

1 AN ACT in relation to 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  
5 changing Section 7-142 as follows:

6 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

7 Sec. 7-142. Retirement annuities - Amount.

8 (a) The amount of a retirement annuity shall be the sum  
9 of the following, determined in accordance with the actuarial  
10 tables in effect at the time of the grant of the annuity:

11 1. For employees with 8 or more years of service,  
12 an annuity computed pursuant to subparagraphs a or b of  
13 this subparagraph 1, whichever is the higher, and for  
14 employees with less than 8 years of service the annuity  
15 computed pursuant to subparagraph a:

16 a. The monthly annuity which can be provided  
17 from the total accumulated normal, municipality and  
18 prior service credits, as of the attained age of the  
19 employee on the date the annuity begins provided  
20 that such annuity shall not exceed 75% of the final  
21 rate of earnings of the employee.

22 b. (i) The monthly annuity amount determined  
23 as follows by multiplying (a) 2.0%  $\frac{1-2}{3}$ % for  
24 annuitants with not more than 15 years or (b) 2.0%  
25  $\frac{1-2}{3}$ % for the first 15 years and 2.5%  $\frac{2}{3}$ % for each  
26 year in excess of 15 years for annuitants with more  
27 than 15 years by the number of years plus fractional  
28 years, prorated on a basis of months, of creditable  
29 service and multiply the product thereof by the  
30 employee's final rate of earnings.

31 (ii) For the sole purpose of computing the

1 formula (and not for the purposes of the limitations  
 2 hereinafter stated) \$125 shall be considered the  
 3 final rate of earnings in all cases where the final  
 4 rate of earnings is less than such amount.

5 (iii) The monthly annuity computed in  
 6 accordance with this subparagraph b, shall not  
 7 exceed an amount equal to 75% of the final rate of  
 8 earnings.

9 (iv) (Blank). For--employees--who--have--less  
 10 than--35--years--of--service, the annuity computed in  
 11 accordance with this subparagraph b (as--reduced--by  
 12 application--of--subparagraph--(iii)--above)--shall be  
 13 reduced--by--0.25%--thereof--(0.5%--if--service--was  
 14 terminated before January 1, 1988)--for each month or  
 15 fraction thereof--(1)--that the employee's age is less  
 16 than 60 years, or--(2)--if the employee has--at--least  
 17 30--years--of--service--credit,--that the employee's  
 18 service credit is less than 35 years,--whichever--is  
 19 less, on the date the annuity begins.

20 2. The annuity which can be provided from the total  
 21 accumulated additional credits as of the attained age of  
 22 the employee on the date the annuity begins.

23 (b) If payment of an annuity begins prior to the  
 24 earliest age at which the employee will become eligible for  
 25 an old age insurance benefit under the Federal Social  
 26 Security Act, he may elect that the annuity payments from  
 27 this fund shall exceed those payable after his attaining such  
 28 age by an amount, computed as determined by rules of the  
 29 Board, but not in excess of his estimated Social Security  
 30 Benefit, determined as of the effective date of the annuity,  
 31 provided that in no case shall the total annuity payments  
 32 made by this fund exceed in actuarial value the annuity which  
 33 would have been payable had no such election been made.

34 (c) The retirement annuity shall be increased each year

1 by 2%, not compounded, of the monthly amount of annuity,  
2 taking into consideration any adjustment under paragraph (b)  
3 of this Section. This increase shall be effective each  
4 January 1 and computed from the effective date of the  
5 retirement annuity, the first increase being 0.167% of the  
6 monthly amount times the number of months from the effective  
7 date to January 1. Beginning January 1, 1984 and thereafter,  
8 the retirement annuity shall be increased by 3% each year,  
9 not compounded. This increase shall not be applicable to  
10 annuitants who are not in service on or after September 8,  
11 1971.

12 (Source: P.A. 91-357, eff. 7-29-99.)

13 Section 90. The State Mandates Act is amended by adding  
14 Section 8.25 as follows:

15 (30 ILCS 805/8.25 new)

16 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
17 and 8 of this Act, no reimbursement by the State is required  
18 for the implementation of any mandate created by this  
19 amendatory Act of the 92nd General Assembly.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.