



Rep. Michael J. Madigan

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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"). The General Assembly observes that both the pension
13 benefits provided by these Pension Funds and the City's
14 obligation to contribute to these Pension Funds are established
15 by State law. The General Assembly further observes that the
16 City has continuously made the required contributions to these
17 Pension Funds. After reviewing the condition of the Pension

1 Funds, potential sources of funding, and assessing the need for
2 reform thereof, the General Assembly finds and declares that:

3 1. The overall financial condition of these two city
4 pension funds is so dire, even under the most optimistic
5 assumptions, a balanced increase in funding, both from the City
6 and from its employees, combined with a modification of annual
7 adjustments for both current and future retirees, is necessary
8 to stabilize and fund the pension funds.

9 2. While considering the combined unfunded liabilities of
10 the MEABF and LABF, as well as other pension funding that
11 ultimately relies on funds from the City's property tax base, a
12 combination of modifications to employee contribution rates
13 and annual adjustments and increased revenues are necessary to
14 keep the city funds solvent. The City, even as a home rule
15 unit, lacks the ability and flexibility to raise sufficient
16 revenues to fund the current level of pension benefits of these
17 Pension Funds while at the same time providing important public
18 services essential to the public welfare.

19 3. The General Assembly has been advised by the City that
20 the City cannot feasibly reduce its other expenses to address
21 this serious problem without an unprecedented reduction in
22 basic City services. Personnel costs constitute approximately
23 75% of the non-discretionary appropriations for the City. As
24 such, reductions in City expenditures to fund pensions would
25 necessarily result in substantial cuts to City personnel,
26 including in key services areas such as public safety,

1 sanitation, and construction.

2 4. In sum, the crisis confronting the City and its Funds is
3 so large and immediate that it cannot be addressed through
4 increased funding alone, without modifying employee
5 contribution rates and annual adjustments for current and
6 future retirees. The consequences to the City of attempting to
7 do so would be draconian. Accordingly, the General Assembly
8 concludes that, unless reforms are enacted, the benefits
9 currently promised by the Pension Funds are at risk.

10 Section 5. The Illinois Public Labor Relations Act is
11 amended by changing Sections 7.5 and 15 as follows:

12 (5 ILCS 315/7.5)

13 (This Section may contain text from a Public Act with a
14 delayed effective date)

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

16 (a) Notwithstanding any provision of this Act, employers
17 shall not be required to bargain over matters affected by the
18 changes, the impact of changes, and the implementation of
19 changes made to Article 8, 11, 14, 15, or 16 of the Illinois
20 Pension Code, or Article 1 of that Code as it applies to those
21 Articles, made by Public Act 98-599 or this amendatory Act of
22 the 98th General Assembly ~~this amendatory Act of the 98th~~
23 ~~General Assembly,~~ or over any other provision of Article 8, 11,
24 14, 15, or 16 of the Illinois Pension Code, or of Article 1 of

1 that Code as it applies to those Articles, which are prohibited
2 subjects of bargaining; nor shall the changes, the impact of
3 changes, or the implementation of changes made to Article 8,
4 11, 14, 15, or 16 of the Illinois Pension Code, or to Article 1
5 of that Code as it applies to those Articles, by Public Act
6 98-599 or this amendatory Act of the 98th General Assembly ~~this~~
7 ~~amendatory Act of the 98th General Assembly~~ or any other
8 provision of Article 8, 11, 14, 15, or 16 of the Illinois
9 Pension Code, or of Article 1 of that Code as it applies to
10 those Articles, be subject to interest arbitration or any award
11 issued pursuant to interest arbitration. The provisions of this
12 Section shall not apply to an employment contract or collective
13 bargaining agreement that is in effect on the effective date of
14 Public Act 98-599 or this amendatory Act of the 98th General
15 Assembly, as applicable ~~this amendatory Act of the 98th General~~
16 ~~Assembly~~. However, any such contract or agreement that is
17 subsequently modified, amended, or renewed shall be subject to
18 the provisions of this Section. The provisions of this Section
19 shall also not apply to the ability of an employer and employee
20 representative to bargain collectively with regard to the pick
21 up of employee contributions pursuant to Section 14-133.1,
22 15-157.1, or 16-152.1 of the Illinois Pension Code.

23 (b) Nothing in this Section, however, shall be construed as
24 otherwise limiting any of the obligations and requirements
25 applicable to each employer under any of the provisions of this
26 Act, including, but not limited to, the requirement to bargain

1 collectively with regard to policy matters directly affecting
2 wages, hours and terms and conditions of employment as well as
3 the impact thereon upon request by employee representatives,
4 except for the matters deemed prohibited subjects of bargaining
5 under subsection (a) of this Section. Nothing in this Section
6 shall further be construed as otherwise limiting any of the
7 rights of employees or employee representatives under the
8 provisions of this Act, except for matters deemed prohibited
9 subjects of bargaining under subsection (a) of this Section.

10 (c) In case of any conflict between this Section and any
11 other provisions of this Act or any other law, the provisions
12 of this Section shall control.

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

14 (5 ILCS 315/15) (from Ch. 48, par. 1615)

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

16 Sec. 15. Act Takes Precedence.

17 (a) In case of any conflict between the provisions of this
18 Act and any other law (other than Section 5 of the State
19 Employees Group Insurance Act of 1971 and other than the
20 changes made to the Illinois Pension Code by Public Act 96-889,
21 Public Act 96-1490, Public Act 96-1495, and Public Act 98-599
22 ~~this amendatory Act of the 96th General Assembly~~), executive
23 order or administrative regulation relating to wages, hours and
24 conditions of employment and employment relations, the
25 provisions of this Act or any collective bargaining agreement

1 negotiated thereunder shall prevail and control. Nothing in
2 this Act shall be construed to replace or diminish the rights
3 of employees established by Sections 28 and 28a of the
4 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
5 of the Regional Transportation Authority Act. The provisions of
6 this Act are subject to Section 5 of the State Employees Group
7 Insurance Act of 1971. Nothing in this Act shall be construed
8 to replace the necessity of complaints against a sworn peace
9 officer, as defined in Section 2(a) of the Uniform Peace
10 Officer Disciplinary Act, from having a complaint supported by
11 a sworn affidavit.

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

21 (c) It is the public policy of this State, pursuant to
22 paragraphs (h) and (i) of Section 6 of Article VII of the
23 Illinois Constitution, that the provisions of this Act are the
24 exclusive exercise by the State of powers and functions which
25 might otherwise be exercised by home rule units. Such powers
26 and functions may not be exercised concurrently, either

1 directly or indirectly, by any unit of local government,
2 including any home rule unit, except as otherwise authorized by
3 this Act.

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

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

6 Sec. 15. Act Takes Precedence.

7 (a) In case of any conflict between the provisions of this
8 Act and any other law (other than Section 5 of the State
9 Employees Group Insurance Act of 1971 and other than the
10 changes made to the Illinois Pension Code by Public Act 96-889,
11 Public Act 96-1490, Public Act 96-1495, and Public Act 98-599,
12 and other than as provided in Section 7.5), executive order or
13 administrative regulation relating to wages, hours and
14 conditions of employment and employment relations, the
15 provisions of this Act or any collective bargaining agreement
16 negotiated thereunder shall prevail and control. Nothing in
17 this Act shall be construed to replace or diminish the rights
18 of employees established by Sections 28 and 28a of the
19 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
20 of the Regional Transportation Authority Act. The provisions of
21 this Act are subject to Section 7.5 of this Act and Section 5
22 of the State Employees Group Insurance Act of 1971. Nothing in
23 this Act shall be construed to replace the necessity of
24 complaints against a sworn peace officer, as defined in Section
25 2(a) of the Uniform Peace Officer Disciplinary Act, from having

1 a complaint supported by a sworn affidavit.

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

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

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

21 Section 10. The Illinois Pension Code is amended by
22 changing Sections 1-160, 8-137, 8-137.1, 8-173, 8-174, 8-192,
23 11-134.1, 11-134.3, 11-169, 11-170, and 11-181 and by adding
24 Sections 8-173.1, 8-174.2, 11-169.1, and 11-179.1 as follows:

1 (40 ILCS 5/1-160)

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

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

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

25 (b) "Final average salary" means the average monthly (or
26 annual) salary obtained by dividing the total salary or

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

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

13 (2) In Articles 8, 9, 10, 11, and 12, "highest average
14 annual salary for any 4 consecutive years within the last
15 10 years of service immediately preceding the date of
16 withdrawal".

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

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

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

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

22 (b-5) Beginning on January 1, 2011, for all purposes under
23 this Code (including without limitation the calculation of
24 benefits and employee contributions), the annual earnings,
25 salary, or wages (based on the plan year) of a member or
26 participant to whom this Section applies shall not exceed

1 \$106,800; however, that amount shall annually thereafter be
2 increased by the lesser of (i) 3% of that amount, including all
3 previous adjustments, or (ii) one-half the annual unadjusted
4 percentage increase (but not less than zero) in the consumer
5 price index-u for the 12 months ending with the September
6 preceding each November 1, including all previous adjustments.

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

16 (c) A member or participant is entitled to a retirement
17 annuity upon written application if he or she has attained age
18 67 and has at least 10 years of service credit and is otherwise
19 eligible under the requirements of the applicable Article.

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

25 (d) The retirement annuity of a member or participant who
26 is retiring after attaining age 62 with at least 10 years of

1 service credit shall be reduced by one-half of 1% for each full
2 month that the member's age is under age 67.

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

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

1 child's annuity of an otherwise eligible child shall be in the
2 amount prescribed under each Article if applicable. Any
3 survivor's or widow's annuity shall be increased (1) on each
4 January 1 occurring on or after the commencement of the annuity
5 if the deceased member died while receiving a retirement
6 annuity or (2) in other cases, on each January 1 occurring
7 after the first anniversary of the commencement of the annuity.
8 Each annual increase shall be calculated at 3% or one-half the
9 annual unadjusted percentage increase (but not less than zero)
10 in the consumer price index-u for the 12 months ending with the
11 September preceding each November 1, whichever is less, of the
12 originally granted survivor's annuity. If the annual
13 unadjusted percentage change in the consumer price index-u for
14 the 12 months ending with the September preceding each November
15 1 is zero or there is a decrease, then the annuity shall not be
16 increased.

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

1 service and has attained age 60, regardless of whether the
2 attainment of age 60 occurs while the person is still in
3 service.

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

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

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

11 (i) (Blank).

12 (j) In the case of a conflict between the provisions of
13 this Section and any other provision of this Code, the
14 provisions of this Section shall control.

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

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

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

19 (a) The provisions of this Section apply to a person who,
20 on or after January 1, 2011, first becomes a member or a
21 participant under any reciprocal retirement system or pension
22 fund established under this Code, other than a retirement
23 system or pension fund established under Article 2, 3, 4, 5, 6,
24 15 or 18 of this Code, notwithstanding any other provision of
25 this Code to the contrary, but do not apply to any self-managed

1 plan established under this Code, to any person with respect to
2 service as a sheriff's law enforcement employee under Article
3 7, or to any participant of the retirement plan established
4 under Section 22-101. Notwithstanding anything to the contrary
5 in this Section, for purposes of this Section, a person who
6 participated in a retirement system under Article 15 prior to
7 January 1, 2011 shall be deemed a person who first became a
8 member or participant prior to January 1, 2011 under any
9 retirement system or pension fund subject to this Section. The
10 changes made to this Section by Public Act 98-596 ~~this~~
11 ~~amendatory Act of the 98th General Assembly~~ are a clarification
12 of existing law and are intended to be retroactive to the
13 effective date of Public Act 96-889, notwithstanding the
14 provisions of Section 1-103.1 of this Code.

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

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

3 (2) In Articles 8, 9, 10, 11, and 12, "highest average
4 annual salary for any 4 consecutive years within the last
5 10 years of service immediately preceding the date of
6 withdrawal".

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

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

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

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

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

23 For the purposes of this Section, "consumer price index-u"
24 means the index published by the Bureau of Labor Statistics of
25 the United States Department of Labor that measures the average
26 change in prices of goods and services purchased by all urban

1 consumers, United States city average, all items, 1982-84 =
2 100. The new amount resulting from each annual adjustment shall
3 be determined by the Public Pension Division of the Department
4 of Insurance and made available to the boards of the retirement
5 systems and pension funds by November 1 of each year.

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

13 A member or participant who has attained age 62 (beginning
14 January 1, 2015, age 60 with respect to service under Article
15 8, 11, or 12 of this Code that is subject to this Section) and
16 has at least 10 years of service credit and is otherwise
17 eligible under the requirements of the applicable Article may
18 elect to receive the lower retirement annuity provided in
19 subsection (d) of this Section.

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

1 under Article 8, 11, or 12 of this Code that is subject to this
2 Section).

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

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

25 Notwithstanding Section 1-103.1 of this Code, the changes
26 in this amendatory Act of the 98th General Assembly are

1 applicable without regard to whether the employee was in active
2 service on or after the effective date of this amendatory Act
3 of the 98th General Assembly.

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

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

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

18 (h) If a person who first becomes a member or a participant
19 of a retirement system or pension fund subject to this Section
20 on or after January 1, 2011 is receiving a retirement annuity
21 or retirement pension under that system or fund and becomes a
22 member or participant under any other system or fund created by
23 this Code and is employed on a full-time basis, except for
24 those members or participants exempted from the provisions of
25 this Section under subsection (a) of this Section, then the
26 person's retirement annuity or retirement pension under that

1 system or fund shall be suspended during that employment. Upon
2 termination of that employment, the person's retirement
3 annuity or retirement pension payments shall resume and be
4 recalculated if recalculation is provided for under the
5 applicable Article of this Code.

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

25 (i) (Blank).

26 (j) In the case of a conflict between the provisions of

1 this Section and any other provision of this Code, the
2 provisions of this Section shall control.

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

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

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

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

24 An employee who retires from service on or after January 1,
25 1987 shall, upon the first annuity payment date following the

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

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

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

1 effect in January of that year.

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

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

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

23 Such additional employee contributions are not refundable,
24 except to an employee who withdraws and applies for refund
25 under this Article, and in cases where a term annuity becomes
26 payable. In such cases his contributions shall be refunded,

1 without interest, and charged to such account in the prior
2 service annuity reserve.

3 (b-5) Notwithstanding any provision of this Section to the
4 contrary:

5 (1) A person retiring after the effective date of this
6 amendatory Act of the 98th General Assembly shall not be
7 eligible for an annual increase under this Section until
8 one full year after the date on which such annual increase
9 otherwise would take effect under this Section.

10 (2) Except for persons eligible under subdivision (4)
11 of this subsection for a minimum annual increase, there
12 shall be no annual increase under this Section in years
13 2017, 2019, and 2025.

14 (3) In all other years, beginning January 1, 2015, the
15 Fund shall pay an annual increase to persons eligible to
16 receive one under this Section, in lieu of any other annual
17 increase provided under this Section (but subject to the
18 minimum increase under subdivision (4) of this subsection,
19 if applicable) in an amount equal to the lesser of 3% or
20 one-half the annual unadjusted percentage increase (but
21 not less than zero) in the consumer price index-u for the
22 12 months ending with the September preceding each November
23 1, of the person's last annual annuity amount prior to
24 January 1, 2015, or if the person was not yet receiving an
25 annuity on that date, then this calculation shall be based
26 on his or her originally granted annual annuity amount.

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

7 (4) A person is eligible under this subdivision (4) to
8 receive a minimum annual increase in a particular year if:
9 (i) the person is otherwise eligible to receive an annual
10 increase under subdivision (3) of this subsection, and (ii)
11 the annual amount of the annuity payable at the time of the
12 increase, including all increases previously received, is
13 less than \$22,000.

14 Beginning January 1, 2015, for a person who is eligible
15 under this subdivision (4) to receive a minimum annual
16 increase in the year 2017, 2019, or 2025, the annual
17 increase shall be 1% of the person's last annual annuity
18 amount prior to January 1, 2015, or if the person was not
19 yet receiving an annuity on that date, then 1% of his or
20 her originally granted annual annuity amount.

21 Beginning January 1, 2015, for any other year in which
22 a person is eligible under this subdivision (4) to receive
23 a minimum annual increase, the annual increase shall be as
24 specified under subdivision (3), but not less than 1% of
25 the person's last annual annuity amount prior to January 1,
26 2015 or, if the person was not yet receiving an annuity on

1 that date, then not less than 1% of his or her originally
2 granted annual annuity amount.

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

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

13 (40 ILCS 5/8-137.1) (from Ch. 108 1/2, par. 8-137.1)

14 Sec. 8-137.1. Automatic increases in annuity for certain
15 heretofore retired participants.

16 (a) A retired municipal employee who (i) ~~(a)~~ is receiving
17 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 (ii)
20 ~~(b)~~ does not qualify for the automatic increases in annuity
21 provided for in Section 8-137 of this Article, and (iii) ~~(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%, and
13 beginning January of the year 1984 such increases shall be at
14 the rate of 3%. Beginning in January of 1999, such increases
15 shall be at the rate of 3% of the currently payable monthly
16 annuity, including any increases previously granted under this
17 Article.

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

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

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

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

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

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

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

22 (b-5) Notwithstanding any provision of this Section to the
23 contrary:

24 (1) Except for persons eligible under subdivision (3)
25 of this subsection for a minimum annual increase, there
26 shall be no annual increase under this Section in years

1 2017, 2019, and 2025.

2 (2) In all other years, beginning January 1, 2015, the
3 Fund shall pay an annual increase to persons eligible to
4 receive one under this Section, in lieu of any other annual
5 increase provided under this Section (but subject to the
6 minimum increase under subdivision (3) of this subsection,
7 if applicable) in an amount equal to the lesser of 3% or
8 one-half the annual unadjusted percentage increase (but
9 not less than zero) in the consumer price index-u for the
10 12 months ending with the September preceding each November
11 1, of the person's last annual annuity amount prior to
12 January 1, 2015.

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

19 (3) A person is eligible under this subdivision (3) to
20 receive a minimum annual increase in a particular year if:
21 (i) the person is otherwise eligible to receive an annual
22 increase under subdivision (2) of this subsection, and (ii)
23 the annual amount of the annuity payable at the time of the
24 increase, including all increases previously received, is
25 less than \$22,000.

26 Beginning January 1, 2015, for a person who is eligible

1 under this subdivision (3) to receive a minimum annual
2 increase in the year 2017, 2019, or 2025, the annual
3 increase shall be 1% of the person's last annual annuity
4 amount prior to January 1, 2015.

5 Beginning January 1, 2015, for any other year in which
6 a person is eligible under this subdivision (3) to receive
7 a minimum annual increase, the annual increase shall be as
8 specified under subdivision (2), but not less than 1% of
9 the person's last annual annuity amount prior to January 1,
10 2015.

11 For the purposes of Section 1-103.1, this subsection (b-5)
12 is applicable without regard to whether the employee was in
13 active service on or after the effective date of this
14 amendatory Act of the 98th General Assembly. This subsection
15 (b-5) applies to any former employee who on or after the
16 effective date of this amendatory Act of the 98th General
17 Assembly is receiving a retirement annuity and is eligible for
18 an automatic annual increase under this Section.

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

20 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

21 Sec. 8-173. Financing; tax levy.

22 (a) Except as provided in subsection (f) of this Section,
23 the city council of the city shall levy a tax annually upon all
24 taxable property in the city at a rate that will produce a sum
25 which, when added to the amounts deducted from the salaries of

1 the employees or otherwise contributed by them and the amounts
2 deposited under subsection (f), will be sufficient for the
3 requirements of this Article, but which when extended will
4 produce an amount not to exceed the greater of the following:

5 (a) the sum obtained by the levy of a tax of .1093% of the
6 value, as equalized or assessed by the Department of Revenue,
7 of all taxable property within such city, or (b) the sum of
8 \$12,000,000. However any city in which a Fund has been
9 established and in operation under this Article for more than 3
10 years prior to 1970 shall levy for the year 1970 a tax at a rate
11 on the dollar of assessed valuation of all taxable property
12 that will produce, when extended, an amount not to exceed 1.2
13 times the total amount of contributions made by employees to
14 the Fund for annuity purposes in the calendar year 1968, and,
15 for the year 1971 and 1972 such levy that will produce, when
16 extended, an amount not to exceed 1.3 times the total amount of
17 contributions made by employees to the Fund for annuity
18 purposes in the calendar years 1969 and 1970, respectively; and
19 for the year 1973 an amount not to exceed 1.365 times such
20 total amount of contributions made by employees for annuity
21 purposes in the calendar year 1971; and for the year 1974 an
22 amount not to exceed 1.430 times such total amount of
23 contributions made by employees for annuity purposes in the
24 calendar year 1972; and for the year 1975 an amount not to
25 exceed 1.495 times such total amount of contributions made by
26 employees for annuity purposes in the calendar year 1973; and

1 for the year 1976 an amount not to exceed 1.560 times such
2 total amount of contributions made by employees for annuity
3 purposes in the calendar year 1974; and for the year 1977 an
4 amount not to exceed 1.625 times such total amount of
5 contributions made by employees for annuity purposes in the
6 calendar year 1975; and for the year 1978 and each year
7 thereafter through levy year 2014, such levy as will produce,
8 when extended, an amount not to exceed the total amount of
9 contributions made by or on behalf of employees to the Fund for
10 annuity purposes in the calendar year 2 years prior to the year
11 for which the annual applicable tax is levied, multiplied by
12 1.690 for the years 1978 through 1998 and by 1.250 for the year
13 1999 and for each year thereafter through levy year 2014.
14 Beginning in levy year 2015, and in each year thereafter, the
15 levy shall not exceed the amount of the city's total required
16 contribution to the Fund for the next payment year, as
17 determined under subsection (a-5). For the purposes of this
18 Section, the payment year is the year immediately following the
19 levy year.

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

1 concerning the levy and extension of taxes, shall not consider
2 the tax herein provided for as a part of the general tax levy
3 for city purposes, and shall not include the same within any
4 limitation of the percent of the assessed valuation upon which
5 taxes are required to be extended for such city.

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

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

12 The city may continue to use other lawfully available funds
13 in lieu of all or part of the levy, as provided under
14 subsection (f) of this Section.

15 (a-5) Beginning in payment year 2016, the city's required
16 annual contribution to the Fund shall be the lesser of:

17 (i) (I) for payment years 2016 through 2055, the annual
18 amount determined by the Fund to be equal to the greater of
19 \$0, or the sum of (1) the City's portion of the projected
20 normal cost for that fiscal year, plus (2) an amount
21 determined on a level percentage of applicable employee
22 payroll basis (reflecting any limits on individual
23 participants' pay that apply for benefit and contribution
24 purposes under this plan) that is sufficient to bring the
25 total actuarial assets of the Fund up to 90% of the total
26 actuarial liabilities of the Fund by the end of 2055. (II)

1 For payment years after 2055, the annual amount determined
2 by the Fund to be equal to the amount, if any, needed to
3 bring the total actuarial assets of the Fund up to 90% of
4 the total actuarial liabilities of the Fund as of the end
5 of the year. In making the determinations under both (I)
6 and (II), the actuarial calculations shall be determined
7 under the entry age normal actuarial cost method, and any
8 actuarial gains or losses from investment return incurred
9 in a fiscal year shall be recognized in equal annual
10 amounts over the 5-year period following the fiscal year;
11 or

12 (ii) for payment year 2016, 1.85 times the total amount
13 of contributions made by or on behalf of employees to the
14 Fund for annuity purposes in the calendar year 2013; for
15 payment year 2017, 2.15 times the total amount of
16 contributions made by or on behalf of employees to the Fund
17 for annuity purposes in the calendar year 2014; for payment
18 year 2018, 2.45 times the total amount of contributions
19 made by or on behalf of employees to the Fund for annuity
20 purposes in the calendar year 2015; for payment year 2019,
21 2.75 times the total amount of contributions made by or on
22 behalf of employees to the Fund for annuity purposes in the
23 calendar year 2016; for payment year 2020, 3.05 times the
24 total amount of contributions made by or on behalf of
25 employees to the Fund for annuity purposes in the calendar
26 year 2017.

1 However, beginning in the earlier of payment year 2021 or the
2 first payment year in which the annual contribution amount
3 calculated under subdivision (i) is less than the contribution
4 amount calculated under subdivision (ii), and in each year
5 thereafter, the city's required annual contribution to the Fund
6 shall be determined under subdivision (i).

7 The city's required annual contribution to the Fund may be
8 paid with any available funds and shall be paid by the city to
9 the city treasurer. The city treasurer shall collect and hold
10 those funds for the benefit of the Fund.

11 (a-10) If the city fails to transmit to the Fund
12 contributions required of it under this Article by December
13 31st of the year in which such contributions are due, the Fund
14 may, after giving notice to the city, certify to the State
15 Comptroller the amounts of the delinquent payments, and the
16 Comptroller must, beginning in payment year 2016, deduct and
17 deposit into the Fund the certified amounts or a portion of
18 those amounts from the following proportions of grants of State
19 funds to the city:

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

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

24 (3) in payment year 2018 and each payment year
25 thereafter, the total amount of any grants of State funds
26 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 payments certified to the State Comptroller by the Fund.

4 (b) On or before July 1 ~~January 10~~, annually, the board
5 shall certify to ~~notify~~ the city council the annual amounts
6 required under ~~of the requirements of~~ this Article, for which
7 ~~that~~ the tax herein provided may ~~shall~~ be levied for the
8 following ~~that current~~ year. The board shall compute the
9 amounts necessary to be credited to the reserves established
10 and maintained as herein provided, and shall make an annual
11 determination of the amount of the required city contributions,
12 and certify the results thereof to the city council.

13 (c) In respect to employees of the city who are transferred
14 to the employment of a park district by virtue of the "Exchange
15 of Functions Act of 1957", the corporate authorities of the
16 park 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 park
13 district and allocated for the purposes of this Article, and
14 any interest to be contributed by the city, shall be derived
15 from the revenue from the taxes authorized in this Section or
16 otherwise as expressly provided in this Section.

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

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

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

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

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

18 (Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98;
19 90-766, eff. 8-14-98.)

20 (40 ILCS 5/8-173.1 new)

21 Sec. 8-173.1. Funding Obligation.

22 (a) Beginning January 1, 2015, the city shall be obligated
23 to contribute to the Fund in each fiscal year an amount not
24 less than the amount determined annually under subsection (a-5)
25 of Section 8-173 of this Code. Notwithstanding any other

1 provision of law, if the city fails to pay the amount
2 guaranteed under this Section on or before December 31 of the
3 year in which such amount is due, the retirement board may
4 bring a mandamus action in the Circuit Court of Cook County to
5 compel the city to make the required payment, irrespective of
6 other remedies that may be available to the Fund. The
7 obligations and causes of action created under this Section
8 shall be in addition to any other right or remedy otherwise
9 accorded by common law or State or federal law, and nothing in
10 this Section shall be construed to deny, abrogate, impair, or
11 wave any such common law or statutory right or remedy.

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

1 service funds or accounts of the city related to such bonded
2 obligations, consistent with the payment schedules associated
3 with such obligations.

4 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

5 Sec. 8-174. Contributions for age and service annuities for
6 present employees and future entrants.

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

1 employee contributions for the age and service annuity shall
2 revert to 9.0% of salary until such time as the Fund once again
3 is determined to have reached a funding ratio of at least 90%,
4 at which time employee contributions of 7.75% shall resume for
5 the age and service annuity.

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

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

24 (b) Concurrently with each employee contribution beginning
25 on the effective date and prior to July 1, 1947 the city shall
26 contribute 5 3/4%; and beginning on July 1, 1947 and prior to

1 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each
2 payment of such salary until the employee attains age 65.
3 Notwithstanding any provision of this subsection (b) to the
4 contrary, the city shall not make a contribution for any credit
5 established by an employee under subsection (b) of Section
6 8-138.4.

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

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

13 (40 ILCS 5/8-174.2 new)

14 Sec. 8-174.2. Use of contributions for health care
15 subsidies. Except as may be required pursuant to Sections
16 8-164.1 and 8-164.2 of this Code, the Fund shall not use any
17 contribution received by the Fund under this Article to provide
18 a subsidy for the cost of participation in a retiree health
19 care program.

20 (40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

21 Sec. 8-192. Board created. Notwithstanding any other
22 provision of this Article:

23 (1) After discussion with the board and other
24 interested parties, the city shall present to the General

1 Assembly its recommendations for restructuring the board
2 of the Fund.

3 (2) On April 1, 2015, the terms of the members of the
4 board serving on that date are terminated, and the board
5 shall be restructured and reconstituted as provided by the
6 General Assembly by law.

7 Until the board is restructured in accordance with this
8 amendatory Act of the 98th General Assembly, a A board of 5
9 members shall constitute a Board of Trustees authorized to
10 carry out the provisions of this Article. The board shall be
11 known as the Retirement Board of the Municipal Employees',
12 Officers', and Officials' Annuity and Benefit Fund of the city,
13 or for the sake of brevity may also be known and referred to as
14 the Retirement Board of the Municipal Employees' Annuity and
15 Benefit Fund of such city. The board shall consist of the city
16 comptroller, the city treasurer, and 3 members who shall be
17 employees, to be elected as follows:

18 Within 30 days after the effective date, the mayor of the
19 city shall arrange for and hold an election.

20 One employee shall be elected for a term ending on the
21 first day in the month of December of the first year next
22 following the effective date; one for a term ending December
23 1st of the following year; and one for a term ending on
24 December 1st of the second following year.

25 The city comptroller, with the approval of the board, may
26 appoint a designee from among employees of the city who are

1 versed in the affairs of the comptroller's office to act in the
2 absence of the comptroller on all matters pertaining to
3 administering the provisions of this Article.

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

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

16 An employee member who takes advantage of the early
17 retirement incentives provided under this amendatory Act of the
18 93rd General Assembly may continue as a member until the end of
19 his or her term.

20 (Source: P.A. 96-1427, eff. 1-1-11.)

21 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)
22 Sec. 11-134.1. Automatic increase in annuity.

23 (a) An employee who retired or retires from service after
24 December 31, 1963, and before January 1, 1987, having attained
25 age 60 or more, shall, in the month of January of the year

1 following the year in which the first anniversary of retirement
2 occurs, have the amount of his then fixed and payable monthly
3 annuity increased by 1 1/2%, and such first fixed annuity as
4 granted at retirement increased by a further 1 1/2% in January
5 of each year thereafter. Beginning with January of the year
6 1972, such increases shall be at the rate of 2% in lieu of the
7 aforesaid specified 1 1/2%. Beginning January, 1984, such
8 increases shall be at the rate of 3%. Beginning in January of
9 1999, such increases shall be at the rate of 3% of the
10 currently payable monthly annuity, including any increases
11 previously granted under this Article. An employee who retires
12 on annuity after December 31, 1963 and before January 1, 1987,
13 but prior to age 60, shall receive such increases beginning
14 with January of the year immediately following the year in
15 which he attains the age of 60 years.

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

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

13 (a-6) Notwithstanding the provisions of subsections (a)
14 and (a-5), for all calendar years following the year in which
15 this amendatory Act of the 93rd General Assembly takes effect,
16 an increase in annuity under this Section that would otherwise
17 take effect at any time during the year shall instead take
18 effect in January of that year.

19 (b) Subsections (a), (a-5), and (a-6) are not applicable to
20 an employee retiring and receiving a term annuity, as defined
21 in this Article, nor to any otherwise qualified employee who
22 retires before he shall have made employee contributions (at
23 the 1/2 of 1% rate as hereinafter provided) for the purposes of
24 this additional annuity for not less than the equivalent of one
25 full year. Such employee, however, shall make arrangement to
26 pay to the fund a balance of such 1/2 of 1% contributions,

1 based on his final salary, as will bring such 1/2 of 1%
2 contributions, computed without interest, to the equivalent of
3 or completion of one year's contributions.

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

8 Each such additional employee contribution shall be
9 credited to an account in the prior service annuity reserve, to
10 be used, together with city contributions, to defray the cost
11 of the specified annuity increments. Any balance as of the
12 beginning of each calendar year existing in such account shall
13 be credited with interest at the rate of 3% per annum.

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

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

21 (b-5) Notwithstanding any provision of this Section to the
22 contrary:

23 (1) A person retiring after the effective date of this
24 amendatory Act of the 98th General Assembly shall not be
25 eligible for an annual increase under this Section until
26 one full year after the date on which such annual increase

1 otherwise would take effect under this Section.

2 (2) Except for persons eligible under subdivision (4)
3 of this subsection for a minimum annual increase, there
4 shall be no annual increase under this Section in years
5 2017, 2019, and 2025.

6 (3) In all other years, beginning January 1, 2015, the
7 Fund shall pay an annual increase to persons eligible to
8 receive one under this Section, in lieu of any other annual
9 increase provided under this Section (but subject to the
10 minimum increase under subdivision (4) of this subsection,
11 if applicable) in an amount equal to the lesser of 3% or
12 one-half the annual unadjusted percentage increase (but
13 not less than zero) in the consumer price index-u for the
14 12 months ending with the September preceding each November
15 1, of the person's last annual annuity amount prior to
16 January 1, 2015, or if the person was not yet receiving an
17 annuity on that date, then this calculation shall be based
18 on his or her originally granted annual annuity amount.

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

25 (4) A person is eligible under this subdivision (4) to
26 receive a minimum annual increase in a particular year if:

1 (i) the person is otherwise eligible to receive an annual
2 increase under subdivision (3) of this subsection, and (ii)
3 the annual amount of the annuity payable at the time of the
4 increase, including all increases previously received, is
5 less than \$22,000.

6 Beginning January 1, 2015, for a person who is eligible
7 under this subdivision (4) to receive a minimum annual
8 increase in the year 2017, 2019, or 2025, the annual
9 increase shall be 1% of the person's last annual annuity
10 amount prior to January 1, 2015, or if the person was not
11 yet receiving an annuity on that date, then 1% of his or
12 her originally granted annual annuity amount.

13 Beginning January 1, 2015, for any other year in which
14 a person is eligible under this subdivision (4) to receive
15 a minimum annual increase, the annual increase shall be as
16 specified under subdivision (3), but not less than 1% of
17 the person's last annual annuity amount prior to January 1,
18 2015 or, if the person was not yet receiving an annuity on
19 that date, then not less than 1% of his or her originally
20 granted annual annuity amount.

21 For the purposes of Section 1-103.1, this subsection (b-5)
22 is applicable without regard to whether the employee was in
23 active service on or after the effective date of this
24 amendatory Act of the 98th General Assembly. This subsection
25 (b-5) applies to any former employee who on or after the
26 effective date of this amendatory Act of the 98th General

1 Assembly is receiving a retirement annuity and is eligible for
2 an automatic annual increase under this Section.

3 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;
4 93-654, eff. 1-16-04.)

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

6 Sec. 11-134.3. Automatic increases in annuity for certain
7 heretofore retired participants.

8 (a) A retired employee who (i) ~~(a)~~ is receiving annuity
9 based on a service credit of 20 or more years regardless of age
10 at retirement or based on a service credit of 15 or more years
11 with retirement at age 55 or over, and (ii) ~~(b)~~ does not
12 qualify for the automatic increases in annuity provided for in
13 Section 11-134.1 of this Article, and (iii) ~~(c)~~ elects to make
14 a contribution to the Fund at a time and manner prescribed by
15 the Retirement Board, of a sum equal to 1% of the amount of
16 final monthly salary times the number of full years of service
17 on which the annuity was based in those cases where the annuity
18 was computed on the money purchase formula, and in those cases
19 in which the annuity was computed under the minimum annuity
20 formula provisions of this Article a sum equal to 1% of the
21 average monthly salary on which the annuity was based times
22 such number of full years of service, shall have his original
23 fixed and payable monthly amount of annuity increased in
24 January of the year following the year in which he attains the
25 age of 65 years, if such age of 65 years is attained in the year

1 1969 or later, by an amount equal to 1 1/2%, and by an equal
2 additional 1 1/2% in January of each year thereafter. Beginning
3 with January of the year 1972, such increases shall be at the
4 rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
5 January, 1984, such increases shall be at the rate of 3%.
6 Beginning in January of 1999, such increases shall be at the
7 rate of 3% of the currently payable monthly annuity, including
8 any increases previously granted under this Article.

9 In those cases in which the retired employee receiving
10 annuity has attained the age of 66 or more years in the year
11 1969, he shall have such annuity increased in January of the
12 year 1970 by an amount equal to 1 1/2% multiplied by the number
13 equal to the number of months of January elapsing from and
14 including January of the year immediately following the year he
15 attained the age of 65 years if retired at or prior to age 65,
16 or from and including January of the year immediately following
17 the year of retirement if retired at an age greater than 65
18 years, to and including January of the year 1970, and by an
19 equal additional 1 1/2% in January of each year thereafter.
20 Beginning with January of the year 1972, such increases shall
21 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.
22 Beginning January, 1984, such increases shall be at the rate of
23 3%. Beginning in January of 1999, such increases shall be at
24 the rate of 3% of the currently payable monthly annuity,
25 including any increases previously granted under this Article.

26 (b) To defray the annual cost of such increases, the annual

1 interest income of the Fund, accruing from investments held by
2 the Fund, exclusive of gains or losses on sales or exchanges of
3 assets during the year, over and above 4% a year, shall be used
4 to the extent necessary and available to finance the cost of
5 such increases for the following year, and such amount shall be
6 transferred as of the end of each year, beginning with the year
7 1969, to a Fund account designated as the Supplementary Payment
8 Reserve from the Investment and Interest Reserve set forth in
9 Sec. 11-210. The sums contributed by annuitants as provided for
10 in this Section shall also be placed in the aforesaid
11 Supplementary Payment Reserve and shall be applied for and used
12 for the purposes of such Fund account, together with the
13 aforesaid interest.

14 In the event the monies in the Supplementary Payment
15 Reserve in any year arising from: (1) the available interest
16 income as defined hereinbefore and accruing in the preceding
17 year above 4% a year and (2) the contributions by retired
18 persons, as set forth hereinbefore, are insufficient to make
19 the total payments to all persons estimated to be entitled to
20 the annuity increases specified hereinbefore, then (3) any
21 interest earnings over 4% a year beginning with the year 1969
22 which were not previously used to finance such increases and
23 which were transferred to the Prior Service Annuity Reserve may
24 be used to the extent necessary and available to provide
25 sufficient funds to finance such increases for the current
26 year, and such sums shall be transferred from the Prior Service

1 Annuity Reserve.

2 In the event the total monies available in the
3 Supplementary Payment Reserve from the preceding indicated
4 sources are insufficient to make the total payments to all
5 persons entitled to such increases for the year, a
6 proportionate amount computed as the ratio of the monies
7 available to the total of the total payments for that year
8 shall be paid to each person for that year.

9 The Fund shall be obligated for the payment of the
10 increases in annuity as provided for in this Section only to
11 the extent that the assets for such purpose, as specified
12 herein, are available.

13 (b-5) Notwithstanding any provision of this Section to the
14 contrary:

15 (1) Except for persons eligible under subdivision (3)
16 of this subsection for a minimum annual increase, there
17 shall be no annual increase under this Section in years
18 2017, 2019, and 2025.

19 (2) In all other years, beginning January 1, 2015, the
20 Fund shall pay an annual increase to persons eligible to
21 receive one under this Section, in lieu of any other annual
22 increase provided under this Section (but subject to the
23 minimum increase under subdivision (3) of this subsection,
24 if applicable) in an amount equal to the lesser of 3% or
25 one-half the annual unadjusted percentage increase (but
26 not less than zero) in the consumer price index-u for the

1 12 months ending with the September preceding each November
2 1, of the person's last annual annuity amount prior to
3 January 1, 2015.

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

10 (3) A person is eligible under this subdivision (3) to
11 receive a minimum annual increase in a particular year if:
12 (i) the person is otherwise eligible to receive an annual
13 increase under subdivision (2) of this subsection, and (ii)
14 the annual amount of the annuity payable at the time of the
15 increase, including all increases previously received, is
16 less than \$22,000.

17 Beginning January 1, 2015, for a person who is eligible
18 under this subdivision (3) to receive a minimum annual
19 increase in the year 2017, 2019, or 2025, the annual
20 increase shall be 1% of the person's last annual annuity
21 amount prior to January 1, 2015.

22 Beginning January 1, 2015, for any other year in which
23 a person is eligible under this subdivision (3) to receive
24 a minimum annual increase, the annual increase shall be as
25 specified under subdivision (2), but not less than 1% of
26 the person's last annual annuity amount prior to January 1,

1 2015.

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

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

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

12 Sec. 11-169. Financing; tax levy.

13 (a) Except as provided in subsection (f) of this Section,
14 the city council of the city shall levy a tax annually upon all
15 taxable property in the city at the rate that will produce a
16 sum which, when added to the amounts deducted from the salaries
17 of the employees or otherwise contributed by them and the
18 amounts deposited under subsection (f), will be sufficient for
19 the requirements of this Article. For the years prior to the
20 year 1950 the tax rate shall be as provided for under "The 1935
21 Act". Beginning with the year 1950 to and including the year
22 1969 such tax shall be not more than .036% annually of the
23 value, as equalized or assessed by the Department of Revenue,
24 of all taxable property within such city. Beginning with the
25 year 1970 and each year thereafter through levy year 2014, the

1 city shall levy a tax annually at a rate on the dollar of the
2 value, as equalized or assessed by the Department of Revenue of
3 all taxable property within such city that will produce, when
4 extended, not to exceed an amount equal to the total amount of
5 contributions by the employees to the fund made in the calendar
6 year 2 years prior to the year for which the annual applicable
7 tax is levied, multiplied by 1.1 for the years 1970, 1971 and
8 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235
9 for the year 1975; 1.280 for the year 1976; 1.325 for the year
10 1977; 1.370 for the years 1978 through 1998; and 1.000 for the
11 year 1999 and for each year thereafter through levy year 2014.
12 Beginning in levy year 2015, and in each year thereafter, the
13 levy shall not exceed the amount of the city's total required
14 contribution to the Fund for the next payment year, as
15 determined under subsection (a-5). For the purposes of this
16 Section, the payment year is the year immediately following the
17 levy year.

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

1 for city purposes, and shall not include the same within any
2 limitation of the per cent of the assessed valuation upon which
3 taxes are required to be extended for such city.

4 Revenues derived from such tax shall be paid to the city
5 treasurer of the city as collected and held by the city
6 treasurer ~~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 The city may continue to use other lawfully available funds
11 in lieu of all or part of the levy, as provided under
12 subsection (f) of this Section.

13 (a-5) Beginning in payment year 2016, the city's required
14 annual contribution to the Fund shall be the lesser of:

15 (i) (I) for payment years 2016 through 2055, the annual
16 amount determined by the Fund to be equal to the greater of
17 \$0, or the sum of (1) the City's portion of the projected
18 normal cost for that fiscal year, plus (2) an amount
19 determined on a level percentage of applicable employee
20 payroll basis (reflecting any limits on individual
21 participants' pay that apply for benefit and contribution
22 purposes under this plan) that is sufficient to bring the
23 total actuarial assets of the Fund up to 90% of the total
24 actuarial liabilities of the Fund by the end of 2055. (II)
25 For payment years after 2055, the annual amount determined
26 by the Fund to be equal to the amount, if any, needed to

1 bring the total actuarial assets of the Fund up to 90% of
2 the total actuarial liabilities of the Fund as of the end
3 of the year. In making the determinations under both (I)
4 and (II), the actuarial calculations shall be determined
5 under the entry age normal actuarial cost method, and any
6 actuarial gains or losses from investment return incurred
7 in a fiscal year shall be recognized in equal annual
8 amounts over the 5-year period following the fiscal year;
9 or

10 (ii) for payment year 2016, 1.60 times the total amount
11 of contributions made by or on behalf of employees to the
12 Fund for annuity purposes in the calendar year 2013; for
13 payment year 2017, 1.90 times the total amount of
14 contributions made by or on behalf of employees to the Fund
15 for annuity purposes in the calendar year 2014; for payment
16 year 2018, 2.20 times the total amount of contributions
17 made by or on behalf of employees to the Fund for annuity
18 purposes in the calendar year 2015; for payment year 2019,
19 2.50 times the total amount of contributions made by or on
20 behalf of employees to the Fund for annuity purposes in the
21 calendar year 2016; for payment year 2020, 2.80 times the
22 total amount of contributions made by or on behalf of
23 employees to the Fund for annuity purposes in the calendar
24 year 2017.

25 However, beginning in the earlier of payment year 2021 or the
26 first payment year in which the annual contribution amount

1 calculated under subdivision (i) is less than the contribution
2 amount calculated under subdivision (ii), and in each year
3 thereafter, the city's required annual contribution to the Fund
4 shall be determined under subdivision (i).

5 The city's required annual contribution to the Fund may be
6 paid with any available funds and shall be paid by the city to
7 the city treasurer. The city treasurer shall collect and hold
8 those funds for the benefit of the Fund.

9 (a-10) If the city fails to transmit to the Fund
10 contributions required of it under this Article by December
11 31st of the year in which such contributions are due, the Fund
12 may, after giving notice to the city, certify to the State
13 Comptroller the amounts of the delinquent payments, and the
14 Comptroller must, beginning in payment year 2016, deduct and
15 deposit into the Fund the certified amounts or a portion of
16 those amounts from the following proportions of grants of State
17 funds to the city:

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

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

22 (3) in payment year 2018 and each payment year
23 thereafter, the total amount of any grants of State funds
24 to the city.

25 The State Comptroller may not deduct from any grants of
26 State funds to the city more than the amount of delinquent

1 payments certified to the State Comptroller by the Fund.

2 (b) On or before July 1 ~~January 10~~, annually, the board
3 shall certify to ~~notify~~ the city council the annual amounts
4 required under ~~of the requirement of~~ this Article, for which
5 ~~that~~ the tax herein provided may ~~shall~~ be levied for the
6 following ~~that current~~ year. The board shall compute the
7 amounts necessary for the purposes of this fund to be credited
8 to the reserves established and maintained as herein provided,
9 and shall make an annual determination of the amount of the
10 required city contributions; and certify the results thereof to
11 the city council.

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

24 The tax so levied by the park district shall be in addition
25 to and exclusive of all other taxes authorized to be levied by
26 the park district for corporate, annuity fund, or other

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

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

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

26 (d) With respect to employees whose wages are funded as

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

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

1 otherwise contribute during succeeding years for all
2 employees.

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

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

21 (40 ILCS 5/11-169.1 new)

22 Sec. 11-169.1. Funding Obligation.

23 (a) Beginning January 1, 2015, the city shall be obligated
24 to contribute to the Fund in each fiscal year an amount not
25 less than the amount determined annually under subsection (a-5)

1 of Section 11-169 of this Code. Notwithstanding any other
2 provision of law, if the city fails to pay the amount
3 guaranteed under this Section on or before December 31 of the
4 year in which such amount is due, the retirement board may
5 bring a mandamus action in the Circuit Court of Cook County to
6 compel the city to make the required payment, irrespective of
7 other remedies that may be available to the Fund. The
8 obligations and causes of action created under this Section
9 shall be in addition to any other right or remedy otherwise
10 accorded by common law or State or federal law, and nothing in
11 this Section shall be construed to deny, abrogate, impair, or
12 waive any such common law or statutory right or remedy.

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

1 in State law, city ordinance, or bond indentures, into debt
2 service funds or accounts of the city related to such bonded
3 obligations, consistent with the payment schedules associated
4 with such obligations.

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

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

8 (a) Beginning on the effective date and prior to July 1,
9 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
10 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,
11 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning
12 January 1, 2015, and prior to January 1, 2016, 7.0%; and
13 beginning January 1, 2016, and prior to January 1, 2017, 7.5%;
14 and, beginning January 1, 2017, and prior to January 1, 2018,
15 8.0%; and beginning January 1, 2018, and prior to January 1,
16 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0%
17 ~~6 1/2%~~ of each payment of the salary of each present employee,
18 future entrant and re-entrant shall be contributed to the fund
19 as a deduction from salary for age and service annuity;
20 provided, however, that beginning with the first pay period on
21 or after the date when the funded ratio of the Fund is first
22 determined to have reached the 90% funding goal set forth in
23 subsection (a-5) of Section 11-169 of this Code, and each pay
24 period thereafter for as long as the Fund maintains a funding
25 ratio of 90% or more, employee contributions shall be 7.75% of

1 salary for the age and service annuity. If the funding ratio
2 falls below 90%, then employee contributions for the age and
3 service annuity shall revert to 9.0% of salary until such time
4 as the Fund once again is determined to have reached a funding
5 ratio of at least 90%, at which time employee contributions of
6 7.75% shall resume for the age and service annuity. Such
7 deductions beginning on the effective date and prior to June
8 30, 1947, inclusive shall be made for a future entrant while he
9 is in service until he attains age 65, and for a present
10 employee while he is in service until the amount so deducted
11 from his salary with interest at the rate of 4% per annum shall
12 be equal to the sum which would have accumulated to his credit
13 from sums deducted from his salary if deductions at the rate
14 herein stated had been made during his entire service until he
15 attained age 65 with interest at 4% per annum for the period
16 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 Notwithstanding Section 1-103.1, the changes to this
20 Section made by this amendatory Act of the 98th General
21 Assembly apply regardless of whether the employee was in active
22 service on or after the effective date of this amendatory Act.

23 (b) Concurrently with each employee contribution, the city
24 shall contribute beginning on the effective date and prior to
25 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to
26 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each

1 payment of such salary until the employee attains age 65.

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

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

8 (40 ILCS 5/11-179.1 new)

9 Sec. 11-179.1. Use of contributions for health care
10 subsidies. Except as may be required pursuant to Sections
11 11-160.1 and 11-160.2 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 5/11-181) (from Ch. 108 1/2, par. 11-181)

16 Sec. 11-181. Board created. Notwithstanding any other
17 provision of this Article:

18 (1) After discussion with the board and other
19 interested parties, the city shall present to the General
20 Assembly its recommendations for restructuring the board
21 of the Fund.

22 (2) On April 1, 2015, the terms of the members of the
23 board serving on that date are terminated, and the board
24 shall be restructured and reconstituted as provided by the

1 General Assembly by law.

2 Until the board is restructured in accordance with this
3 amendatory Act of the 98th General Assembly, a board of 8
4 members shall constitute the board of trustees authorized to
5 carry out the provisions of this Article. The board shall be
6 known as the Retirement Board of the Laborers' and Retirement
7 Board Employees' Annuity and Benefit Fund of the city. The
8 board shall consist of 5 persons appointed and 2 employees and
9 one annuitant elected in the manner hereinafter prescribed.

10 The appointed members of the board shall be appointed as
11 follows:

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

26 The member appointed by the comptroller shall hold office

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

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

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

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

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

1 The initial annuitant member shall be appointed by the
2 other members of the board for an initial term ending on
3 December 1, 1999. The annuitant member elected in 1999 shall be
4 deemed to have been elected for a 3-year term ending on
5 December 1, 2002. Thereafter, the annuitant member shall be
6 elected for a 3-year term ending on December 1st of the third
7 year following the election.

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

9 Section 15. The Illinois Educational Labor Relations Act is
10 amended by changing Section 10.5 as follows:

11 (115 ILCS 5/10.5)

12 (This Section may contain text from a Public Act with a
13 delayed effective date)

14 Sec. 10.5. Duty to bargain regarding pension amendments.

15 (a) Notwithstanding any provision of this Act, employers
16 shall not be required to bargain over matters affected by the
17 changes, the impact of changes, and the implementation of
18 changes made to Article 8, 11, 14, 15, or 16 of the Illinois
19 Pension Code, or Article 1 of that Code as it applies to those
20 Articles, made by Public Act 98-599 or this amendatory Act of
21 the 98th General Assembly ~~this amendatory Act of the 98th~~
22 ~~General Assembly,~~ or over any other provision of Article 8, 11,
23 14, 15, or 16 of the Illinois Pension Code, or of Article 1 of
24 that Code as it applies to those Articles, which are prohibited

1 subjects of bargaining; nor shall the changes, the impact of
2 changes, or the implementation of changes made to Article 8,
3 11, 14, 15, or 16 of the Illinois Pension Code, or to Article 1
4 of that Code as it applies to those Articles, by Public Act
5 98-599 or this amendatory Act of the 98th General Assembly ~~this~~
6 ~~amendatory Act of the 98th General Assembly~~ or any other
7 provision of Article 8, 11, 14, 15, or 16 of the Illinois
8 Pension Code, or of Article 1 of that Code as it applies to
9 those Articles, be subject to interest arbitration or any award
10 issued pursuant to interest arbitration. The provisions of this
11 Section shall not apply to an employment contract or collective
12 bargaining agreement that is in effect on the effective date of
13 Public Act 98-599 or this amendatory Act of the 98th General
14 Assembly, as applicable ~~this amendatory Act of the 98th General~~
15 ~~Assembly~~. However, any such contract or agreement that is
16 subsequently modified, amended, or renewed shall be subject to
17 the provisions of this Section. The provisions of this Section
18 shall also not apply to the ability of an employer and employee
19 representative to bargain collectively with regard to the pick
20 up of employee contributions pursuant to Section 8-174.1,
21 11-170.1, 14-133.1, 15-157.1, or 16-152.1 of the Illinois
22 Pension Code.

23 (b) Nothing in this Section, however, shall be construed as
24 otherwise limiting any of the obligations and requirements
25 applicable to each employer under any of the provisions of this
26 Act, including, but not limited to, the requirement to bargain

1 collectively with regard to policy matters directly affecting
2 wages, hours and terms and conditions of employment as well as
3 the impact thereon upon request by employee representatives,
4 except for the matters deemed prohibited subjects of bargaining
5 under subsection (a) of this Section. Nothing in this Section
6 shall further be construed as otherwise limiting any of the
7 rights of employees or employee representatives under the
8 provisions of this Act, except for matters deemed prohibited
9 subjects of bargaining under subsection (a) of this Section.

10 (c) In case of any conflict between this Section and any
11 other provisions of this Act or any other law, the provisions
12 of this Section shall control.

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

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.38 as follows:

16 (30 ILCS 805/8.38 new)

17 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8
18 of this Act, no reimbursement by the State is required for the
19 implementation of any mandate created by this amendatory Act of
20 the 98th General Assembly.

21 Section 93. Inseverability and severability. The
22 provisions of this amendatory Act of 2013 set forth in Secs.
23 1-160, 8-137, 8-137.1, 8-173, 8-173.1, 8-174, 11-134.1,

1 11-134.3, 11-169, 11-169.1, and 11-170 of the Illinois Pension
2 Code are mutually dependent and inseverable. If any of those
3 provisions is held invalid other than as applied to a
4 particular person or circumstance, then all of those provisions
5 are invalid. The remaining provisions of this Act are severable
6 under Section 1.31 of the Statute on Statutes, and are not
7 mutually dependent upon the provisions set forth in any other
8 Section of this Act.

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

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