



Rep. Michael J. Madigan

**Filed: 4/2/2014**

09800SB1922ham003

LRB098 09566 EFG 58042 a

1 AMENDMENT TO SENATE BILL 1922

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1922, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 1. Findings. It is the intention of the General  
6 Assembly to address an immediate funding crisis that threatens  
7 the solvency and sustainability of the public pension systems  
8 ("Pension Funds") serving employees of the City of Chicago  
9 ("City"). The Pension Funds include the Municipal Employees'  
10 Annuity and Benefit Fund of Chicago ("MEABF") and the Laborers'  
11 and Retirement Board Employees' Annuity Benefit Fund of Chicago  
12 ("LABF"). After reviewing the condition of the Pension Funds,  
13 potential sources of funding, and assessing the need for reform  
14 thereof, the General Assembly finds and declares that:

15 1. The overall financial condition of these two city  
16 pension funds is so dire, even under the most optimistic  
17 assumptions, a balanced increase in funding, both from the City

1 and from its employees, combined with a modification of retiree  
2 benefits for both current and future retirees, is necessary to  
3 stabilize and fund the pension funds.

4 2. While considering the combined unfunded liabilities of  
5 these two City funds, as well as other pension funds that  
6 ultimately will rely on funds from the City's property tax  
7 base, a combination of benefit modification and increased  
8 revenues are necessary to keep the city funds solvent.

9 3. Furthermore, the City cannot feasibly reduce its other  
10 expenses to address this serious problem without an  
11 unprecedented reduction in basic City services. Personnel  
12 costs constitute approximately 75% of the non-discretionary  
13 appropriations for the City. As such, reductions in City  
14 expenditures to fund pensions would necessarily result in  
15 substantial cuts to City personnel, including in key services  
16 areas such as public safety, sanitation, and construction.

17 4. In sum, the crisis confronting the City and its Funds is  
18 so large and immediate that it cannot be addressed through  
19 increased funding alone, without modifying pension benefits.  
20 The consequences to the City of attempting to do so would be  
21 draconian. Accordingly, the General Assembly concludes that,  
22 unless reforms are enacted, the benefits currently promised by  
23 the Pension Funds are at risk.

24 Section 5. The Property Tax Code is amended by changing  
25 Section 20-15 as follows:

1 (35 ILCS 200/20-15)

2 Sec. 20-15. Information on bill or separate statement.  
3 There shall be printed on each bill, or on a separate slip  
4 which shall be mailed with the bill:

5 (a) a statement itemizing the rate at which taxes have  
6 been extended for each of the taxing districts in the  
7 county in whose district the property is located, and in  
8 those counties utilizing electronic data processing  
9 equipment the dollar amount of tax due from the person  
10 assessed allocable to each of those taxing districts,  
11 including a separate statement of the dollar amount of tax  
12 due which is allocable to a tax levied under the Illinois  
13 Local Library Act or to any other tax levied by a  
14 municipality or township for public library purposes,

15 (b) a separate statement for each of the taxing  
16 districts of the dollar amount of tax due which is  
17 allocable to a tax levied under the Illinois Pension Code  
18 or to any other tax levied by a municipality or township  
19 for public pension or retirement purposes; provided,  
20 however, there shall be a separate statement of the dollar  
21 amount of tax due which is allocable to the Pension  
22 Stabilization Levy under Articles 8 and 11 of the Illinois  
23 Pension Code,

24 (c) the total tax rate,

25 (d) the total amount of tax due, and

1           (e) the amount by which the total tax and the tax  
2           allocable to each taxing district differs from the  
3           taxpayer's last prior tax bill.

4           The county treasurer shall ensure that only those taxing  
5           districts in which a parcel of property is located shall be  
6           listed on the bill for that property.

7           In all counties the statement shall also provide:

8           (1) the property index number or other suitable  
9           description,

10          (2) the assessment of the property,

11          (3) the statutory amount of each homestead exemption  
12          applied to the property,

13          (4) the assessed value of the property after  
14          application of all homestead exemptions,

15          (5) the equalization factors imposed by the county and  
16          by the Department, and

17          (6) the equalized assessment resulting from the  
18          application of the equalization factors to the basic  
19          assessment.

20          In all counties which do not classify property for purposes  
21          of taxation, for property on which a single family residence is  
22          situated the statement shall also include a statement to  
23          reflect the fair cash value determined for the property. In all  
24          counties which classify property for purposes of taxation in  
25          accordance with Section 4 of Article IX of the Illinois  
26          Constitution, for parcels of residential property in the lowest

1 assessment classification the statement shall also include a  
2 statement to reflect the fair cash value determined for the  
3 property.

4 In all counties, the statement must include information  
5 that certain taxpayers may be eligible for tax exemptions,  
6 abatements, and other assistance programs and that, for more  
7 information, taxpayers should consult with the office of their  
8 township or county assessor and with the Illinois Department of  
9 Revenue.

10 In all counties, the statement shall include information  
11 that certain taxpayers may be eligible for the Senior Citizens  
12 and Disabled Persons Property Tax Relief Act and that  
13 applications are available from the Illinois Department on  
14 Aging.

15 In counties which use the estimated or accelerated billing  
16 methods, these statements shall only be provided with the final  
17 installment of taxes due. The provisions of this Section create  
18 a mandatory statutory duty. They are not merely directory or  
19 discretionary. The failure or neglect of the collector to mail  
20 the bill, or the failure of the taxpayer to receive the bill,  
21 shall not affect the validity of any tax, or the liability for  
22 the payment of any tax.

23 (Source: P.A. 97-689, eff. 6-14-12; 98-93, eff. 7-16-13.)

24 Section 10. The Illinois Pension Code is amended by  
25 changing Sections 1-160, 8-137, 8-137.1, 8-173, 8-174, 8-196,

1 11-134.1, 11-134.3, 11-169, 11-170, and 11-185 and by adding  
2 Sections 8-173.1, 8-174.2, 11-169.1, and 11-179.1 as follows:

3 (40 ILCS 5/1-160)

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

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

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

1 provisions of Section 1-103.1 of this Code.

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

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

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
17 annual salary for any 4 consecutive years within the last  
18 10 years of service immediately preceding the date of  
19 withdrawal".

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

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

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

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

25 (b-5) Beginning on January 1, 2011, for all purposes under  
26 this Code (including without limitation the calculation of

1 benefits and employee contributions), the annual earnings,  
2 salary, or wages (based on the plan year) of a member or  
3 participant to whom this Section applies shall not exceed  
4 \$106,800; however, that amount shall annually thereafter be  
5 increased by the lesser of (i) 3% of that amount, including all  
6 previous adjustments, or (ii) one-half the annual unadjusted  
7 percentage increase (but not less than zero) in the consumer  
8 price index-u for the 12 months ending with the September  
9 preceding each November 1, including all previous 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. The new amount resulting from each annual adjustment shall  
16 be determined by the Public Pension Division of the Department  
17 of Insurance and made available to the boards of the retirement  
18 systems and pension funds by November 1 of each year.

19 (c) A member or participant is entitled to a retirement  
20 annuity upon written application if he or she has attained age  
21 67 and has at least 10 years of service credit and is otherwise  
22 eligible under the requirements of the applicable Article.

23 A member or participant who has attained age 62 and has at  
24 least 10 years of service credit and is otherwise eligible  
25 under the requirements of the applicable Article may elect to  
26 receive the lower retirement annuity provided in subsection (d)



1 of this Section.

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

6 (e) Any retirement annuity or supplemental annuity shall be  
7 subject to annual increases on the January 1 occurring either  
8 on or after the attainment of age 67 or the first anniversary  
9 of the annuity start date, whichever is later. Each annual  
10 increase shall be calculated at 3% or one-half the annual  
11 unadjusted percentage increase (but not less than zero) in the  
12 consumer price index-u for the 12 months ending with the  
13 September preceding each November 1, whichever is less, of the  
14 originally granted retirement annuity. If the annual  
15 unadjusted percentage change in the consumer price index-u for  
16 the 12 months ending with the September preceding each November  
17 1 is zero or there is a decrease, then the annuity shall not be  
18 increased.

19 (f) The initial survivor's or widow's annuity of an  
20 otherwise eligible survivor or widow of a retired member or  
21 participant who first became a member or participant on or  
22 after January 1, 2011 shall be in the amount of 66 2/3% of the  
23 retired member's or participant's retirement annuity at the  
24 date of death. In the case of the death of a member or  
25 participant who has not retired and who first became a member  
26 or participant on or after January 1, 2011, eligibility for a

1 survivor's or widow's annuity shall be determined by the  
2 applicable Article of this Code. The initial benefit shall be  
3 66 2/3% of the earned annuity without a reduction due to age. A  
4 child's annuity of an otherwise eligible child shall be in the  
5 amount prescribed under each Article if applicable. Any  
6 survivor's or widow's annuity shall be increased (1) on each  
7 January 1 occurring on or after the commencement of the annuity  
8 if the deceased member died while receiving a retirement  
9 annuity or (2) in other cases, on each January 1 occurring  
10 after the first anniversary of the commencement of the annuity.  
11 Each annual increase shall be calculated at 3% or one-half the  
12 annual unadjusted percentage increase (but not less than zero)  
13 in the consumer price index-u for the 12 months ending with the  
14 September preceding each November 1, whichever is less, of the  
15 originally granted survivor's annuity. If the annual  
16 unadjusted percentage change in the consumer price index-u for  
17 the 12 months ending with the September preceding each November  
18 1 is zero or there is a decrease, then the annuity shall not be  
19 increased.

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

1 provisions of Section 14-110, in lieu of the regular or minimum  
2 retirement annuity, only if the person has withdrawn from  
3 service with not less than 20 years of eligible creditable  
4 service and has attained age 60, regardless of whether the  
5 attainment of age 60 occurs while the person is still in  
6 service.

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

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

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

14 (i) (Blank).

15 (j) In the case of a conflict between the provisions of  
16 this Section and any other provision of this Code, the  
17 provisions of this Section shall control.

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 (b-5) Beginning on January 1, 2011, for all purposes under  
16 this Code (including without limitation the calculation of  
17 benefits and employee contributions), the annual earnings,  
18 salary, or wages (based on the plan year) of a member or  
19 participant to whom this Section applies shall not exceed  
20 \$106,800; however, that amount shall annually thereafter be  
21 increased by the lesser of (i) 3% of that amount, including all  
22 previous adjustments, or (ii) one-half the annual unadjusted  
23 percentage increase (but not less than zero) in the consumer  
24 price index-u for the 12 months ending with the September  
25 preceding each November 1, including all previous adjustments.

26 For the purposes of this Section, "consumer price index-u"

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

9 (c) A member or participant is entitled to a retirement  
10 annuity upon written application if he or she has attained age  
11 67 (beginning January 1, 2015, age 65 with respect to service  
12 under Article 8, 11, or 12 of this Code that is subject to this  
13 Section) and has at least 10 years of service credit and is  
14 otherwise eligible under the requirements of the applicable  
15 Article.

16 A member or participant who has attained age 62 (beginning  
17 January 1, 2015, age 60 with respect to service under Article  
18 8, 11, or 12 of this Code that is subject to this Section) and  
19 has at least 10 years of service credit and is otherwise  
20 eligible under the requirements of the applicable Article may  
21 elect to receive the lower retirement annuity provided in  
22 subsection (d) of this Section.

23 (d) The retirement annuity of a member or participant who  
24 is retiring after attaining age 62 (beginning January 1, 2015,  
25 age 60 with respect to service under Article 8, 11, or 12 of  
26 this Code that is subject to this Section) with at least 10

1 years of service credit shall be reduced by one-half of 1% for  
2 each full month that the member's age is under age 67  
3 (beginning January 1, 2015, age 65 with respect to service  
4 under Article 8, 11, or 12 of this Code that is subject to this  
5 Section).

6 (e) Any retirement annuity or supplemental annuity shall be  
7 subject to annual increases on the January 1 occurring either  
8 on or after the attainment of age 67 (beginning January 1,  
9 2015, age 65 with respect to service under Article 8, 11, or 12  
10 of this Code that is subject to this Section) or the first  
11 anniversary (the second anniversary with respect to service  
12 under Article 8 or 11) of the annuity start date, whichever is  
13 later. Each annual increase shall be calculated at 3% or  
14 one-half the annual unadjusted percentage increase (but not  
15 less than zero) in the consumer price index-u for the 12 months  
16 ending with the September preceding each November 1, whichever  
17 is less, of the originally granted retirement annuity. If the  
18 annual unadjusted percentage change in the consumer price  
19 index-u for the 12 months ending with the September preceding  
20 each November 1 is zero or there is a decrease, then the  
21 annuity shall not be increased.

22 Notwithstanding any provision of this Section to the  
23 contrary, with respect to service under Article 8 or 11 of this  
24 Code that is subject to this Section, no annual increase under  
25 this subsection shall be paid or accrue to any person in year  
26 2025. In all other years, the Fund shall continue to pay annual



1 increases as provided in this Section.

2 Notwithstanding Section 1-103.1 of this Code, the changes  
3 in this amendatory Act of the 98th General Assembly are  
4 applicable without regard to whether the employee was in active  
5 service on or after the effective date of this amendatory Act  
6 of the 98th General Assembly.

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

1 in the consumer price index-u for the 12 months ending with the  
2 September preceding each November 1, whichever is less, of the  
3 originally granted survivor's annuity. If the annual  
4 unadjusted percentage change in the consumer price index-u for  
5 the 12 months ending with the September preceding each November  
6 1 is zero or there is a decrease, then the annuity shall not be  
7 increased.

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

21 (h) If a person who first becomes a member or a participant  
22 of a retirement system or pension fund subject to this Section  
23 on or after January 1, 2011 is receiving a retirement annuity  
24 or retirement pension under that system or fund and becomes a  
25 member or participant under any other system or fund created by  
26 this Code and is employed on a full-time basis, except for

1 those members or participants exempted from the provisions of  
2 this Section under subsection (a) of this Section, then the  
3 person's retirement annuity or retirement pension under that  
4 system or fund shall be suspended during that employment. Upon  
5 termination of that employment, the person's retirement  
6 annuity or retirement pension payments shall resume and be  
7 recalculated if recalculation is provided for under the  
8 applicable Article of this Code.

9 If a person who first becomes a member of a retirement  
10 system or pension fund subject to this Section on or after  
11 January 1, 2012 and is receiving a retirement annuity or  
12 retirement pension under that system or fund and accepts on a  
13 contractual basis a position to provide services to a  
14 governmental entity from which he or she has retired, then that  
15 person's annuity or retirement pension earned as an active  
16 employee of the employer shall be suspended during that  
17 contractual service. A person receiving an annuity or  
18 retirement pension under this Code shall notify the pension  
19 fund or retirement system from which he or she is receiving an  
20 annuity or retirement pension, as well as his or her  
21 contractual employer, of his or her retirement status before  
22 accepting contractual employment. A person who fails to submit  
23 such notification shall be guilty of a Class A misdemeanor and  
24 required to pay a fine of \$1,000. Upon termination of that  
25 contractual employment, the person's retirement annuity or  
26 retirement pension payments shall resume and, if appropriate,

1 be recalculated under the applicable provisions of this Code.

2 (i) (Blank).

3 (j) In the case of a conflict between the provisions of  
4 this Section and any other provision of this Code, the  
5 provisions of this Section shall control.

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

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

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

10 (a) An employee who retired or retires from service after  
11 December 31, 1959 and before January 1, 1987, having attained  
12 age 60 or more, shall, in January of the year after the year in  
13 which the first anniversary of retirement occurs, have the  
14 amount of his then fixed and payable monthly annuity increased  
15 by 1 1/2%, and such first fixed annuity as granted at  
16 retirement increased by a further 1 1/2% in January of each  
17 year thereafter. Beginning with January of the year 1972, such  
18 increases shall be at the rate of 2% in lieu of the aforesaid  
19 specified 1 1/2%, and beginning with January of the year 1984  
20 such increases shall be at the rate of 3%. Beginning in January  
21 of 1999, such increases shall be at the rate of 3% of the  
22 currently payable monthly annuity, including any increases  
23 previously granted under this Article. An employee who retires  
24 on annuity after December 31, 1959 and before January 1, 1987,  
25 but before age 60, shall receive such increases beginning in

1 January of the year after the year in which he attains age 60.

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

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

25 (a-6) Notwithstanding the provisions of subsections (a)  
26 and (a-5), for all calendar years following the year in which

1 this amendatory Act of the 93rd General Assembly takes effect,  
2 an increase in annuity under this Section that would otherwise  
3 take effect at any time during the year shall instead take  
4 effect in January of that year.

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

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

20 Each such additional contribution shall be credited to an  
21 account in the prior service annuity reserve, to be used,  
22 together with city contributions, to defray the cost of the  
23 specified annuity increments. Any balance in such account at  
24 the beginning of each calendar year shall be credited with  
25 interest at the rate of 3% per annum.

26 Such additional employee contributions are not refundable,

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

6 (b-5) Notwithstanding any provision of this Section to the  
7 contrary, there shall be no annual increase under this Section  
8 in years 2017, 2019, and 2025. In all other years, beginning  
9 January 1, 2015, the Fund shall pay an annual increase to  
10 persons eligible to receive one under this Section, in lieu of  
11 any other annual increase provided under this Section, in an  
12 amount equal to the lesser of 3% or one-half the annual  
13 unadjusted percentage increase (but not less than zero) in the  
14 consumer price index-u for the 12 months ending with the  
15 September preceding each November 1, of the person's last  
16 annual annuity amount prior to January 1, 2015. If a person was  
17 not granted an annuity before the effective date of this  
18 amendatory Act of the 98th General Assembly, then this  
19 calculation shall be based on his or her originally granted  
20 annuity; provided, however, that a person retiring after the  
21 effective date of this amendatory Act of the 98th General  
22 Assembly shall not be eligible for an annual increase under  
23 this Section until one full year after the date on which such  
24 annual increase otherwise would take effect under this Section.

25 For the purposes of this Section, "consumer price index-u"  
26 means the index published by the Bureau of Labor Statistics of

1 the United States Department of Labor that measures the average  
2 change in prices of goods and services purchased by all urban  
3 consumers, United States city average, all items, 1982-84 =  
4 100.

5 Notwithstanding Section 1-103.1, this subsection (b-5) is  
6 applicable without regard to whether the employee was in active  
7 service on or after the effective date of this amendatory Act  
8 of the 98th General Assembly. This subsection (b-5) applies to  
9 any former employee who on or after the effective date of this  
10 amendatory Act of the 98th General Assembly is receiving a  
11 retirement annuity and is eligible for an automatic annual  
12 increase under this Section.

13 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
14 93-654, eff. 1-16-04.)

15 (40 ILCS 5/8-137.1) (from Ch. 108 1/2, par. 8-137.1)

16 Sec. 8-137.1. Automatic increases in annuity for certain  
17 heretofore retired participants. A retired municipal employee  
18 who (a) is receiving annuity based on a service credit of 20 or  
19 more years regardless of age at retirement or based on a  
20 service credit of 15 or more years with retirement at age 55 or  
21 over, and (b) does not qualify for the automatic increases in  
22 annuity provided for in Section 8-137 of this Article, and (c)  
23 elects to make a contribution to the Fund at a time and manner  
24 prescribed by the Retirement Board, of a sum equal to 1% of the  
25 amount of final monthly salary times the number of full years



1 of service on which the annuity was based in those cases where  
2 the annuity was computed on the money purchase formula and in  
3 those cases in which the annuity was computed under the minimum  
4 annuity formula provisions of this Article a sum equal to 1% of  
5 the average monthly salary on which the annuity was based times  
6 such number of full years of service, shall have his original  
7 fixed and payable monthly amount of annuity increased in  
8 January of the year following the year in which he attains the  
9 age of 65 years, if such age of 65 years is attained in the year  
10 1969 or later, by an amount equal to 1-1/2%, and by an equal  
11 additional 1-1/2% in January of each year thereafter. Beginning  
12 with January of the year 1972, such increases shall be at the  
13 rate of 2% in lieu of the aforesaid specified 1 1/2%, and  
14 beginning January of the year 1984 such increases shall be at  
15 the rate of 3%. Beginning in January of 1999, such increases  
16 shall be at the rate of 3% of the currently payable monthly  
17 annuity, including any increases previously granted under this  
18 Article.

19 Whenever the retired municipal employee receiving annuity  
20 has attained the age of 66 or more in 1969, he shall have such  
21 annuity increased in January, 1970 by an amount equal to 1-1/2%  
22 multiplied by the number equal to the number of months of  
23 January elapsing from and including January of the year  
24 immediately following the year he attained the age of 65 if  
25 retired at or before age 65, or from and including January of  
26 the year immediately following the year of retirement if

1 retired at an age greater than 65, to and including January,  
2 1970, and by an equal additional 1-1/2% in January of each year  
3 thereafter. Beginning with January of the year 1972, such  
4 increases shall be at the rate of 2% in lieu of the aforesaid  
5 specified 1 1/2%, and beginning January of the year 1984 such  
6 increases shall be at the rate of 3%. Beginning in January of  
7 1999, such increases shall be at the rate of 3% of the  
8 currently payable monthly annuity, including any increases  
9 previously granted under this Article.

10 To defray the annual cost of such increases, the annual  
11 interest income of the Fund, accruing from investments held by  
12 the Fund, exclusive of gains or losses on sales or exchanges of  
13 assets during the year, over and above 4% a year, shall be used  
14 to the extent necessary and available to finance the cost of  
15 such increases for the following year, and such amount shall be  
16 transferred as of the end of each year, beginning with the year  
17 1969, to a Fund account designated as the Supplementary Payment  
18 Reserve from the Investment and Interest Reserve set forth in  
19 Section 8-221. The sums contributed by annuitants as provided  
20 for in this Section shall also be placed in the aforesaid  
21 Supplementary Payment Reserve and shall be applied and used for  
22 the purposes of such Fund account, together with the aforesaid  
23 interest.

24 In the event the monies in the Supplementary Payment  
25 Reserve in any year arising from: (1) the available interest  
26 income as defined hereinbefore and accruing in the preceding

1 year above 4% a year and (2) the contributions by retired  
2 persons, as set forth hereinbefore, are insufficient to make  
3 the total payments to all persons estimated to be entitled to  
4 the annuity increases specified hereinbefore, then (3) any  
5 interest earnings over 4% a year beginning with the year 1969  
6 which were not previously used to finance such increases and  
7 which were transferred to the Prior Service Annuity Reserve may  
8 be used to the extent necessary and available to provide  
9 sufficient funds to finance such increases for the current  
10 year, and such sums shall be transferred from the Prior Service  
11 Annuity Reserve.

12 In the event the total monies available in the  
13 Supplementary Payment Reserve from the preceding indicated  
14 sources are insufficient to make the total payments to all  
15 persons entitled to such increases for the year, a  
16 proportionate amount computed as the ratio of the monies  
17 available to the total of the total payments for that year  
18 shall be paid to each person for that year.

19 The Fund shall be obligated for the payment of the  
20 increases in annuity as provided for in this Section only to  
21 the extent that the assets for such purpose, as specified  
22 herein, are available.

23 Notwithstanding any provision of this Section to the  
24 contrary, there shall be no annual increase under this Section  
25 in years 2017, 2019, and 2025. In all other years, beginning  
26 January 1, 2015, the Fund shall pay an annual increase to

1 persons eligible to receive one under this Section, in lieu of  
2 any other annual increase provided under this Section, in an  
3 amount equal to the lesser of 3% or one-half the annual  
4 unadjusted percentage increase (but not less than zero) in the  
5 consumer price index-u for the 12 months ending with the  
6 September preceding each November 1, of the person's last  
7 annual annuity amount prior to January 1, 2015.

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

14 Notwithstanding Section 1-103.1, the changes made to this  
15 Section by this amendatory Act of the 98th General Assembly are  
16 applicable without regard to whether the employee was in active  
17 service on or after the effective date of this amendatory Act.  
18 These changes apply to any former employee who, on or after the  
19 effective date of this amendatory Act, is receiving a  
20 retirement annuity and is eligible for an automatic annual  
21 increase under this Section.

22 (Source: P.A. 90-766, eff. 8-14-98.)

23 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

24 Sec. 8-173. Financing; tax levies ~~levy~~.

25 (a) Except as provided in subsection (f) of this Section,

1 the city council of the city shall levy a tax annually upon all  
2 taxable property in the city at a rate that will produce a sum  
3 which, when added to the amounts deducted from the salaries of  
4 the employees or otherwise contributed by them and the amounts  
5 deposited under subsection (f), will be sufficient for the  
6 requirements of this Article, but which when extended will  
7 produce an amount not to exceed the greater of the following:  
8 (a) the sum obtained by the levy of a tax of .1093% of the  
9 value, as equalized or assessed by the Department of Revenue,  
10 of all taxable property within such city, or (b) the sum of  
11 \$12,000,000. However any city in which a Fund has been  
12 established and in operation under this Article for more than 3  
13 years prior to 1970 shall levy for the year 1970 a tax at a rate  
14 on the dollar of assessed valuation of all taxable property  
15 that will produce, when extended, an amount not to exceed 1.2  
16 times the total amount of contributions made by employees to  
17 the Fund for annuity purposes in the calendar year 1968, and,  
18 for the year 1971 and 1972 such levy that will produce, when  
19 extended, an amount not to exceed 1.3 times the total amount of  
20 contributions made by employees to the Fund for annuity  
21 purposes in the calendar years 1969 and 1970, respectively; and  
22 for the year 1973 an amount not to exceed 1.365 times such  
23 total amount of contributions made by employees for annuity  
24 purposes in the calendar year 1971; and for the year 1974 an  
25 amount not to exceed 1.430 times such total amount of  
26 contributions made by employees for annuity purposes in the

1 calendar year 1972; and for the year 1975 an amount not to  
2 exceed 1.495 times such total amount of contributions made by  
3 employees for annuity purposes in the calendar year 1973; and  
4 for the year 1976 an amount not to exceed 1.560 times such  
5 total amount of contributions made by employees for annuity  
6 purposes in the calendar year 1974; and for the year 1977 an  
7 amount not to exceed 1.625 times such total amount of  
8 contributions made by employees for annuity purposes in the  
9 calendar year 1975; and for the year 1978 and each year  
10 thereafter, such levy as will produce, when extended, an amount  
11 not to exceed the total amount of contributions made by or on  
12 behalf of employees to the Fund for annuity purposes in the  
13 calendar year 2 years prior to the year for which the annual  
14 applicable tax is levied, multiplied by 1.690 for the years  
15 1978 through 1998 and by 1.250 for the year 1999 and for each  
16 year thereafter.

17 The tax shall be levied and collected in like manner with  
18 the general taxes of the city, and shall be exclusive of and in  
19 addition to the amount of tax the city is now or may hereafter  
20 be authorized to levy for general purposes under any laws which  
21 may limit the amount of tax which the city may levy for general  
22 purposes. The county clerk of the county in which the city is  
23 located, in reducing tax levies under the provisions of any Act  
24 concerning the levy and extension of taxes, shall not consider  
25 the tax herein provided for as a part of the general tax levy  
26 for city purposes, and shall not include the same within any

1 limitation of the percent of the assessed valuation upon which  
2 taxes are required to be extended for such city.

3 Revenues derived from such tax shall be paid to the city  
4 treasurer of the city as collected and held by him for the  
5 benefit of the fund.

6 If the payments on account of taxes are insufficient during  
7 any year to meet the requirements of this Article, the city may  
8 issue tax anticipation warrants against the current tax levy.

9 (a-1) Notwithstanding anything to the contrary in  
10 subsection (a) of this Section, beginning with the city's levy  
11 under subsection (a) in 2015 and each year thereafter, the levy  
12 shall not exceed the amount of the city's total contribution to  
13 the Fund under this Section for payment year 2014; provided,  
14 however, that the city may continue to use other lawfully  
15 available funds in lieu of all or part of the levy as provided  
16 under subsection (f) of this Section. The increases that would  
17 have occurred under subsection (a) of this Section if not for  
18 the aforementioned limitation shall be included in the  
19 calculations under subsection (a-2) of this Section for levy  
20 purposes.

21 (a-2) For purposes of this Section, the payment year is the  
22 year following the levy year. Starting in payment year 2016,  
23 the city shall pay to the Fund annually, in the manner  
24 described in this subsection, an amount that, when added to the  
25 amounts of the contribution provided in subsection (a) of this  
26 Section as modified by subsection (a-1) of this Section, shall

1 equal the lesser of:

2 (i) (I) for payment years 2016 through 2055, the annual  
3 amount determined by the Fund to be equal to the greater of  
4 \$0, or the sum of (1) the City's portion of the projected  
5 normal cost for that fiscal year, plus (2) an amount  
6 determined on a level percentage of applicable employee  
7 payroll basis (reflecting any limits on individual  
8 participants' pay that apply for benefit and contribution  
9 purposes under this plan) that is sufficient to bring the  
10 total actuarial assets of the Fund up to 90% of the total  
11 actuarial liabilities of the Fund by the end of 2055. (II)  
12 For payment years after 2055, the annual amount determined  
13 by the Fund to be equal to the amount needed, if any, to  
14 bring the total actuarial assets of the Fund up to 90% of  
15 the total actuarial liabilities of the Fund as of the end  
16 of the year. In making the determinations under both (I)  
17 and (II), the actuarial calculations shall be determined  
18 under the entry age normal actuarial cost method on an open  
19 group projection basis, and any actuarial gains or losses  
20 from investment return incurred in a fiscal year shall be  
21 recognized in equal annual amounts over the 5-year period  
22 following the fiscal year; or

23 (ii) for payment year 2016, 1.85 times the total amount  
24 of contributions made by or on behalf of employees to the  
25 Fund for annuity purposes in the calendar year 2013; for  
26 payment year 2017, 2.15 times the total amount of



1 contributions made by or on behalf of employees to the Fund  
2 for annuity purposes in the calendar year 2014; for payment  
3 year 2018, 2.45 times the total amount of contributions  
4 made by or on behalf of employees to the Fund for annuity  
5 purposes in the calendar year 2015; for payment year 2019,  
6 2.75 times the total amount of contributions made by or on  
7 behalf of employees to the Fund for annuity purposes in the  
8 calendar year 2016; for payment year 2020, 3.05 times the  
9 total amount of contributions made by or on behalf of  
10 employees to the Fund for annuity purposes in the calendar  
11 year 2017; provided however, that beginning in the earlier  
12 of the year that the annual contribution amount is at least  
13 the amount calculated under subdivision (i), or payment  
14 year 2021, and each year thereafter, the city's annual  
15 contribution shall be determined pursuant to subdivision  
16 (i) only.

17 (a-3) For levy years 2015 through 2020, the city council of  
18 the city shall levy a separate tax annually upon all taxable  
19 property in the city that shall be known as the Pension  
20 Stabilization Levy and shall be at a rate that, when extended,  
21 will produce an amount that is no less than one-half of the  
22 city's total required contribution amount under subsection  
23 (a-2) for each year. The remainder of the city's total required  
24 contribution amount under subsection (a-2) shall be paid by the  
25 city to the city treasurer of the city with any lawfully  
26 available funds, which shall be collected and held by the city

1 treasurer for the benefit of the Fund; provided however, that  
2 the city may elect to fund some or all of such remaining amount  
3 through the Pension Stabilization Levy in lieu of paying with  
4 other available funds of the city.

5 Subject to subsection (f) of this Section, for levy year  
6 2021 and thereafter, the city council of the city may levy the  
7 Pension Stabilization Levy at a rate that, when extended, will  
8 produce an amount not to exceed the city's total required  
9 contribution amount under subsection (a-2) for each applicable  
10 payment year.

11 The Pension Stabilization Levy shall be levied and  
12 collected in like manner with the general taxes of the city,  
13 and shall be exclusive of and in addition to the amount of tax  
14 the city is now or may hereafter be authorized to levy for  
15 general purposes under any laws which may limit the amount of  
16 tax which the city may levy for general purposes. The county  
17 clerk of the county in which the city is located, in reducing  
18 tax levies under the provisions of any Act concerning the levy  
19 and extension of taxes, shall not consider the tax herein  
20 provided for as a part of the general tax levy for city  
21 purposes, and shall not include the same within any limitation  
22 of the percent of the assessed valuation upon which taxes are  
23 required to be extended for such city.

24 Revenues derived from such tax shall be used solely to  
25 satisfy the city's obligations to the Fund pursuant to  
26 subsection (a-2) and shall be paid to the city treasurer as

1 collected and held by him for the benefit of the fund.

2 If the payments on account of taxes are insufficient during  
3 any year to meet the requirements of this Article, the city may  
4 issue tax anticipation warrants against the current tax levy.

5 (a-4) For levy years 2015 through 2020, if the city does  
6 not: (i) levy a tax under subsection (a-3) equal to at least  
7 50% of the city's required contribution under subsection (a-2);  
8 and (ii) transmit the proceeds of the levy to the Fund within  
9 90 days after the payment of that contribution is due, the Fund  
10 may, after giving notice to the city, certify to the State  
11 Comptroller the amounts of the delinquent payment, and the  
12 Comptroller must, beginning in payment year 2016, deduct and  
13 deposit into the Fund the certified amount or a portion of that  
14 amount from the following proportions of grants of State funds  
15 to the city:

16 (1) in payment year 2016, one-third of the total amount  
17 of any grants of State funds to the city;

18 (2) in payment year 2017, two-thirds of the total  
19 amount of any grants of State funds to the city; and

20 (3) in payment years 2018 through 2021, the total  
21 amount of any grants of State funds to the city.

22 The State Comptroller may not deduct from any grants of  
23 State funds to the city more than the amount of delinquent  
24 payment certified to the State Comptroller by the Fund.

25 (b) On or before January 10, annually, the board shall  
26 notify the city council of the requirements of this Article

1 that the taxes ~~tax~~ herein provided shall be levied for that  
2 current year. The board shall compute the amounts necessary to  
3 be credited to the reserves established and maintained as  
4 herein provided, and shall make an annual determination of the  
5 amount of the required city contributions, and certify the  
6 results thereof to the city council.

7 (c) In respect to employees of the city who are transferred  
8 to the employment of a park district by virtue of the "Exchange  
9 of Functions Act of 1957", the corporate authorities of the  
10 park district shall annually levy a tax upon all the taxable  
11 property in the park district at such rate per cent of the  
12 value of such property, as equalized or assessed by the  
13 Department of Revenue, as shall be sufficient, when added to  
14 the amounts deducted from their salaries and otherwise  
15 contributed by them to provide the benefits to which they and  
16 their dependents and beneficiaries are entitled under this  
17 Article. The city shall not levy a tax hereunder in respect to  
18 such employees.

19 The tax so levied by the park district shall be in addition  
20 to and exclusive of all other taxes authorized to be levied by  
21 the park district for corporate, annuity fund, or other  
22 purposes. The county clerk of the county in which the park  
23 district is located, in reducing any tax levied under the  
24 provisions of any act concerning the levy and extension of  
25 taxes shall not consider such tax as part of the general tax  
26 levy for park purposes, and shall not include the same in any

1 limitation of the per cent of the assessed valuation upon which  
2 taxes are required to be extended for the park district. The  
3 proceeds of the tax levied by the park district, upon receipt  
4 by the district, shall be immediately paid over to the city  
5 treasurer of the city for the uses and purposes of the fund.

6 The various sums to be contributed by the city and park  
7 district and allocated for the purposes of this Article, and  
8 any interest to be contributed by the city, shall be derived  
9 from the revenue from the taxes authorized in this Section or  
10 otherwise as expressly provided in this Section.

11 If it is not possible or practicable for the city to make  
12 contributions for age and service annuity and widow's annuity  
13 at the same time that employee contributions are made for such  
14 purposes, such city contributions shall be construed to be due  
15 and payable as of the end of the fiscal year for which the tax  
16 is levied and shall accrue thereafter with interest at the  
17 effective rate until paid.

18 (d) With respect to employees whose wages are funded as  
19 participants under the Comprehensive Employment and Training  
20 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.  
21 93-567, 88 Stat. 1845), hereinafter referred to as CETA,  
22 subsequent to October 1, 1978, and in instances where the board  
23 has elected to establish a manpower program reserve, the board  
24 shall compute the amounts necessary to be credited to the  
25 manpower program reserves established and maintained as herein  
26 provided, and shall make a periodic determination of the amount

1 of required contributions from the City to the reserve to be  
2 reimbursed by the federal government in accordance with rules  
3 and regulations established by the Secretary of the United  
4 States Department of Labor or his designee, and certify the  
5 results thereof to the City Council. Any such amounts shall  
6 become a credit to the City and will be used to reduce the  
7 amount which the City would otherwise contribute during  
8 succeeding years for all employees.

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

21 (f) Except as otherwise provided in subsection (a-3), in ~~In~~  
22 lieu of levying all or a portion of the taxes ~~tax~~ required  
23 under this Section in any year, the city may deposit with the  
24 city treasurer no later than March 1 of that year for the  
25 benefit of the fund, to be held in accordance with this  
26 Article, an amount that, together with the taxes levied under

1 this Section for that year, is not less than the amount of the  
2 city contributions for that year as certified by the board to  
3 the city council. The deposit may be derived from any source  
4 legally available for that purpose, including, but not limited  
5 to, the proceeds of city borrowings. The making of a deposit  
6 shall satisfy fully the requirements of this Section for that  
7 year to the extent of the amounts so deposited. Amounts  
8 deposited under this subsection may be used by the fund for any  
9 of the purposes for which the proceeds of the taxes ~~tax~~ levied  
10 by the city under this Section may be used, including the  
11 payment of any amount that is otherwise required by this  
12 Article to be paid from the proceeds of those taxes ~~that tax~~.

13 (Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98;  
14 90-766, eff. 8-14-98.)

15 (40 ILCS 5/8-173.1 new)

16 Sec. 8-173.1. Funding Obligation.

17 (a) Beginning January 1, 2015, the city shall be obligated  
18 to contribute to the Fund in each fiscal year an amount not  
19 less than the amount determined annually under subsections (a)  
20 through (a-2) of Section 8-173 of this Code. Notwithstanding  
21 any other provision of law, if the city fails to pay the amount  
22 guaranteed under this Section on or before December 31 of the  
23 year in which such amount is due, the retirement board may  
24 bring a mandamus action in the Circuit Court of Cook County to  
25 compel the city to make the required payment, irrespective of

1 other remedies that may be available to the Fund. The  
2 obligations and causes of action created under this Section  
3 shall be in addition to any other right or remedy otherwise  
4 accorded by common law or State or federal law, and nothing in  
5 this Section shall be construed to deny, abrogate, impair, or  
6 waive any such common law or statutory right or remedy.

7 (b) In ordering the city to make the required payment, the  
8 court may order a reasonable payment schedule to enable the  
9 city to make the required payment without significantly  
10 imperiling the public health, safety, or welfare. Any payments  
11 required to be made by the city pursuant to this Section are  
12 expressly subordinated to the payment of the principal,  
13 interest, premium, if any, and other payments on or related to  
14 any bonded debt obligation of the city, either currently  
15 outstanding or to be issued, for which the source of repayment  
16 or security thereon is derived directly or indirectly from any  
17 funds collected or received by the city or collected or  
18 received on behalf of the city. Payments on such bonded  
19 obligations include any statutory fund transfers or other  
20 prefunding mechanisms or formulas set forth, now or hereafter,  
21 in State law, city ordinance, or bond indentures, into debt  
22 service funds or accounts of the city related to such bonded  
23 obligations, consistent with the payment schedules associated  
24 with such obligations.



1           Sec. 8-174. Contributions for age and service annuities for  
2 present employees and future entrants.

3           (a) Beginning on the effective date and prior to July 1,  
4 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July  
5 1, 1953, 5%; and beginning July 1, 1953, and prior to January  
6 1, 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning  
7 January 1, 2015, and prior to January 1, 2016, 7.0%; and  
8 beginning January 1, 2016, and prior to January 1, 2017, 7.5%;  
9 and, beginning January 1, 2017, and prior to January 1, 2018,  
10 8.0%; and beginning January 1, 2018, and prior to January 1,  
11 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0%  
12 ~~6-1/2%~~ of each payment of the salary of each present employee  
13 and future entrant shall be contributed to the fund as a  
14 deduction from salary for age and service annuity; provided,  
15 however, that beginning with the first pay period on or after  
16 the date when the funded ratio of the Fund is first determined  
17 to have reached the 90% funding goal set forth in subsection  
18 (a-2) of Section 8-173, and each pay period thereafter for as  
19 long as the Fund maintains a funding ratio of 90% or more,  
20 employee contributions shall be 7.75% of salary for the age and  
21 service annuity. If the funding ratio falls below 90%, then  
22 employee contributions for the age and service annuity shall  
23 revert to 9.0% of salary until such time as the Fund once again  
24 is determined to have reached a funding ratio of at least 90%,  
25 at which time employee contributions of 7.75% shall resume for  
26 the age and service annuity.

1        Notwithstanding Section 1-103.1, the changes to this  
2        Section made by this amendatory Act of the 98th General  
3        Assembly apply regardless of whether the employee was in active  
4        service on or after the effective date of this amendatory Act.

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

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

1 8-138.4.

2 (c) Each employee contribution made prior to the date the  
3 age and service annuity for an employee is fixed and each  
4 corresponding city contribution shall be credited to the  
5 employee and allocated to the account of the employee for whose  
6 benefit it is made.

7 (Source: P.A. 93-654, eff. 1-16-04.)

8 (40 ILCS 5/8-174.2 new)

9 Sec. 8-174.2. Use of contributions for health care  
10 subsidies. Except as may be required pursuant to Sections  
11 8-164.1 and 8-164.2 of this Code, the Fund shall not use any  
12 contribution received by the Fund under this Article to provide  
13 a subsidy for the cost of participation in a retiree health  
14 care program.

15 (40 ILCS 5/8-196) (from Ch. 108 1/2, par. 8-196)

16 Sec. 8-196. Board meetings.

17 The board shall hold regular meetings in the months of  
18 March, June, September and December annually and special  
19 meetings as it deems necessary. A majority of the members shall  
20 constitute a quorum for the transaction of business at any  
21 meeting, but no annuity or benefit shall be granted or payments  
22 made by the fund unless ordered by a vote of a majority of the  
23 board members. The board shall not change the discount rate,  
24 rate of return, mortality assumptions, or any other assumption

1 that materially affects the City's contribution obligation  
2 pursuant to subsection (a-2) of Section 8-173 without the  
3 approval of at least 4 of the board's 5 members.

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

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

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

7 (a) An employee who retired or retires from service after  
8 December 31, 1963, and before January 1, 1987, having attained  
9 age 60 or more, shall, in the month of January of the year  
10 following the year in which the first anniversary of retirement  
11 occurs, have the amount of his then fixed and payable monthly  
12 annuity increased by 1 1/2%, and such first fixed annuity as  
13 granted at retirement increased by a further 1 1/2% in January  
14 of each year thereafter. Beginning with January of the year  
15 1972, such increases shall be at the rate of 2% in lieu of the  
16 aforesaid specified 1 1/2%. Beginning January, 1984, such  
17 increases shall be at the rate of 3%. Beginning in January of  
18 1999, such increases shall be at the rate of 3% of the  
19 currently payable monthly annuity, including any increases  
20 previously granted under this Article. An employee who retires  
21 on annuity after December 31, 1963 and before January 1, 1987,  
22 but prior to age 60, shall receive such increases beginning  
23 with January of the year immediately following the year in  
24 which he attains the age of 60 years.

25 An employee who retires from service on or after January 1,

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

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

23 (a-6) Notwithstanding the provisions of subsections (a)  
24 and (a-5), for all calendar years following the year in which  
25 this amendatory Act of the 93rd General Assembly takes effect,  
26 an increase in annuity under this Section that would otherwise

1 take effect at any time during the year shall instead take  
2 effect in January of that year.

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

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

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

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

1 annuity becomes payable.

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

5 (b-5) Notwithstanding any provision of this Section to the  
6 contrary, there shall be no annual increase under this Section  
7 in years 2017, 2019, and 2025. In all other years, beginning  
8 January 1, 2015, the Fund shall pay an annual increase to  
9 persons eligible to receive one under this Section, in lieu of  
10 any other annual increase provided under this Section, in an  
11 amount equal to the lesser of 3% or one-half the annual  
12 unadjusted percentage increase (but not less than zero) in the  
13 consumer price index-u for the 12 months ending with the  
14 September preceding each November 1, of the person's last  
15 annual annuity amount prior to January 1, 2015. If a person was  
16 not granted an annuity before the effective date of this  
17 amendatory Act of the 98th General Assembly, then this  
18 calculation shall be based on his or her originally granted  
19 annuity; provided, however, that a person retiring after the  
20 effective date of this amendatory Act of the 98th General  
21 Assembly shall not be eligible for an annual increase under  
22 this Section until one full year after the date on which such  
23 annual increase otherwise would take effect under this Section.

24 For the purposes of this Section, "consumer price index-u"  
25 means the index published by the Bureau of Labor Statistics of  
26 the United States Department of Labor that measures the average

1 change in prices of goods and services purchased by all urban  
2 consumers, United States city average, all items, 1982-84 =  
3 100.

4 Notwithstanding Section 1-103.1, this subsection (b-5) is  
5 applicable without regard to whether the employee was in active  
6 service on or after the effective date of this amendatory Act  
7 of the 98th General Assembly. This subsection (b-5) applies to  
8 any former employee who on or after the effective date of this  
9 amendatory Act of the 98th General Assembly is receiving a  
10 retirement annuity and is eligible for an automatic annual  
11 increase under this Section.

12 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
13 93-654, eff. 1-16-04.)

14 (40 ILCS 5/11-134.3) (from Ch. 108 1/2, par. 11-134.3)

15 Sec. 11-134.3. Automatic increases in annuity for certain  
16 heretofore retired participants. A retired employee who (a) is  
17 receiving annuity based on a service credit of 20 or more years  
18 regardless of age at retirement or based on a service credit of  
19 15 or more years with retirement at age 55 or over, and (b)  
20 does not qualify for the automatic increases in annuity  
21 provided for in Section 11-134.1 of this Article, and (c)  
22 elects to make a contribution to the Fund at a time and manner  
23 prescribed by the Retirement Board, of a sum equal to 1% of the  
24 amount of final monthly salary times the number of full years  
25 of service on which the annuity was based in those cases where



1 the annuity was computed on the money purchase formula, and in  
2 those cases in which the annuity was computed under the minimum  
3 annuity formula provisions of this Article a sum equal to 1% of  
4 the average monthly salary on which the annuity was based times  
5 such number of full years of service, shall have his original  
6 fixed and payable monthly amount of annuity increased in  
7 January of the year following the year in which he attains the  
8 age of 65 years, if such age of 65 years is attained in the year  
9 1969 or later, by an amount equal to 1 1/2%, and by an equal  
10 additional 1 1/2% in January of each year thereafter. Beginning  
11 with January of the year 1972, such increases shall be at the  
12 rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning  
13 January, 1984, such increases shall be at the rate of 3%.  
14 Beginning in January of 1999, such increases shall be at the  
15 rate of 3% of the currently payable monthly annuity, including  
16 any increases previously granted under this Article.

17 In those cases in which the retired employee receiving  
18 annuity has attained the age of 66 or more years in the year  
19 1969, he shall have such annuity increased in January of the  
20 year 1970 by an amount equal to 1 1/2% multiplied by the number  
21 equal to the number of months of January elapsing from and  
22 including January of the year immediately following the year he  
23 attained the age of 65 years if retired at or prior to age 65,  
24 or from and including January of the year immediately following  
25 the year of retirement if retired at an age greater than 65  
26 years, to and including January of the year 1970, and by an

1 equal additional 1 1/2% in January of each year thereafter.  
2 Beginning with January of the year 1972, such increases shall  
3 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.  
4 Beginning January, 1984, such increases shall be at the rate of  
5 3%. Beginning in January of 1999, such increases shall be at  
6 the rate of 3% of the currently payable monthly annuity,  
7 including any increases previously granted under this Article.

8 To defray the annual cost of such increases, the annual  
9 interest income of the Fund, accruing from investments held by  
10 the Fund, exclusive of gains or losses on sales or exchanges of  
11 assets during the year, over and above 4% a year, shall be used  
12 to the extent necessary and available to finance the cost of  
13 such increases for the following year, and such amount shall be  
14 transferred as of the end of each year, beginning with the year  
15 1969, to a Fund account designated as the Supplementary Payment  
16 Reserve from the Investment and Interest Reserve set forth in  
17 Sec. 11-210. The sums contributed by annuitants as provided for  
18 in this Section shall also be placed in the aforesaid  
19 Supplementary Payment Reserve and shall be applied for and used  
20 for the purposes of such Fund account, together with the  
21 aforesaid interest.

22 In the event the monies in the Supplementary Payment  
23 Reserve in any year arising from: (1) the available interest  
24 income as defined hereinbefore and accruing in the preceding  
25 year above 4% a year and (2) the contributions by retired  
26 persons, as set forth hereinbefore, are insufficient to make

1 the total payments to all persons estimated to be entitled to  
2 the annuity increases specified hereinbefore, then (3) any  
3 interest earnings over 4% a year beginning with the year 1969  
4 which were not previously used to finance such increases and  
5 which were transferred to the Prior Service Annuity Reserve may  
6 be used to the extent necessary and available to provide  
7 sufficient funds to finance such increases for the current  
8 year, and such sums shall be transferred from the Prior Service  
9 Annuity Reserve.

10 In the event the total monies available in the  
11 Supplementary Payment Reserve from the preceding indicated  
12 sources are insufficient to make the total payments to all  
13 persons entitled to such increases for the year, a  
14 proportionate amount computed as the ratio of the monies  
15 available to the total of the total payments for that year  
16 shall be paid to each person for that year.

17 The Fund shall be obligated for the payment of the  
18 increases in annuity as provided for in this Section only to  
19 the extent that the assets for such purpose, as specified  
20 herein, are available.

21 Notwithstanding any provision of this Section to the  
22 contrary, there shall be no annual increase under this Section  
23 in years 2017, 2019, and 2025. In all other years, beginning  
24 January 1, 2015, the Fund shall pay an annual increase to  
25 persons eligible to receive one under this Section, in lieu of  
26 any other annual increase provided under this Section, in an

1 amount equal to the lesser of 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 of the person's last annual  
5 annuity amount prior to January 1, 2015.

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

12 Notwithstanding Section 1-103.1, the changes made to this  
13 Section by this amendatory Act of the 98th General Assembly are  
14 applicable without regard to whether the employee was in active  
15 service on or after the effective date of this amendatory Act.  
16 These changes apply to any former employee who, on or after the  
17 effective date of this amendatory Act, is receiving a  
18 retirement annuity and is eligible for an automatic annual  
19 increase under this Section.

20 (Source: P.A. 90-766, eff. 8-14-98.)

21 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

22 Sec. 11-169. Financing; tax levies ~~levy~~.

23 (a) Except as provided in subsection (f) of this Section,  
24 the city council of the city shall levy a tax annually upon all  
25 taxable property in the city at the rate that will produce a

1 sum which, when added to the amounts deducted from the salaries  
2 of the employees or otherwise contributed by them and the  
3 amounts deposited under subsection (f), will be sufficient for  
4 the requirements of this Article. For the years prior to the  
5 year 1950 the tax rate shall be as provided for under "The 1935  
6 Act". Beginning with the year 1950 to and including the year  
7 1969 such tax shall be not more than .036% annually of the  
8 value, as equalized or assessed by the Department of Revenue,  
9 of all taxable property within such city. Beginning with the  
10 year 1970 and each year thereafter the city shall levy a tax  
11 annually at a rate on the dollar of the value, as equalized or  
12 assessed by the Department of Revenue of all taxable property  
13 within such city that will produce, when extended, not to  
14 exceed an amount equal to the total amount of contributions by  
15 the employees to the fund made in the calendar year 2 years  
16 prior to the year for which the annual applicable tax is  
17 levied, multiplied by 1.1 for the years 1970, 1971 and 1972;  
18 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the  
19 year 1975; 1.280 for the year 1976; 1.325 for the year 1977;  
20 1.370 for the years 1978 through 1998; and 1.000 for the year  
21 1999 and for each year thereafter.

22 The tax shall be levied and collected in like manner with  
23 the general taxes of the city, and shall be exclusive of and in  
24 addition to the amount of tax the city is now or may hereafter  
25 be authorized to levy for general purposes under any laws which  
26 may limit the amount of tax which the city may levy for general

1 purposes. The county clerk of the county in which the city is  
2 located, in reducing tax levies under the provisions of any Act  
3 concerning the levy and extension of taxes, shall not consider  
4 the tax herein provided for as a part of the general tax levy  
5 for city purposes, and shall not include the same within any  
6 limitation of the per cent of the assessed valuation upon which  
7 taxes are required to be extended for such city.

8 Revenues derived from such tax shall be paid to the city  
9 treasurer of the city as collected and held by him for the  
10 benefit of the fund.

11 If the payments on account of taxes are insufficient during  
12 any year to meet the requirements of this Article, the city may  
13 issue tax anticipation warrants against the current tax levy.

14 (a-1) Notwithstanding anything to the contrary in  
15 subsection (a) of this Section, beginning with the city's levy  
16 under subsection (a) in 2015 and each year thereafter, the levy  
17 shall not exceed the amount of the city's total contribution to  
18 the Fund under this Section for payment year 2014; provided,  
19 however, that the city may continue to use other lawfully  
20 available funds in lieu of all or part of the levy as provided  
21 under subsection (f) of this Section. The increases that would  
22 have occurred under subsection (a) of this Section if not for  
23 the aforementioned limitation shall be included in  
24 calculations under subsection (a-2) of this Section for levy  
25 purposes.

26 (a-2) For purposes of this Section, the payment year is the

1 year following the levy year. Starting in payment year 2016,  
2 the city shall pay to the Fund annually, in the manner  
3 described in this subsection, an amount that, when added to the  
4 amounts of the contribution provided in subsection (a) of this  
5 Section as modified by subsection (a-1) of this Section, shall  
6 equal the lesser of:

7 (i) (I) for payment years 2016 through 2055, the annual  
8 amount determined by the Fund to be equal to the greater of  
9 \$0, or the sum of (1) the City's portion of the projected  
10 normal cost for that fiscal year, plus (2) an amount  
11 determined on a level percentage of applicable employee  
12 payroll basis (reflecting any limits on individual  
13 participants' pay that apply for benefit and contribution  
14 purposes under this plan) that is sufficient to bring the  
15 total actuarial assets of the Fund up to 90% of the total  
16 actuarial liabilities of the Fund by the end of 2055. (II)  
17 For payment years after 2055, the annual amount determined  
18 by the Fund to be equal to the amount needed, if any, to  
19 bring the total actuarial assets of the Fund up to 90% of  
20 the total actuarial liabilities of the Fund as of the end  
21 of the year. In making the determinations under both (I)  
22 and (II), the actuarial calculations shall be determined  
23 under the entry age normal actuarial cost method on an open  
24 group projection basis, and any actuarial gains or losses  
25 from investment return incurred in a fiscal year shall be  
26 recognized in equal annual amounts over the 5-year period

1       following the fiscal year; or

2           (ii) for payment year 2016, 1.60 times the total amount  
3       of contributions made by or on behalf of employees to the  
4       Fund for annuity purposes in the calendar year 2013; for  
5       payment year 2017, 1.90 times the total amount of  
6       contributions made by or on behalf of employees to the Fund  
7       for annuity purposes in the calendar year 2014; for payment  
8       year 2018, 2.20 times the total amount of contributions  
9       made by or on behalf of employees to the Fund for annuity  
10       purposes in the calendar year 2015; for payment year 2019,  
11       2.50 times the total amount of contributions made by or on  
12       behalf of employees to the Fund for annuity purposes in the  
13       calendar year 2016; for payment year 2020, 2.80 times the  
14       total amount of contributions made by or on behalf of  
15       employees to the Fund for annuity purposes in the calendar  
16       year 2017; provided however, that beginning in the earlier  
17       of the year that the annual contribution amount is the  
18       amount calculated under subdivision (i), or payment year  
19       2021, and each year thereafter, the city's annual  
20       contribution shall be determined pursuant to subdivision  
21       (i) only.

22       (a-3) For levy years 2015 through 2020, the city council of  
23       the city shall levy a separate tax annually upon all taxable  
24       property in the city that shall be known as the Pension  
25       Stabilization Levy and shall be at a rate that, when extended,  
26       will produce an amount that is no less than one-half of the



1 city's required contribution amount under subsection (a-2) for  
2 each year. The remainder of the city's total required  
3 contribution amount under subsection (a-2) shall be paid by the  
4 city to the city treasurer of the city with any lawfully  
5 available funds, which shall be collected and held by the city  
6 treasurer for the benefit of the Fund; provided however, that  
7 the city may elect to fund some or all of such remaining amount  
8 through the Pension Stabilization Levy in lieu of paying with  
9 other available funds of the city.

10 Subject to subsection (f) of this Section, for levy year  
11 2021 and thereafter, the city council of the city may levy the  
12 Pension Stabilization Levy at a rate that, when extended, will  
13 produce an amount not to exceed the city's total required  
14 contribution amount under subsection (a-2) for each applicable  
15 payment year.

16 The Pension Stabilization Levy shall be levied and  
17 collected in like manner with the general taxes of the city,  
18 and shall be exclusive of and in addition to the amount of tax  
19 the city is now or may hereafter be authorized to levy for  
20 general purposes under any laws which may limit the amount of  
21 tax which the city may levy for general purposes. The county  
22 clerk of the county in which the city is located, in reducing  
23 tax levies under the provisions of any Act concerning the levy  
24 and extension of taxes, shall not consider the tax herein  
25 provided for as a part of the general tax levy for city  
26 purposes, and shall not include the same within any limitation

1 of the percent of the assessed valuation upon which taxes are  
2 required to be extended for such city.

3 Revenues derived from such tax shall be used solely to  
4 satisfy the city's obligations to the Fund pursuant to  
5 subsection (a-2) and shall be paid to the city treasurer as  
6 collected and held by him for the benefit of the fund.

7 If the payments on account of taxes are insufficient during  
8 any year to meet the requirements of this Article, the city may  
9 issue tax anticipation warrants against the current tax levy.

10 (a-4) For levy years 2015 through 2020, if the city does  
11 not: (i) levy a tax under subsection (a-3) equal to at least  
12 50% of the city's required contribution under subsection (a-2);  
13 and (ii) transmit the proceeds of the levy to the Fund within  
14 90 days after the payment of that contribution is due, the Fund  
15 may, after giving notice to the city, certify to the State  
16 Comptroller the amounts of the delinquent payment, and the  
17 Comptroller must, beginning in payment year 2016, deduct and  
18 deposit into the Fund the certified amount or a portion of that  
19 amount from the following proportions of grants of State funds  
20 to the city:

21 (1) in payment year 2016, one-third of the total amount  
22 of any grants of State funds to the city;

23 (2) in payment year 2017, two-thirds of the total  
24 amount of any grants of State funds to the city; and

25 (3) in payment years 2018 through 2021, the total  
26 amount of any grants of State funds to the city.

1       The State Comptroller may not deduct from any grants of  
2       State funds to the city more than the amount of delinquent  
3       payment certified to the State Comptroller by the Fund.

4       (b) On or before January 10, annually, the board shall  
5       notify the city council of the requirement of this Article that  
6       the taxes ~~tax~~ herein provided shall be levied for that current  
7       year. The board shall compute the amounts necessary for the  
8       purposes of this fund to be credited to the reserves  
9       established and maintained as herein provided, and shall make  
10      an annual determination of the amount of the required city  
11      contributions; and certify the results thereof to the city  
12      council.

13      (c) In respect to employees of the city who are transferred  
14      to the employment of a park district by virtue of "Exchange of  
15      Functions Act of 1957" the corporate authorities of the park  
16      district shall annually levy a tax upon all the taxable  
17      property in the park district at such rate per cent of the  
18      value of such property, as equalized or assessed by the  
19      Department of Revenue, as shall be sufficient, when added to  
20      the amounts deducted from their salaries and otherwise  
21      contributed by them, to provide the benefits to which they and  
22      their dependents and beneficiaries are entitled under this  
23      Article. The city shall not levy a tax hereunder in respect to  
24      such employees.

25      The tax so levied by the park district shall be in addition  
26      to and exclusive of all other taxes authorized to be levied by

1 the park district for corporate, annuity fund, or other  
2 purposes. The county clerk of the county in which the park  
3 district is located, in reducing any tax levied under the  
4 provisions of any Act concerning the levy and extension of  
5 taxes shall not consider such tax as part of the general tax  
6 levy for park purposes, and shall not include the same in any  
7 limitation of the per cent of the assessed valuation upon which  
8 taxes are required to be extended for the park district. The  
9 proceeds of the tax levied by the park district, upon receipt  
10 by the district, shall be immediately paid over to the city  
11 treasurer of the city for the uses and purposes of the fund.

12 The various sums to be contributed by the city and  
13 allocated for the purposes of this Article, and any interest to  
14 be contributed by the city, shall be taken from the revenue  
15 derived from the taxes authorized in this Section, and no money  
16 of such city derived from any source other than the levy and  
17 collection of those taxes or the sale of tax anticipation  
18 warrants in accordance with the provisions of this Article  
19 shall be used to provide revenue for this Article, except as  
20 expressly provided in this Section.

21 If it is not possible for the city to make contributions  
22 for age and service annuity and widow's annuity concurrently  
23 with the employee's contributions made for such purposes, such  
24 city shall make such contributions as soon as possible and  
25 practicable thereafter with interest thereon at the effective  
26 rate to the time they shall be made.

1           (d) With respect to employees whose wages are funded as  
2 participants under the Comprehensive Employment and Training  
3 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.  
4 93-567, 88 Stat. 1845), hereinafter referred to as CETA,  
5 subsequent to October 1, 1978, and in instances where the board  
6 has elected to establish a manpower program reserve, the board  
7 shall compute the amounts necessary to be credited to the  
8 manpower program reserves established and maintained as herein  
9 provided, and shall make a periodic determination of the amount  
10 of required contributions from the City to the reserve to be  
11 reimbursed by the federal government in accordance with rules  
12 and regulations established by the Secretary of the United  
13 States Department of Labor or his designee, and certify the  
14 results thereof to the City Council. Any such amounts shall  
15 become a credit to the City and will be used to reduce the  
16 amount which the City would otherwise contribute during  
17 succeeding years for all employees.

18           (e) In lieu of establishing a manpower program reserve with  
19 respect to employees whose wages are funded as participants  
20 under the Comprehensive Employment and Training Act of 1973, as  
21 authorized by subsection (d), the board may elect to establish  
22 a special municipality contribution rate for all such  
23 employees. If this option is elected, the City shall contribute  
24 to the Fund from federal funds provided under the Comprehensive  
25 Employment and Training Act program at the special rate so  
26 established and such contributions shall become a credit to the

1 City and be used to reduce the amount which the City would  
2 otherwise contribute during succeeding years for all  
3 employees.

4 (f) Except as otherwise provided in subsection (a-3), in In  
5 lieu of levying all or a portion of the tax required under this  
6 Section in any year, the city may deposit with the city  
7 treasurer no later than March 1 of that year for the benefit of  
8 the fund, to be held in accordance with this Article, an amount  
9 that, together with the taxes levied under this Section for  
10 that year, is not less than the amount of the city  
11 contributions for that year as certified by the board to the  
12 city council. The deposit may be derived from any source  
13 legally available for that purpose, including, but not limited  
14 to, the proceeds of city borrowings. The making of a deposit  
15 shall satisfy fully the requirements of this Section for that  
16 year to the extent of the amounts so deposited. Amounts  
17 deposited under this subsection may be used by the fund for any  
18 of the purposes for which the proceeds of the taxes ~~tax~~ levied  
19 by the city under this Section may be used, including the  
20 payment of any amount that is otherwise required by this  
21 Article to be paid from the proceeds of those taxes ~~that tax~~.

22 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

23 (40 ILCS 5/11-169.1 new)

24 Sec. 11-169.1. Funding Obligation.

25 (a) Beginning January 1, 2015, the city shall be obligated

1 to contribute to the Fund in each fiscal year an amount not  
2 less than the amount determined annually under subsections (a)  
3 through (a-2) of Section 11-169 of this Code. Notwithstanding  
4 any other provision of law, if the city fails to pay the amount  
5 guaranteed under this Section on or before December 31 of the  
6 year in which such amount is due, the retirement board may  
7 bring a mandamus action in the Circuit Court of Cook County to  
8 compel the city to make the required payment, irrespective of  
9 other remedies that may be available to the Fund. The  
10 obligations and causes of action created under this Section  
11 shall be in addition to any other right or remedy otherwise  
12 accorded by common law or State or federal law, and nothing in  
13 this Section shall be construed to deny, abrogate, impair, or  
14 waive any such common law or statutory right or remedy.

15 (b) In ordering the city to make the required payment, the  
16 court may order a reasonable payment schedule to enable the  
17 city to make the required payment without significantly  
18 imperiling the public health, safety, or welfare. Any payments  
19 required to be made by the city pursuant to this Section are  
20 expressly subordinated to the payment of the principal,  
21 interest, premium, if any, and other payments on or related to  
22 any bonded debt obligation of the city, either currently  
23 outstanding or to be issued, for which the source of repayment  
24 or security thereon is derived directly or indirectly from any  
25 funds collected or received by the city or collected or  
26 received on behalf of the city. Payments on such bonded

1 obligations include any statutory fund transfers or other  
2 prefunding mechanisms or formulas set forth, now or hereafter,  
3 in State law, city ordinance, or bond indentures, into debt  
4 service funds or accounts of the city related to such bonded  
5 obligations, consistent with the payment schedules associated  
6 with such obligations.

7 (40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

8 Sec. 11-170. Contributions for age and service annuities  
9 for present employees, future entrants and re-entrants.

10 (a) Beginning on the effective date and prior to July 1,  
11 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July  
12 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,  
13 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning  
14 January 1, 2015, and prior to January 1, 2016, 7.0%; and  
15 beginning January 1, 2016, and prior to January 1, 2017, 7.5%;  
16 and, beginning January 1, 2017, and prior to January 1, 2018,  
17 8.0%; and beginning January 1, 2018, and prior to January 1,  
18 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0%  
19 ~~6 1/2%~~ of each payment of the salary of each present employee,  
20 future entrant and re-entrant shall be contributed to the fund  
21 as a deduction from salary for age and service annuity;  
22 provided, however, that beginning with the first pay period on  
23 or after the date when the funded ratio of the Fund is first  
24 determined to have reached the 90% funding goal set forth in  
25 subsection (a-2) of Section 11-169 of this Code, and each pay



1 period thereafter for as long as the Fund maintains a funding  
2 ratio of 90% or more, employee contributions shall be 7.75% of  
3 salary for the age and service annuity. If the funding ratio  
4 falls below 90%, then employee contributions for the age and  
5 service annuity shall revert to 9.0% of salary until such time  
6 as the Fund once again is determined to have reached a funding  
7 ratio of at least 90%, at which time employee contributions of  
8 7.75% shall resume for the age and service annuity. Such  
9 deductions beginning on the effective date and prior to June  
10 30, 1947, inclusive shall be made for a future entrant while he  
11 is in service until he attains age 65, and for a present  
12 employee while he is in service until the amount so deducted  
13 from his salary with interest at the rate of 4% per annum shall  
14 be equal to the sum which would have accumulated to his credit  
15 from sums deducted from his salary if deductions at the rate  
16 herein stated had been made during his entire service until he  
17 attained age 65 with interest at 4% per annum for the period  
18 subsequent to his attainment of age 65. Such deductions  
19 beginning July 1, 1947 shall be made and continued for  
20 employees while in the service.

21 Notwithstanding Section 1-103.1, the changes to this  
22 Section made by this amendatory Act of the 98th General  
23 Assembly apply regardless of whether the employee was in active  
24 service on or after the effective date of this amendatory Act.

25 (b) Concurrently with each employee contribution, the city  
26 shall contribute beginning on the effective date and prior to

1 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to  
2 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each  
3 payment of such salary until the employee attains age 65.

4 (c) Each employee contribution made prior to the date age  
5 and service annuity for an employee is fixed and each  
6 corresponding city contribution shall be allocated to the  
7 account of and credited to the employee for whose benefit it is  
8 made.

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

10 (40 ILCS 5/11-179.1 new)

11 Sec. 11-179.1. Use of contributions for health care  
12 subsidies. Except as may be required pursuant to Sections  
13 11-160.1 and 11-160.2 of this Code, the Fund shall not use any  
14 contribution received by the Fund under this Article to provide  
15 a subsidy for the cost of participation in a retiree health  
16 care program.

17 (40 ILCS 5/11-185) (from Ch. 108 1/2, par. 11-185)

18 Sec. 11-185. Board meetings.

19 The board shall hold regular meetings in each month and  
20 special meetings as it deems necessary. A majority of the  
21 members shall constitute a quorum for the transaction of  
22 business at any meeting, but no annuity or benefit shall be  
23 granted or payments made by the fund unless ordered by a vote  
24 of a majority of the board members as shown by roll call

1 entered upon the official record of the meeting.

2 The board shall not change the discount rate, rate of  
3 return, mortality assumptions, or any other assumption that  
4 materially affects the City's contribution obligation pursuant  
5 to subsection (a-2) of Section 11-169 without the approval of  
6 at least 6 of the board's 8 members.

7 All meetings of the board shall be open to the public.

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

9 Section 90. The State Mandates Act is amended by adding  
10 Section 8.38 as follows:

11 (30 ILCS 805/8.38 new)

12 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8  
13 of this Act, no reimbursement by the State is required for the  
14 implementation of any mandate created by this amendatory Act of  
15 the 98th General Assembly.

16 Section 93. Inseverability and severability. The  
17 provisions of this amendatory Act of 2013 set forth in Secs.  
18 1-160, 8-137, 8-137.1, 8-173, 8-173.1, 8-174, 11-134.1,  
19 11-134.3, 11-169, 11-169.1, and 11-170 of the Illinois Pension  
20 Code are mutually dependent and inseverable. If any of those  
21 provisions is held invalid other than as applied to a  
22 particular person or circumstance, then all of those provisions  
23 are invalid. The remaining provisions of this Act are severable

1 under Section 1.31 of the Statute on Statutes, and are not  
2 mutually dependent upon the provisions set forth in any other  
3 Section of this Act.

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

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law."