



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4553

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-128.2	from Ch. 108 1/2, par. 6-128.2
40 ILCS 5/6-128.4	from Ch. 108 1/2, par. 6-128.4
40 ILCS 5/6-164	from Ch. 108 1/2, par. 6-164
30 ILCS 805/8.40 new	

Amends the Chicago Firefighter Article of the Illinois Pension Code. Provides that any fireman born after December 31, 1954 but before January 1, 1966 shall be entitled to receive 3% automatic annual increases to his or her annuity. Provides that the automatic annual increase is not subject to the 30% maximum. Provides that the initial increase shall be in an amount equal to 3% for each complete year following the date of retirement or attainment of age 55, whichever occurs later. Provides that beginning January 1, 2017, the minimum widow's annuity and minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be no less than 125% of the Federal Poverty Level. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB099 16205 RPS 40532 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 6-128.2, 6-128.4, and 6-164 as follows:

6 (40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

7 Sec. 6-128.2. Minimum retirement annuities.

8 (a) Beginning with the monthly payment due in January,
9 1988, the monthly annuity payment for any person who is
10 entitled to receive a retirement annuity under this Article in
11 January, 1990 and has retired from service at age 50 or over
12 with 20 or more years of service, and for any person who
13 retires from service on or after January 24, 1990 at age 50 or
14 over with 20 or more years of service, shall not be less than
15 \$475 per month. The \$475 minimum annuity is exclusive of any
16 automatic annual increases provided by Sections 6-164 and
17 6-164.1, but not exclusive of previous raises in the minimum
18 annuity as provided by any Section of this Article.

19 Beginning January 1, 1992, the minimum retirement annuity
20 payable to any person who has retired from service at age 50 or
21 over with 20 or more years of service and is entitled to
22 receive a retirement annuity under this Article on that date,
23 or who retires from service at age 50 or over with 20 or more

1 years of service after that date, shall be \$650 per month.

2 Beginning January 1, 1993, the minimum retirement annuity
3 payable to any person who has retired from service at age 50 or
4 over with 20 or more years of service and is entitled to
5 receive a retirement annuity under this Article on that date,
6 or who retires from service at age 50 or over with 20 or more
7 years of service after that date, shall be \$750 per month.

8 Beginning January 1, 1994, the minimum retirement annuity
9 payable to any person who has retired from service at age 50 or
10 over with 20 or more years of service and is entitled to
11 receive a retirement annuity under this Article on that date,
12 or who retires from service at age 50 or over with 20 or more
13 years of service after that date, shall be \$850 per month.

14 Beginning January 1, 2004, the minimum retirement annuity
15 payable to any person who has retired from service at age 50 or
16 over with 20 or more years of service and is entitled to
17 receive a retirement annuity under this Article on that date,
18 or who retires from service at age 50 or over with 20 or more
19 years of service after that date, shall be \$950 per month.

20 Beginning January 1, 2005, the minimum retirement annuity
21 payable to any person who has retired from service at age 50 or
22 over with 20 or more years of service and is entitled to
23 receive a retirement annuity under this Article on that date,
24 or who retires from service at age 50 or over with 20 or more
25 years of service after that date, shall be \$1,050 per month.

26 Beginning January 1, 2017, the minimum retirement annuity

1 payable to any person who has retired from service at age 50 or
2 over with 20 or more years of service and is entitled to
3 receive a retirement annuity under this Article on that date,
4 or who retires from service at age 50 or over with 20 or more
5 years of service after that date, shall be no less than 125% of
6 the Federal Poverty Level. For purposes of this Section, the
7 "Federal Poverty Level" shall be determined pursuant to the
8 poverty guidelines updated periodically in the Federal
9 Register by the United States Department of Health and Human
10 Services under the authority of 42 U.S.C. 9902(2).

11 The minimum annuities established by this subsection (a) do
12 include previous raises in the minimum annuity as provided by
13 any Section of this Article, but do not include any sums which
14 have been added or will be added to annuity payments by the
15 automatic annual increases provided by Sections 6-164 and
16 6-164.1. Such annual increases shall be paid in addition to the
17 minimum amounts specified in this subsection.

18 (b) Notwithstanding any other provision of this Article,
19 beginning January 1, 1990, the minimum retirement annuity
20 payable to any person who is entitled to receive a retirement
21 annuity under this Article on that date shall be \$475 per
22 month.

23 (c) The changes made to this Section by this amendatory Act
24 of the 93rd General Assembly apply to all persons receiving a
25 retirement annuity under this Article, without regard to
26 whether the retirement of the fireman occurred prior to the

1 effective date of this amendatory Act.

2 For the purposes of Section 1-103.1, the changes made to
3 this Section by this amendatory Act of the 99th General
4 Assembly apply without regard to whether the retirement of the
5 fireman occurred prior to the effective date of this amendatory
6 Act.

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

8 (40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)

9 Sec. 6-128.4. Minimum widow's annuities.

10 (a) Notwithstanding any other provision of this Article,
11 beginning January 1, 1996, the minimum amount of widow's
12 annuity payable to any person who is entitled to receive a
13 widow's annuity under this Article is \$700 per month, without
14 regard to whether the deceased fireman is in service on or
15 after the effective date of this amendatory Act of 1995.

16 (b) Notwithstanding Section 6-128.3, beginning January 1,
17 1994, the minimum widow's annuity under this Article shall be
18 \$700 per month for (1) all persons receiving widow's annuities
19 on that date who are survivors of employees who retired at age
20 50 or over with at least 20 years of service, and (2) persons
21 who become eligible for widow's annuities and are survivors of
22 employees who retired at age 50 or over with at least 20 years
23 of service.

24 (c) Notwithstanding Section 6-128.3, beginning January 1,
25 1999, the minimum widow's annuity under this Article shall be

1 \$800 per month for (1) all persons receiving widow's annuities
2 on that date who are survivors of employees who retired at age
3 50 or over with at least 20 years of service, and (2) persons
4 who become eligible for widow's annuities and are survivors of
5 employees who retired at age 50 or over with at least 20 years
6 of service.

7 (d) Notwithstanding Section 6-128.3, beginning January 1,
8 2004, the minimum widow's annuity under this Article shall be
9 \$900 per month for all persons receiving widow's annuities on
10 or after that date, without regard to whether the deceased
11 fireman is in service on or after the effective date of this
12 amendatory Act of the 93rd General Assembly.

13 (e) Notwithstanding Section 6-128.3, beginning January 1,
14 2005, the minimum widow's annuity under this Article shall be
15 \$1,000 per month for all persons receiving widow's annuities on
16 or after that date, without regard to whether the deceased
17 fireman is in service on or after the effective date of this
18 amendatory Act of the 93rd General Assembly.

19 (f) Notwithstanding Section 6-128.3, beginning January 1,
20 2017, the minimum widow's annuity under this Article shall be
21 no less than 125% of the Federal Poverty Level for all persons
22 receiving widow's annuities on or after that date, without
23 regard to whether the deceased fireman is in service on or
24 after the effective date of this amendatory Act of the 99th
25 General Assembly. For purposes of this Section, the "Federal
26 Poverty Level" shall be determined pursuant to the poverty

1 guideline updated periodically in the Federal Register by the
2 United States Department of Health and Human Services under the
3 authority of 42 U.S.C. 9902(2).

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

5 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

6 Sec. 6-164. Automatic annual increase; retirement after
7 September 1, 1959.

8 (a) A fireman qualifying for a minimum annuity who retires
9 from service after September 1, 1959 shall, upon either the
10 first of the month following the first anniversary of his date
11 of retirement if he is age 60 (age 55 if born before January 1,
12 1966 ~~1955~~) or over on that anniversary date, or upon the first
13 of the month following his attainment of age 60 (age 55 if born
14 before January 1, 1966 ~~1955~~) if that occurs after the first
15 anniversary of his retirement date, have his then fixed and
16 payable monthly annuity increased by 1 1/2%, and such first
17 fixed annuity as granted at retirement increased by an
18 additional 1 1/2% in January of each year thereafter up to a
19 maximum increase of 30%. Beginning July 1, 1982 for firemen
20 born before January 1, 1930, and beginning January 1, 1990 for
21 firemen born after December 31, 1929 and before January 1,
22 1940, and beginning January 1, 1996 for firemen born after
23 December 31, 1939 but before January 1, 1945, and beginning
24 January 1, 2004, for firemen born after December 31, 1944 but
25 before January 1, 1955, and beginning January 1, 2017, for

1 firemen born after December 31, 1954 but before January 1,
2 1966, such increases shall be 3% and such firemen shall not be
3 subject to the 30% maximum increase.

4 Any fireman born before January 1, 1945 who qualifies for a
5 minimum annuity and retires after September 1, 1967 but has not
6 received the initial increase under this subsection before
7 January 1, 1996 is entitled to receive the initial increase
8 under this subsection on (1) January 1, 1996, (2) the first
9 anniversary of the date of retirement, or (3) attainment of age
10 55, whichever occurs last. The changes to this Section made by
11 this amendatory Act of 1995 apply beginning January 1, 1996 and
12 apply without regard to whether the fireman or annuitant
13 terminated service before the effective date of this amendatory
14 Act of 1995.

15 Any fireman born before January 1, 1955 who qualifies for a
16 minimum annuity and retires after September 1, 1967 but has not
17 received the initial increase under this subsection before
18 January 1, 2004 is entitled to receive the initial increase
19 under this subsection on (1) January 1, 2004, (2) the first
20 anniversary of the date of retirement, or (3) attainment of age
21 55, whichever occurs last. The changes to this Section made by
22 this amendatory Act of the 93rd General Assembly apply without
23 regard to whether the fireman or annuitant terminated service
24 before the effective date of this amendatory Act.

25 Any fireman born before January 1, 1966 who qualifies for a
26 minimum annuity and retires after September 1, 1967 but has not

1 received the initial increase under this subsection before
2 January 1, 2017 is entitled to receive an initial increase
3 under this subsection on (1) January 1, 2017, (2) the first
4 anniversary of the date of retirement, or (3) attainment of age
5 55, whichever occurs last, in an amount equal to 3% for each
6 complete year following the date of retirement or attainment of
7 age 55, whichever occurs later. The changes to this Section
8 made by this amendatory Act of the 99th General Assembly apply
9 without regard to whether the fireman or annuitant terminated
10 service before the effective date of this amendatory Act.

11 (b) Subsection (a) of this Section is not applicable to an
12 employee receiving a term annuity.

13 (c) To help defray the cost of such increases in annuity,
14 there shall be deducted, beginning September 1, 1959, from each
15 payment of salary to a fireman, 1/8 of 1% of each such salary
16 payment and an additional 1/8 of 1% beginning on September 1,
17 1961, and September 1, 1963, respectively, concurrently with
18 and in addition to the salary deductions otherwise made for
19 annuity purposes.

20 Each such additional 1/8 of 1% deduction from salary which
21 shall, on September 1, 1963, result in a total increase of 3/8
22 of 1% of salary, shall be credited to the Automatic Increase
23 Reserve, to be used, together with city contributions as
24 provided in this Article, to defray the cost of the 1 1/2%
25 annuity increments herein specified. Any balance in such
26 reserve as of the beginning of each calendar year shall be

1 credited with interest at the rate of 3% per annum.

2 The salary deductions provided in this Section are not
3 subject to refund, except to the fireman himself, in any case
4 in which a fireman withdraws prior to qualification for minimum
5 annuity and applies for refund, or applies for annuity, and
6 also where a term annuity becomes payable. In such cases, the
7 total of such salary deductions shall be refunded to the
8 fireman, without interest, and charged to the aforementioned
9 reserve.

10 (d) Notwithstanding any other provision of this Article,
11 the monthly annuity of a person who first becomes a fireman
12 under this Article on or after January 1, 2011 shall be
13 increased on the January 1 occurring either on or after the
14 attainment of age 60 or the first anniversary of the annuity
15 start date, whichever is later. Each annual increase shall be
16 calculated at 3% or one-half the annual unadjusted percentage
17 increase (but not less than zero) in the consumer price index-u
18 for the 12 months ending with the September preceding each
19 November 1, whichever is less, of the originally granted
20 retirement annuity. If the annual unadjusted percentage change
21 in the consumer price index-u for a 12-month period ending in
22 September is zero or, when compared with the preceding period,
23 decreases, then the annuity shall not be increased.

24 For the purposes of this subsection (d), "consumer price
25 index-u" means the index published by the Bureau of Labor
26 Statistics of the United States Department of Labor that

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

7 (Source: P.A. 96-1495, eff. 1-1-11.)

8 Section 90. The State Mandates Act is amended by adding
9 Section 8.40 as follows:

10 (30 ILCS 805/8.40 new)

11 Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8
12 of this Act, no reimbursement by the State is required for the
13 implementation of any mandate created by this amendatory Act of
14 the 99th General Assembly.

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