
22 contributions by the employees to the fund made in the calendar
23 year 2 years prior to the year for which the annual applicable
24 tax is levied, multiplied by 1.25 for the year 1972; and by
25 1.30 for the year 1973 through 2015 ~~and for each year~~

1 ~~thereafter.~~

2 The tax shall be levied and collected in like manner with
3 the general taxes of the district and shall be in addition to
4 the maximum of all other tax rates which the district may levy
5 upon the aggregate valuation of all taxable property and shall
6 be exclusive of and in addition to the maximum amount and rate
7 of taxes the district may levy for general purposes or under
8 and by virtue of any laws which limit the amount of tax which
9 the district may levy for general purposes. The county clerk of
10 the county in which the forest preserve district is located in
11 reducing tax levies under the provisions of "An Act concerning
12 the levy and extension of taxes", approved May 9, 1901, as
13 amended, shall not consider any such tax as a part of the
14 general tax levy for forest preserve purposes, and shall not
15 include the same in the limitation of 1% of the assessed
16 valuation upon which taxes are required to be extended, and
17 shall not reduce the same under the provisions of that Act. The
18 proceeds of the tax herein authorized shall be kept as a
19 separate fund.

20 The Board may establish a manpower program reserve, or a
21 special forest preserve district contribution rate, with
22 respect to employees whose wages are funded as program
23 participants under the Comprehensive Employment and Training
24 Act of 1973 in the manner provided in subsection (d) or (e),
25 respectively, of Section 9-169.

26 (a-5) For each of the years 2016, 2017, 2018, and 2019, the

1 district shall contribute to the Fund, from any permissible
2 source, an amount that is no less than the amount contributed
3 by employees in the calendar year 2 years prior multiplied by
4 1.75, as certified by the Retirement Board.

5 (a-10) For the year 2020 and each year thereafter, the
6 district shall contribute to the Fund, from any permissible
7 source, the greater of (i) an amount that is no less than the
8 amount contributed by employees in the calendar year 2 years
9 prior multiplied by 1.75 or (ii) an amount which constitutes
10 the Minimum Required Employer Contribution for that year, as
11 certified by the retirement board. For the purposes of this
12 subsection, "Minimum Required Employer Contribution" shall
13 have the meaning set forth in Section 9-117.3 of this Code.

14 (a-15) In lieu of levying all or a portion of real estate
15 taxes to fully meet the requirement of subsections (a-5) and
16 (a-10) in any year, the district may, through its appropriation
17 bill, disburse to and deposit with the County treasurer no
18 later than the final day of the fiscal year that corresponds to
19 said appropriation bill, for the benefit of the Fund, to be
20 held in accordance with this Article, an amount that, together
21 with such real estate taxes as are specifically levied under
22 this Section for that year, is not less than the amount of the
23 required County contributions for that year as certified by the
24 retirement board to the district board. The deposit may be
25 derived from any source legally available for that purpose,
26 including but not limited to the proceeds of district

1 borrowing. The making of a deposit shall satisfy fully the
2 requirements of this Section for that year to the extent of the
3 amounts so deposited.

4 (a-20) The provisions of subsection (a-15)
5 notwithstanding, if in any 2 consecutive years the actuarial
6 value of the Fund's assets exceeds 101% of the Fund's
7 liabilities, the district's contribution, in the year
8 following that second consecutive year, shall be equal to the
9 amount required to maintain a projected funded ratio of 101% in
10 30 years' time, multiplied by 0.6.

11 (b) Beginning January 1, 2016, the Fund shall not use any
12 contributions received by the Fund under this Article to
13 provide a subsidy for the cost of participation in an annuitant
14 healthcare program.

15 (Source: P.A. 81-1509.)

16 (40 ILCS 5/9-132 rep.)

17 Section 65. The Illinois Pension Code is amended by
18 repealing Section 9-132.

19 Section 70. The Counties Code is amended by changing
20 Section 6-24001 as follows:

21 (55 ILCS 5/6-24001) (from Ch. 34, par. 6-24001)

22 Sec. 6-24001. Annual appropriation bill. The board of
23 commissioners of Cook County shall, within the first quarter of

1 each fiscal year adopt a resolution, to be termed the annual
2 appropriation bill, in and by which resolution said board shall
3 appropriate such sums of money as may be necessary to defray
4 all necessary expenses and liabilities of said Cook County, to
5 be by said county paid or incurred during and until the time of
6 the adoption of the next annual appropriation bill under this
7 section: Provided, that said board shall not expend any money
8 or incur any indebtedness or liability on behalf of said county
9 in excess of the percentage and several amounts now limited by
10 law, and based on the limit prescribed in the Constitution,
11 when applied to the last previous assessment. For the year 1931
12 and each year thereafter, such appropriation bill shall set
13 forth estimates, by classes, of all current assets and
14 liabilities of each fund of such county, as of the beginning of
15 said fiscal year, and the amounts of such assets available for
16 appropriation in such year, either for expenditures or charges
17 to be made or incurred during such year or for liabilities
18 unpaid at the beginning thereof. Such board by resolution may
19 create, set apart and maintain an imprest cash fund for monies
20 which have been advanced by such county for state programs
21 pursuant to law prior to reimbursement by the state for
22 expenses incurred by such county. The monies shown as the
23 balance in such fund in such appropriation bill shall not be
24 considered to be available for appropriation. Estimates of
25 taxes to be received from the levies of prior years shall be
26 net, after deducting amounts estimated to be sufficient to

1 cover the loss and cost of collecting such taxes and also the
2 amounts of such taxes for the nonpayment of which real estate
3 has been or shall be forfeited to the State and abatements in
4 the amount of such taxes extended or to be extended upon the
5 collectors' books. Estimates of the liabilities of the
6 respective funds shall include (a) all final judgments,
7 including accrued interest thereon, entered against such
8 county and unpaid at the beginning of such fiscal year, (b) the
9 principal of all anticipation tax warrants and all temporary
10 loans and all accrued interest thereon unpaid at the beginning
11 of such fiscal year, (c) the principal of all notes issued in
12 anticipation of taxes under the provisions of Division 6-2, and
13 all accrued interest thereon unpaid at the beginning of such
14 fiscal year, and (d) any amount for which the board of
15 commissioners is required to reimburse the working cash fund
16 from the general corporate fund pursuant to the provisions of
17 Division 6-27. Such annual appropriation bill shall also set
18 forth detailed estimates of all taxes to be levied for such
19 year and of all other current revenues to be derived from
20 sources other than such taxes, including any funds authorized
21 by Division 6-6 and any funds made available under Section
22 5-701.10 of the "Illinois Highway Code", approved July 8, 1959,
23 as amended, which will be applicable to expenditure or charges
24 to be made or incurred during such year. No estimate of taxes
25 to be levied for general corporate purposes, or for any other
26 purpose, except for the payment of bonded indebtedness or

1 interest thereon, and except for pension fund purposes or
2 working cash fund purposes, shall exceed a sum equivalent to
3 the product of the value of the taxable property in such
4 county, as ascertained by the last assessment for state and
5 county taxes previous to the passage of such annual
6 appropriation bill, multiplied by the maximum per cent or rate
7 of tax which such county is authorized by law to levy for said
8 current fiscal year for any such purpose or purposes with
9 reference to which such estimate is made. All such estimates
10 shall be so segregated and classified as to funds and in such
11 other manner as to give effect to the requirements of law
12 relating to the respective purposes to which said assets and
13 taxes and other current revenues are applicable, to the end
14 that no expenditure shall be authorized or made for any purpose
15 in excess of funds lawfully available therefor, including any
16 funds authorized by Division 6-6 and any funds made available
17 under Section 5-701.10 of the "Illinois Highway Code," approved
18 July 8, 1959, as amended.

19 The appropriation bill shall include, for fiscal year 2016
20 and every year thereafter, such sums as are required under the
21 Cook County Annuitant Healthcare Trust Act.

22 (Source: P.A. 86-962.)

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.38 as follows:

1 (30 ILCS 805/8.38 new)

2 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 98th General Assembly.

6 Section 95. No acceleration or delay. Where this Act makes
7 changes in a statute that is represented in this Act by text
8 that is not yet or no longer in effect (for example, a Section
9 represented by multiple versions), the use of that text does
10 not accelerate or delay the taking effect of (i) the changes
11 made by this Act or (ii) provisions derived from any other
12 Public Act.

13 Section 97. Inseverability. If any portion of this Act is
14 found to be invalid, all portions shall be invalid.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."