



Rep. Michael J. Madigan

Filed: 4/8/2014

09800SB1922ham006

LRB098 09566 EFG 58436 a

1 AMENDMENT TO SENATE BILL 1922

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

5 "Section 1. Findings. It is the intention of the General
6 Assembly to address an immediate funding crisis that threatens
7 the solvency and sustainability of the public pension systems
8 ("Pension Funds") serving employees of the City of Chicago
9 ("City"). The Pension Funds include the Municipal Employees'
10 Annuity and Benefit Fund of Chicago ("MEABF") and the Laborers'
11 and Retirement Board Employees' Annuity Benefit Fund of Chicago
12 ("LABF"). 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 10. The Illinois Pension Code is amended by
11 changing Sections 1-160, 8-137, 8-137.1, 8-173, 8-174,
12 11-134.1, 11-134.3, 11-169, and 11-170 and by adding Sections
13 8-173.1, 8-174.2, 11-169.1, and 11-179.1 as follows:

14 (40 ILCS 5/1-160)

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

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

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

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

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

26 (1) In Article 7 (except for service as sheriff's law

1 enforcement employees), "final rate of earnings".

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

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

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

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

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

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

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

1 100. The new amount resulting from each annual adjustment shall
2 be determined by the Public Pension Division of the Department
3 of Insurance and made available to the boards of the retirement
4 systems and pension funds by November 1 of each year.

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

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

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

18 (e) Any retirement annuity or supplemental annuity shall be
19 subject to annual increases on the January 1 occurring either
20 on or after the attainment of age 67 or the first anniversary
21 of the annuity start date, whichever is later. Each annual
22 increase shall be calculated at 3% or one-half the annual
23 unadjusted percentage increase (but not less than zero) in the
24 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 retirement 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 (f) The initial survivor's or widow's annuity of an
6 otherwise eligible survivor or widow of a retired member or
7 participant who first became a member or participant on or
8 after January 1, 2011 shall be in the amount of 66 2/3% of the
9 retired member's or participant's retirement annuity at the
10 date of death. In the case of the death of a member or
11 participant who has not retired and who first became a member
12 or participant on or after January 1, 2011, eligibility for a
13 survivor's or widow's annuity shall be determined by the
14 applicable Article of this Code. The initial benefit shall be
15 66 2/3% of the earned annuity without a reduction due to age. A
16 child's annuity of an otherwise eligible child shall be in the
17 amount prescribed under each Article if applicable. Any
18 survivor's or widow's annuity shall be increased (1) on each
19 January 1 occurring on or after the commencement of the annuity
20 if the deceased member died while receiving a retirement
21 annuity or (2) in other cases, on each January 1 occurring
22 after the first anniversary of the commencement of the annuity.
23 Each annual increase shall be calculated at 3% or one-half the
24 annual unadjusted percentage increase (but not less than zero)
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1, whichever is less, of the

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

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

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

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

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

26 (i) (Blank).

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

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

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

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

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

1 of existing law and are intended to be retroactive to the
2 effective date of Public Act 96-889, notwithstanding the
3 provisions of Section 1-103.1 of this Code.

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

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

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

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

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

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

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

1 (b-5) Beginning on January 1, 2011, for all purposes under
2 this Code (including without limitation the calculation of
3 benefits and employee contributions), the annual earnings,
4 salary, or wages (based on the plan year) of a member or
5 participant to whom this Section applies shall not exceed
6 \$106,800; however, that amount shall annually thereafter be
7 increased by the lesser of (i) 3% of that amount, including all
8 previous adjustments, or (ii) one-half the annual unadjusted
9 percentage increase (but not less than zero) in the consumer
10 price index-u for the 12 months ending with the September
11 preceding each November 1, including all previous adjustments.

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

21 (c) A member or participant is entitled to a retirement
22 annuity upon written application if he or she has attained age
23 67 (beginning January 1, 2015, age 65 with respect to service
24 under Article 8, 11, or 12 of this Code that is subject to this
25 Section) and has at least 10 years of service credit and is
26 otherwise eligible under the requirements of the applicable

1 Article.

2 A member or participant who has attained age 62 (beginning
3 January 1, 2015, age 60 with respect to service under Article
4 8, 11, or 12 of this Code that is subject to this Section) and
5 has at least 10 years of service credit and is otherwise
6 eligible under the requirements of the applicable Article may
7 elect to receive the lower retirement annuity provided in
8 subsection (d) of this Section.

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

18 (e) Any retirement annuity or supplemental annuity shall be
19 subject to annual increases on the January 1 occurring either
20 on or after the attainment of age 67 (beginning January 1,
21 2015, age 65 with respect to service under Article 8, 11, or 12
22 of this Code that is subject to this Section) or the first
23 anniversary (the second anniversary with respect to service
24 under Article 8 or 11) of the annuity start date, whichever is
25 later. Each annual increase shall be calculated at 3% or
26 one-half the annual unadjusted percentage increase (but not

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

8 Notwithstanding any provision of this Section to the
9 contrary, with respect to service under Article 8 or 11 of this
10 Code that is subject to this Section, no annual increase under
11 this subsection shall be paid or accrue to any person in year
12 2025. In all other years, the Fund shall continue to pay annual
13 increases as provided in this Section.

14 Notwithstanding Section 1-103.1 of this Code, the changes
15 in this amendatory Act of the 98th General Assembly are
16 applicable without regard to whether the employee was in active
17 service on or after the effective date of this amendatory Act
18 of the 98th General Assembly.

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

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

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

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

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

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

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

14 (i) (Blank).

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

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

20 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

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

22 (a) An employee who retired or retires from service after
23 December 31, 1959 and before January 1, 1987, having attained
24 age 60 or more, shall, in January of the year after the year in
25 which the first anniversary of retirement occurs, have the

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

14 An employee who retires from service on or after January 1,
15 1987 shall, upon the first annuity payment date following the
16 first anniversary of the date of retirement, or upon the first
17 annuity payment date following attainment of age 60, whichever
18 occurs later, have his then fixed and payable monthly annuity
19 increased by 3%, and such annuity shall be increased by an
20 additional 3% of the original fixed annuity on the same date
21 each year thereafter. Beginning in January of 1999, such
22 increases shall be at the rate of 3% of the currently payable
23 monthly annuity, including any increases previously granted
24 under this Article.

25 (a-5) Notwithstanding the provisions of subsection (a),
26 upon the first annuity payment date following (1) the third

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

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

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

1 contributions.

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

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

12 Such additional employee contributions are not refundable,
13 except to an employee who withdraws and applies for refund
14 under this Article, and in cases where a term annuity becomes
15 payable. In such cases his contributions shall be refunded,
16 without interest, and charged to such account in the prior
17 service annuity reserve.

18 (b-5) Notwithstanding any provision of this Section to the
19 contrary:

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

25 (2) Except for persons eligible under subdivision (4)
26 of this subsection for a minimum annual increase, there

1 shall be no annual increase under this Section in years
2 2017, 2019, and 2025.

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

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

22 (4) A person is eligible under this subdivision (4) to
23 receive a minimum annual increase in a particular year if:
24 (i) the person is otherwise eligible to receive an annual
25 increase under subdivision (3) of this subsection, and (ii)
26 the annual amount of the annuity payable at the time of the

1 increase, including all increases previously received, is
2 less than \$22,000.

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

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

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

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

1 93-654, eff. 1-16-04.)

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

3 Sec. 8-137.1. Automatic increases in annuity for certain
4 heretofore retired participants.

5 (a) A retired municipal employee who (i) ~~(a)~~ is receiving
6 annuity based on a service credit of 20 or more years
7 regardless of age at retirement or based on a service credit of
8 15 or more years with retirement at age 55 or over, and (ii)
9 ~~(b)~~ does not qualify for the automatic increases in annuity
10 provided for in Section 8-137 of this Article, and (iii) ~~(c)~~
11 elects to make a contribution to the Fund at a time and manner
12 prescribed by the Retirement Board, of a sum equal to 1% of the
13 amount of final monthly salary times the number of full years
14 of service on which the annuity was based in those cases where
15 the annuity was computed on the money purchase formula and in
16 those cases in which the annuity was computed under the minimum
17 annuity formula provisions of this Article a sum equal to 1% of
18 the average monthly salary on which the annuity was based times
19 such number of full years of service, shall have his original
20 fixed and payable monthly amount of annuity increased in
21 January of the year following the year in which he attains the
22 age of 65 years, if such age of 65 years is attained in the year
23 1969 or later, by an amount equal to 1-1/2%, and by an equal
24 additional 1-1/2% in January of each year thereafter. Beginning
25 with January of the year 1972, such increases shall be at the

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

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

24 (b) To defray the annual cost of such increases, the annual
25 interest income of the Fund, accruing from investments held by
26 the Fund, exclusive of gains or losses on sales or exchanges of

1 assets during the year, over and above 4% a year, shall be used
2 to the extent necessary and available to finance the cost of
3 such increases for the following year, and such amount shall be
4 transferred as of the end of each year, beginning with the year
5 1969, to a Fund account designated as the Supplementary Payment
6 Reserve from the Investment and Interest Reserve set forth in
7 Section 8-221. The sums contributed by annuitants as provided
8 for in this Section shall also be placed in the aforesaid
9 Supplementary Payment Reserve and shall be applied and used for
10 the purposes of such Fund account, together with the aforesaid
11 interest.

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

26 In the event the total monies available in the

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

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

11 (b-5) Notwithstanding any provision of this Section to the
12 contrary:

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

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

1 January 1, 2015.

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

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

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

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

26 For the purposes of Section 1-103.1, this subsection (b-5)

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

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

9 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

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

11 (a) Except as provided in subsection (f) of this Section,
12 the city council of the city shall levy a tax annually upon all
13 taxable property in the city at a rate that will produce a sum
14 which, when added to the amounts deducted from the salaries of
15 the employees or otherwise contributed by them and the amounts
16 deposited under subsection (f), will be sufficient for the
17 requirements of this Article, but which when extended will
18 produce an amount not to exceed the greater of the following:

19 (a) the sum obtained by the levy of a tax of .1093% of the
20 value, as equalized or assessed by the Department of Revenue,
21 of all taxable property within such city, or (b) the sum of
22 \$12,000,000. However any city in which a Fund has been
23 established and in operation under this Article for more than 3
24 years prior to 1970 shall levy for the year 1970 a tax at a rate
25 on the dollar of assessed valuation of all taxable property

1 that will produce, when extended, an amount not to exceed 1.2
2 times the total amount of contributions made by employees to
3 the Fund for annuity purposes in the calendar year 1968, and,
4 for the year 1971 and 1972 such levy that will produce, when
5 extended, an amount not to exceed 1.3 times the total amount of
6 contributions made by employees to the Fund for annuity
7 purposes in the calendar years 1969 and 1970, respectively; and
8 for the year 1973 an amount not to exceed 1.365 times such
9 total amount of contributions made by employees for annuity
10 purposes in the calendar year 1971; and for the year 1974 an
11 amount not to exceed 1.430 times such total amount of
12 contributions made by employees for annuity purposes in the
13 calendar year 1972; and for the year 1975 an amount not to
14 exceed 1.495 times such total amount of contributions made by
15 employees for annuity purposes in the calendar year 1973; and
16 for the year 1976 an amount not to exceed 1.560 times such
17 total amount of contributions made by employees for annuity
18 purposes in the calendar year 1974; and for the year 1977 an
19 amount not to exceed 1.625 times such total amount of
20 contributions made by employees for annuity purposes in the
21 calendar year 1975; and for the year 1978 and each year
22 thereafter through levy year 2014, such levy as will produce,
23 when extended, an amount not to exceed the total amount of
24 contributions made by or on behalf of employees to the Fund for
25 annuity purposes in the calendar year 2 years prior to the year
26 for which the annual applicable tax is levied, multiplied by

1 1.690 for the years 1978 through 1998 and by 1.250 for the year
2 1999 and for each year thereafter through levy year 2014.
3 Beginning in levy year 2015, and in each year thereafter, the
4 levy shall not exceed the amount of the city's total required
5 contribution to the Fund for the next payment year, as
6 determined under subsection (a-5). For the purposes of this
7 Section, the payment year is the year immediately following the
8 levy year.

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

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

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

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

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

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

1 (ii) for payment year 2016, 1.85 times the total amount
2 of contributions made by or on behalf of employees to the
3 Fund for annuity purposes in the calendar year 2013; for
4 payment year 2017, 2.15 times the total amount of
5 contributions made by or on behalf of employees to the Fund
6 for annuity purposes in the calendar year 2014; for payment
7 year 2018, 2.45 times the total amount of contributions
8 made by or on behalf of employees to the Fund for annuity
9 purposes in the calendar year 2015; for payment year 2019,
10 2.75 times the total amount of contributions made by or on
11 behalf of employees to the Fund for annuity purposes in the
12 calendar year 2016; for payment year 2020, 3.05 times the
13 total amount of contributions made by or on behalf of
14 employees to the Fund for annuity purposes in the calendar
15 year 2017.

16 However, beginning in the earlier of payment year 2021 or the
17 first payment year in which the annual contribution amount
18 calculated under subdivision (i) is less than the contribution
19 amount calculated under subdivision (ii), and in each year
20 thereafter, the city's required annual contribution to the Fund
21 shall be determined under subdivision (i).

22 The city's required annual contribution to the Fund may be
23 paid with any available funds and shall be paid by the city to
24 the city treasurer. The city treasurer shall collect and hold
25 those funds for the benefit of the Fund.

26 (a-10) If the city fails to transmit to the Fund

1 contributions required of it under this Article by December
2 31st of the year in which such contributions are due, the Fund
3 may, after giving notice to the city, certify to the State
4 Comptroller the amounts of the delinquent payments, and the
5 Comptroller must, beginning in payment year 2016, deduct and
6 deposit into the Fund the certified amounts or a portion of
7 those amounts from the following proportions of grants of State
8 funds to the city:

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

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

13 (3) in payment year 2018 and each payment year
14 thereafter, the total amount of any grants of State funds
15 to the city.

16 The State Comptroller may not deduct from any grants of
17 State funds to the city more than the amount of delinquent
18 payments certified to the State Comptroller by the Fund.

19 (b) On or before July 1 ~~January 10~~, annually, the board
20 shall certify to ~~notify~~ the city council the annual amounts
21 required under ~~of the requirements of~~ this Article, for which
22 ~~that~~ the tax herein provided may ~~shall~~ be levied for the
23 following ~~that current~~ year. The board shall compute the
24 amounts necessary to be credited to the reserves established
25 and maintained as herein provided, and shall make an annual
26 determination of the amount of the required city contributions,

1 and certify the results thereof to the city council.

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

14 The tax so levied by the park district shall be in addition
15 to and exclusive of all other taxes authorized to be levied by
16 the park district for corporate, annuity fund, or other
17 purposes. The county clerk of the county in which the park
18 district is located, in reducing any tax levied under the
19 provisions of any act concerning the levy and extension of
20 taxes shall not consider such tax as part of the general tax
21 levy for park purposes, and shall not include the same in any
22 limitation of the per cent of the assessed valuation upon which
23 taxes are required to be extended for the park district. The
24 proceeds of the tax levied by the park district, upon receipt
25 by the district, shall be immediately paid over to the city
26 treasurer of the city for the uses and purposes of the fund.

1 The various sums to be contributed by the city and park
2 district and allocated for the purposes of this Article, and
3 any interest to be contributed by the city, shall be derived
4 from the revenue from the taxes authorized in this Section or
5 otherwise as expressly provided in this Section.

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

13 (d) With respect to employees whose wages are funded as
14 participants under the Comprehensive Employment and Training
15 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
16 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
17 subsequent to October 1, 1978, and in instances where the board
18 has elected to establish a manpower program reserve, the board
19 shall compute the amounts necessary to be credited to the
20 manpower program reserves established and maintained as herein
21 provided, and shall make a periodic determination of the amount
22 of required contributions from the City to the reserve to be
23 reimbursed by the federal government in accordance with rules
24 and regulations established by the Secretary of the United
25 States Department of Labor or his designee, and certify the
26 results thereof to the City Council. Any such amounts shall

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

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

16 (f) In lieu of levying all or a portion of the tax required
17 under this Section in any year, the city may deposit with the
18 city treasurer no later than March 1 of that year for the
19 benefit of the fund, to be held in accordance with this
20 Article, an amount that, together with the taxes levied under
21 this Section for that year, is not less than the amount of the
22 city contributions for that year as certified by the board to
23 the city council. The deposit may be derived from any source
24 legally available for that purpose, including, but not limited
25 to, the proceeds of city borrowings. The making of a deposit
26 shall satisfy fully the requirements of this Section for that

1 year to the extent of the amounts so deposited. Amounts
2 deposited under this subsection may be used by the fund for any
3 of the purposes for which the proceeds of the tax levied by the
4 city under this Section may be used, including the payment of
5 any amount that is otherwise required by this Article to be
6 paid from the proceeds of that tax.

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

9 (40 ILCS 5/8-173.1 new)

10 Sec. 8-173.1. Funding Obligation.

11 (a) Beginning January 1, 2015, the city shall be obligated
12 to contribute to the Fund in each fiscal year an amount not
13 less than the amount determined annually under subsection (a-5)
14 of Section 8-173 of this Code. Notwithstanding any other
15 provision of law, if the city fails to pay the amount
16 guaranteed under this Section on or before December 31 of the
17 year in which such amount is due, the retirement board may
18 bring a mandamus action in the Circuit Court of Cook County to
19 compel the city to make the required payment, irrespective of
20 other remedies that may be available to the Fund. The
21 obligations and causes of action created under this Section
22 shall be in addition to any other right or remedy otherwise
23 accorded by common law or State or federal law, and nothing in
24 this Section shall be construed to deny, abrogate, impair, or
25 waive any such common law or statutory right or remedy.

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

19 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

20 Sec. 8-174. Contributions for age and service annuities for
21 present employees and future entrants.

22 (a) Beginning on the effective date and prior to July 1,
23 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
24 1, 1953, 5%; and beginning July 1, 1953, and prior to January
25 1, 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning

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

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

25 Such deductions beginning on the effective date and prior
26 to July 1, 1947 shall be made for a future entrant while he is

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

13 (b) Concurrently with each employee contribution beginning
14 on the effective date and prior to July 1, 1947 the city shall
15 contribute 5 3/4%; and beginning on July 1, 1947 and prior to
16 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each
17 payment of such salary until the employee attains age 65.
18 Notwithstanding any provision of this subsection (b) to the
19 contrary, the city shall not make a contribution for any credit
20 established by an employee under subsection (b) of Section
21 8-138.4.

22 (c) Each employee contribution made prior to the date the
23 age and service annuity for an employee is fixed and each
24 corresponding city contribution shall be credited to the
25 employee and allocated to the account of the employee for whose
26 benefit it is made.

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

2 (40 ILCS 5/8-174.2 new)

3 Sec. 8-174.2. Use of contributions for health care
4 subsidies. Except as may be required pursuant to Sections
5 8-164.1 and 8-164.2 of this Code, the Fund shall not use any
6 contribution received by the Fund under this Article to provide
7 a subsidy for the cost of participation in a retiree health
8 care program.

9 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

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

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

1 on annuity after December 31, 1963 and before January 1, 1987,
2 but prior to age 60, shall receive such increases beginning
3 with January of the year immediately following the year in
4 which he attains the age of 60 years.

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

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

1 subsection (a).

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

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

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

23 Each such additional employee contribution shall be
24 credited to an account in the prior service annuity reserve, to
25 be used, together with city contributions, to defray the cost
26 of the specified annuity increments. Any balance as of the

1 beginning of each calendar year existing in such account shall
2 be credited with interest at the rate of 3% per annum.

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

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

10 (b-5) Notwithstanding any provision of this Section to the
11 contrary:

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

17 (2) Except for persons eligible under subdivision (4)
18 of this subsection for a minimum annual increase, there
19 shall be no annual increase under this Section in years
20 2017, 2019, and 2025.

21 (3) In all other years, beginning January 1, 2015, the
22 Fund shall pay an annual increase to persons eligible to
23 receive one under this Section, in lieu of any other annual
24 increase provided under this Section (but subject to the
25 minimum increase under subdivision (4) of this subsection,
26 if applicable) in an amount equal to the lesser of 3% or

1 one-half the annual unadjusted percentage increase (but
2 not less than zero) in the consumer price index-u for the
3 12 months ending with the September preceding each November
4 1, of the person's last annual annuity amount prior to
5 January 1, 2015, or if the person was not yet receiving an
6 annuity on that date, then this calculation shall be based
7 on his or her originally granted annual annuity amount.

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

14 (4) A person is eligible under this subdivision (4) to
15 receive a minimum annual increase in a particular year if:
16 (i) the person is otherwise eligible to receive an annual
17 increase under subdivision (3) of this subsection, and (ii)
18 the annual amount of the annuity payable at the time of the
19 increase, including all increases previously received, is
20 less than \$22,000.

21 Beginning January 1, 2015, for a person who is eligible
22 under this subdivision (4) to receive a minimum annual
23 increase in the year 2017, 2019, or 2025, the annual
24 increase shall be 1% of the person's last annual annuity
25 amount prior to January 1, 2015, or if the person was not
26 yet receiving an annuity on that date, then 1% of his or

1 her originally granted annual annuity amount.

2 Beginning January 1, 2015, for any other year in which
3 a person is eligible under this subdivision (4) to receive
4 a minimum annual increase, the annual increase shall be as
5 specified under subdivision (3), but not less than 1% of
6 the person's last annual annuity amount prior to January 1,
7 2015 or, if the person was not yet receiving an annuity on
8 that date, then not less than 1% of his or her originally
9 granted annual annuity amount.

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

18 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;
19 93-654, eff. 1-16-04.)

20 (40 ILCS 5/11-134.3) (from Ch. 108 1/2, par. 11-134.3)

21 Sec. 11-134.3. Automatic increases in annuity for certain
22 heretofore retired participants.

23 (a) A retired employee who (i) ~~(a)~~ is receiving annuity
24 based on a service credit of 20 or more years regardless of age
25 at retirement or based on a service credit of 15 or more years

1 with retirement at age 55 or over, and (ii) ~~(b)~~ does not
2 qualify for the automatic increases in annuity provided for in
3 Section 11-134.1 of this Article, and (iii) ~~(c)~~ elects to make
4 a contribution to the Fund at a time and manner prescribed by
5 the Retirement Board, of a sum equal to 1% of the amount of
6 final monthly salary times the number of full years of service
7 on which the annuity was based in those cases where the annuity
8 was computed on the money purchase formula, and in those cases
9 in which the annuity was computed under the minimum annuity
10 formula provisions of this Article a sum equal to 1% of the
11 average monthly salary on which the annuity was based times
12 such number of full years of service, shall have his original
13 fixed and payable monthly amount of annuity increased in
14 January of the year following the year in which he attains the
15 age of 65 years, if such age of 65 years is attained in the year
16 1969 or later, by an amount equal to 1 1/2%, and by an equal
17 additional 1 1/2% in January of each year thereafter. Beginning
18 with January of the year 1972, such increases shall be at the
19 rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
20 January, 1984, such increases shall be at the rate of 3%.
21 Beginning in January of 1999, such increases shall be at the
22 rate of 3% of the currently payable monthly annuity, including
23 any increases previously granted under this Article.

24 In those cases in which the retired employee receiving
25 annuity has attained the age of 66 or more years in the year
26 1969, he shall have such annuity increased in January of the

1 year 1970 by an amount equal to 1 1/2% multiplied by the number
2 equal to the number of months of January elapsing from and
3 including January of the year immediately following the year he
4 attained the age of 65 years if retired at or prior to age 65,
5 or from and including January of the year immediately following
6 the year of retirement if retired at an age greater than 65
7 years, to and including January of the year 1970, and by an
8 equal additional 1 1/2% in January of each year thereafter.
9 Beginning with January of the year 1972, such increases shall
10 be at the rate of 2% in lieu of the aforesaid specified 1 1/2%.
11 Beginning January, 1984, such increases shall be at the rate of
12 3%. Beginning in January of 1999, such increases shall be at
13 the rate of 3% of the currently payable monthly annuity,
14 including any increases previously granted under this Article.

15 (b) To defray the annual cost of such increases, the annual
16 interest income of the Fund, accruing from investments held by
17 the Fund, exclusive of gains or losses on sales or exchanges of
18 assets during the year, over and above 4% a year, shall be used
19 to the extent necessary and available to finance the cost of
20 such increases for the following year, and such amount shall be
21 transferred as of the end of each year, beginning with the year
22 1969, to a Fund account designated as the Supplementary Payment
23 Reserve from the Investment and Interest Reserve set forth in
24 Sec. 11-210. The sums contributed by annuitants as provided for
25 in this Section shall also be placed in the aforesaid
26 Supplementary Payment Reserve and shall be applied for and used

1 for the purposes of such Fund account, together with the
2 aforesaid interest.

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

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

24 The Fund shall be obligated for the payment of the
25 increases in annuity as provided for in this Section only to
26 the extent that the assets for such purpose, as specified

1 herein, are available.

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

4 (1) Except for persons eligible under subdivision (3)
5 of this subsection for a minimum annual increase, there
6 shall be no annual increase under this Section in years
7 2017, 2019, and 2025.

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

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 (3) A person is eligible under this subdivision (3) 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 (2) 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 (3) 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.

11 Beginning January 1, 2015, for any other year in which
12 a person is eligible under this subdivision (3) to receive
13 a minimum annual increase, the annual increase shall be as
14 specified under subdivision (2), but not less than 1% of
15 the person's last annual annuity amount prior to January 1,
16 2015.

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

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

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

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

3 (a) Except as provided in subsection (f) of this Section,
4 the city council of the city shall levy a tax annually upon all
5 taxable property in the city at the rate that will produce a
6 sum which, when added to the amounts deducted from the salaries
7 of the employees or otherwise contributed by them and the
8 amounts deposited under subsection (f), will be sufficient for
9 the requirements of this Article. For the years prior to the
10 year 1950 the tax rate shall be as provided for under "The 1935
11 Act". Beginning with the year 1950 to and including the year
12 1969 such tax shall be not more than .036% annually of the
13 value, as equalized or assessed by the Department of Revenue,
14 of all taxable property within such city. Beginning with the
15 year 1970 and each year thereafter through levy year 2014, the
16 city shall levy a tax annually at a rate on the dollar of the
17 value, as equalized or assessed by the Department of Revenue of
18 all taxable property within such city that will produce, when
19 extended, not to exceed an amount equal to the total amount of
20 contributions by the employees to the fund made in the calendar
21 year 2 years prior to the year for which the annual applicable
22 tax is levied, multiplied by 1.1 for the years 1970, 1971 and
23 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235
24 for the year 1975; 1.280 for the year 1976; 1.325 for the year
25 1977; 1.370 for the years 1978 through 1998; and 1.000 for the
26 year 1999 and for each year thereafter through levy year 2014.

1 Beginning in levy year 2015, and in each year thereafter, the
2 levy shall not exceed the amount of the city's total required
3 contribution to the Fund for the next payment year, as
4 determined under subsection (a-5). For the purposes of this
5 Section, the payment year is the year immediately following the
6 levy year.

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

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

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

25 The city may continue to use other lawfully available funds
26 in lieu of all or part of the levy, as provided under

1 subsection (f) of this Section.

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

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

25 (ii) for payment year 2016, 1.60 times the total amount
26 of contributions made by or on behalf of employees to the

1 Fund for annuity purposes in the calendar year 2013; for
2 payment year 2017, 1.90 times the total amount of
3 contributions made by or on behalf of employees to the Fund
4 for annuity purposes in the calendar year 2014; for payment
5 year 2018, 2.20 times the total amount of contributions
6 made by or on behalf of employees to the Fund for annuity
7 purposes in the calendar year 2015; for payment year 2019,
8 2.50 times the total amount of contributions made by or on
9 behalf of employees to the Fund for annuity purposes in the
10 calendar year 2016; for payment year 2020, 2.80 times the
11 total amount of contributions made by or on behalf of
12 employees to the Fund for annuity purposes in the calendar
13 year 2017.

14 However, beginning in the earlier of payment year 2021 or the
15 first payment year in which the annual contribution amount
16 calculated under subdivision (i) is less than the contribution
17 amount calculated under subdivision (ii), and in each year
18 thereafter, the city's required annual contribution to the Fund
19 shall be determined under subdivision (i).

20 The city's required annual contribution to the Fund may be
21 paid with any available funds and shall be paid by the city to
22 the city treasurer. The city treasurer shall collect and hold
23 those funds for the benefit of the Fund.

24 (a-10) If the city fails to transmit to the Fund
25 contributions required of it under this Article by December
26 31st of the year in which such contributions are due, the Fund

1 may, after giving notice to the city, certify to the State
2 Comptroller the amounts of the delinquent payments, and the
3 Comptroller must, beginning in payment year 2016, deduct and
4 deposit into the Fund the certified amounts or a portion of
5 those amounts from the following proportions of grants of State
6 funds to the city:

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

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

11 (3) in payment year 2018 and each payment year
12 thereafter, the total amount of any grants of State funds
13 to the city.

14 The State Comptroller may not deduct from any grants of
15 State funds to the city more than the amount of delinquent
16 payments certified to the State Comptroller by the Fund.

17 (b) On or before July 1 ~~January 10~~, annually, the board
18 shall certify to ~~notify~~ the city council the annual amounts
19 required under ~~of the requirement of~~ this Article, for which
20 ~~that~~ the tax herein provided may ~~shall~~ be levied for the
21 following ~~that current~~ year. The board shall compute the
22 amounts necessary for the purposes of this fund to be credited
23 to the reserves established and maintained as herein provided,
24 and shall make an annual determination of the amount of the
25 required city contributions; and certify the results thereof to
26 the city council.

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

13 The tax so levied by the park district shall be in addition
14 to and exclusive of all other taxes authorized to be levied by
15 the park district for corporate, annuity fund, or other
16 purposes. The county clerk of the county in which the park
17 district is located, in reducing any tax levied under the
18 provisions of any Act concerning the levy and extension of
19 taxes shall not consider such tax as part of the general tax
20 levy for park purposes, and shall not include the same in any
21 limitation of the per cent of the assessed valuation upon which
22 taxes are required to be extended for the park district. The
23 proceeds of the tax levied by the park district, upon receipt
24 by the district, shall be immediately paid over to the city
25 treasurer of the city for the uses and purposes of the fund.

26 The various sums to be contributed by the city and

1 allocated for the purposes of this Article, and any interest to
2 be contributed by the city, shall be taken from the revenue
3 derived from the taxes authorized in this Section, and no money
4 of such city derived from any source other than the levy and
5 collection of those taxes or the sale of tax anticipation
6 warrants in accordance with the provisions of this Article
7 shall be used to provide revenue for this Article, except as
8 expressly provided in this Section.

9 If it is not possible for the city to make contributions
10 for age and service annuity and widow's annuity concurrently
11 with the employee's contributions made for such purposes, such
12 city shall make such contributions as soon as possible and
13 practicable thereafter with interest thereon at the effective
14 rate to the time they shall be made.

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

1 States Department of Labor or his designee, and certify the
2 results thereof to the City Council. Any such amounts shall
3 become a credit to the City and will be used to reduce the
4 amount which the City would otherwise contribute during
5 succeeding years for all employees.

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

18 (f) In lieu of levying all or a portion of the tax required
19 under this Section in any year, the city may deposit with the
20 city treasurer no later than March 1 of that year for the
21 benefit of the fund, to be held in accordance with this
22 Article, an amount that, together with the taxes levied under
23 this Section for that year, is not less than the amount of the
24 city contributions for that year as certified by the board to
25 the city council. The deposit may be derived from any source
26 legally available for that purpose, including, but not limited

1 to, the proceeds of city borrowings. The making of a deposit
2 shall satisfy fully the requirements of this Section for that
3 year to the extent of the amounts so deposited. Amounts
4 deposited under this subsection may be used by the fund for any
5 of the purposes for which the proceeds of the tax levied by the
6 city under this Section may be used, including the payment of
7 any amount that is otherwise required by this Article to be
8 paid from the proceeds of that tax.

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

10 (40 ILCS 5/11-169.1 new)

11 Sec. 11-169.1. Funding Obligation.

12 (a) Beginning January 1, 2015, the city shall be obligated
13 to contribute to the Fund in each fiscal year an amount not
14 less than the amount determined annually under subsection (a-5)
15 of Section 11-169 of this Code. Notwithstanding any other
16 provision of law, if the city fails to pay the amount
17 guaranteed under this Section on or before December 31 of the
18 year in which such amount is due, the retirement board may
19 bring a mandamus action in the Circuit Court of Cook County to
20 compel the city to make the required payment, irrespective of
21 other remedies that may be available to the Fund. The
22 obligations and causes of action created under this Section
23 shall be in addition to any other right or remedy otherwise
24 accorded by common law or State or federal law, and nothing in
25 this Section shall be construed to deny, abrogate, impair, or

1 waive any such common law or statutory right or remedy.

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

20 (40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

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

23 (a) Beginning on the effective date and prior to July 1,
24 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
25 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,

1 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning
2 January 1, 2015, and prior to January 1, 2016, 7.0%; and
3 beginning January 1, 2016, and prior to January 1, 2017, 7.5%;
4 and, beginning January 1, 2017, and prior to January 1, 2018,
5 8.0%; and beginning January 1, 2018, and prior to January 1,
6 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0%
7 ~~6 1/2%~~ of each payment of the salary of each present employee,
8 future entrant and re-entrant shall be contributed to the fund
9 as a deduction from salary for age and service annuity;
10 provided, however, that beginning with the first pay period on
11 or after the date when the funded ratio of the Fund is first
12 determined to have reached the 90% funding goal set forth in
13 subsection (a-5) of Section 11-169 of this Code, and each pay
14 period thereafter for as long as the Fund maintains a funding
15 ratio of 90% or more, employee contributions shall be 7.75% of
16 salary for the age and service annuity. If the funding ratio
17 falls below 90%, then employee contributions for the age and
18 service annuity shall revert to 9.0% of salary until such time
19 as the Fund once again is determined to have reached a funding
20 ratio of at least 90%, at which time employee contributions of
21 7.75% shall resume for the age and service annuity. Such
22 deductions beginning on the effective date and prior to June
23 30, 1947, inclusive shall be made for a future entrant while he
24 is in service until he attains age 65, and for a present
25 employee while he is in service until the amount so deducted
26 from his salary with interest at the rate of 4% per annum shall

1 be equal to the sum which would have accumulated to his credit
2 from sums deducted from his salary if deductions at the rate
3 herein stated had been made during his entire service until he
4 attained age 65 with interest at 4% per annum for the period
5 subsequent to his attainment of age 65. Such deductions
6 beginning July 1, 1947 shall be made and continued for
7 employees while in the service.

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

12 (b) Concurrently with each employee contribution, the city
13 shall contribute beginning on the effective date and prior to
14 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to
15 July 1, 1953, 7%; and beginning July 1, 1953, 6% of each
16 payment of such salary until the employee attains age 65.

17 (c) Each employee contribution made prior to the date age
18 and service annuity for an employee is fixed and each
19 corresponding city contribution shall be allocated to the
20 account of and credited to the employee for whose benefit it is
21 made.

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

23 (40 ILCS 5/11-179.1 new)

24 Sec. 11-179.1. Use of contributions for health care
25 subsidies. Except as may be required pursuant to Sections

1 11-160.1 and 11-160.2 of this Code, the Fund shall not use any
2 contribution received by the Fund under this Article to provide
3 a subsidy for the cost of participation in a retiree health
4 care program.

5 Section 90. The State Mandates Act is amended by adding
6 Section 8.38 as follows:

7 (30 ILCS 805/8.38 new)

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

12 Section 93. Inseverability and severability. The
13 provisions of this amendatory Act of 2013 set forth in Secs.
14 1-160, 8-137, 8-137.1, 8-173, 8-173.1, 8-174, 11-134.1,
15 11-134.3, 11-169, 11-169.1, and 11-170 of the Illinois Pension
16 Code are mutually dependent and inseverable. If any of those
17 provisions is held invalid other than as applied to a
18 particular person or circumstance, then all of those provisions
19 are invalid. The remaining provisions of this Act are severable
20 under Section 1.31 of the Statute on Statutes, and are not
21 mutually dependent upon the provisions set forth in any other
22 Section of this Act.

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

8 Section 99. Effective date. This Act takes effect upon
9 becoming law."