



Sen. John G. Mulroe

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1 AMENDMENT TO SENATE BILL 2607

2 AMENDMENT NO. _____. Amend Senate Bill 2607 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 1-160 and 14-152.1 as follows:

6 (40 ILCS 5/1-160)

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

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

13 This Section does not apply to a person who first becomes a
14 noncovered employee under Article 14 on or after the
15 implementation date of the plan created under Section 1-161 for
16 that Article, unless that person elects under subsection (b) of
17 Section 1-161 to instead receive the benefits provided under
18 this Section and the applicable provisions of that Article.

19 This Section does not apply to a person who first becomes a
20 member or participant under Article 16 on or after the
21 implementation date of the plan created under Section 1-161 for
22 that Article, unless that person elects under subsection (b) of
23 Section 1-161 to instead receive the benefits provided under
24 this Section and the applicable provisions of that Article.

25 This Section does not apply to a person who elects under
26 subsection (c-5) of Section 1-161 to receive the benefits under

1 Section 1-161.

2 This Section does not apply to a person who first becomes a
3 member or participant of an affected pension fund on or after 6
4 months after the resolution or ordinance date, as defined in
5 Section 1-162, unless that person elects under subsection (c)
6 of Section 1-162 to receive the benefits provided under this
7 Section and the applicable provisions of the Article under
8 which he or she is a member or participant.

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

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

23 (2) In Articles 8, 9, 10, 11, and 12, "highest average
24 annual salary for any 4 consecutive years within the last
25 10 years of service immediately preceding the date of
26 withdrawal".

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

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

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

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

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

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

26 (c) A member or participant is entitled to a retirement

1 annuity upon written application if he or she has attained age
2 67 (beginning January 1, 2015, age 65 with respect to service
3 under Article 12 of this Code that is subject to this Section)
4 and has at least 10 years of service credit and is otherwise
5 eligible under the requirements of the applicable Article.

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

13 (c-5) A person who first becomes a member or a participant
14 under Article 8 or Article 11 of this Code on or after the
15 effective date of this amendatory Act of the 100th General
16 Assembly, notwithstanding any other provision of this Code to
17 the contrary, is entitled to a retirement annuity upon written
18 application if he or she has attained age 65 and has at least
19 10 years of service credit under Article 8 or Article 11 of
20 this Code and is otherwise eligible under the requirements of
21 Article 8 or Article 11 of this Code, whichever is applicable.

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

1 month that the member's age is under age 67 (beginning January
2 1, 2015, age 65 with respect to service under Article 12 of
3 this Code that is subject to this Section).

4 (d-5) The retirement annuity of a person who first becomes
5 a member or a participant under Article 8 or Article 11 of this
6 Code on or after the effective date of this amendatory Act of
7 the 100th General Assembly who is retiring at age 60 with at
8 least 10 years of service credit under Article 8 or Article 11
9 shall be reduced by one-half of 1% for each full month that the
10 member's age is under age 65.

11 (d-10) Each person who first became a member or participant
12 under Article 8 or Article 11 of this Code on or after January
13 1, 2011 and prior to the effective date of this amendatory Act
14 of the 100th General Assembly shall make an irrevocable
15 election either:

16 (i) to be eligible for the reduced retirement age
17 provided in subsections (c-5) and (d-5) of this Section,
18 the eligibility for which is conditioned upon the member or
19 participant agreeing to the increases in employee
20 contributions for age and service annuities provided in
21 subsection (a-5) of Section 8-174 of this Code (for service
22 under Article 8) or subsection (a-5) of Section 11-170 of
23 this Code (for service under Article 11); or

24 (ii) to not agree to item (i) of this subsection
25 (d-10), in which case the member or participant shall
26 continue to be subject to the retirement age provisions in

1 subsections (c) and (d) of this Section and the employee
2 contributions for age and service annuity as provided in
3 subsection (a) of Section 8-174 of this Code (for service
4 under Article 8) or subsection (a) of Section 11-170 of
5 this Code (for service under Article 11).

6 The election provided for in this subsection shall be made
7 between October 1, 2017 and November 15, 2017. A person subject
8 to this subsection who makes the required election shall remain
9 bound by that election. A person subject to this subsection who
10 fails for any reason to make the required election within the
11 time specified in this subsection shall be deemed to have made
12 the election under item (ii).

13 (e) Any retirement annuity or supplemental annuity shall be
14 subject to annual increases on the January 1 occurring either
15 on or after the attainment of age 67 (beginning January 1,
16 2015, age 65 with respect to service under Article 12 of this
17 Code that is subject to this Section and beginning on the
18 effective date of this amendatory Act of the 100th General
19 Assembly, age 65 with respect to persons who: (i) first became
20 members or participants under Article 8 or Article 11 of this
21 Code on or after the effective date of this amendatory Act of
22 the 100th General Assembly; or (ii) first became members or
23 participants under Article 8 or Article 11 of this Code on or
24 after January 1, 2011 and before the effective date of this
25 amendatory Act of the 100th General Assembly and made the
26 election under item (i) of subsection (d-10) of this Section)

1 or the first anniversary of the annuity start date, whichever
2 is later. Each annual increase shall be calculated at 3% or
3 one-half the annual unadjusted percentage increase (but not
4 less than zero) in the consumer price index-u for the 12 months
5 ending with the September preceding each November 1, whichever
6 is less, of the originally granted retirement annuity. If the
7 annual unadjusted percentage change in the consumer price
8 index-u for the 12 months ending with the September preceding
9 each November 1 is zero or there is a decrease, then the
10 annuity shall not be increased.

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this Section by this amendatory Act of the
13 100th General Assembly are applicable without regard to whether
14 the employee was in active service on or after the effective
15 date of this amendatory Act of the 100th General Assembly.

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

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

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

1 retirement annuity, only if the person has withdrawn from
2 service with not less than 20 years of eligible creditable
3 service and has attained age 60, regardless of whether the
4 attainment of age 60 occurs while the person is still in
5 service. A State policeman or a security employee of the
6 Department of Corrections or the Department of Juvenile Justice
7 who meets the requirements of this Section is entitled to an
8 annuity calculated under the provisions of Section 14-110 in
9 lieu of the regular or minimum retirement annuity only if the
10 person has withdrawn from service with not less than 20 years
11 of eligible creditable service and has attained age 50,
12 regardless of whether the attainment of age 50 occurs while the
13 person is still in service.

14 The changes made to this Section apply without regard to
15 whether the person is in active service on or after the
16 effective date of this amendatory Act of the 100th General
17 Assembly.

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

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

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

25 (i) (Blank).

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

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

3 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
4 100-563, eff. 12-8-17.)

5 (40 ILCS 5/14-152.1)

6 Sec. 14-152.1. Application and expiration of new benefit
7 increases.

8 (a) As used in this Section, "new benefit increase" means
9 an increase in the amount of any benefit provided under this
10 Article, or an expansion of the conditions of eligibility for
11 any benefit under this Article, that results from an amendment
12 to this Code that takes effect after June 1, 2005 (the
13 effective date of Public Act 94-4). "New benefit increase",
14 however, does not include any benefit increase resulting from
15 the changes made to Article 1 or this Article by Public Act
16 96-37, Public Act 100-23, or this amendatory Act of the 100th
17 General Assembly ~~or by this amendatory Act of the 100th General~~
18 ~~Assembly.~~

19 (b) Notwithstanding any other provision of this Code or any
20 subsequent amendment to this Code, every new benefit increase
21 is subject to this Section and shall be deemed to be granted
22 only in conformance with and contingent upon compliance with
23 the provisions of this Section.

24 (c) The Public Act enacting a new benefit increase must
25 identify and provide for payment to the System of additional

1 funding at least sufficient to fund the resulting annual
2 increase in cost to the System as it accrues.

3 Every new benefit increase is contingent upon the General
4 Assembly providing the additional funding required under this
5 subsection. The Commission on Government Forecasting and
6 Accountability shall analyze whether adequate additional
7 funding has been provided for the new benefit increase and
8 shall report its analysis to the Public Pension Division of the
9 Department of Insurance. A new benefit increase created by a
10 Public Act that does not include the additional funding
11 required under this subsection is null and void. If the Public
12 Pension Division determines that the additional funding
13 provided for a new benefit increase under this subsection is or
14 has become inadequate, it may so certify to the Governor and
15 the State Comptroller and, in the absence of corrective action
16 by the General Assembly, the new benefit increase shall expire
17 at the end of the fiscal year in which the certification is
18 made.

19 (d) Every new benefit increase shall expire 5 years after
20 its effective date or on such earlier date as may be specified
21 in the language enacting the new benefit increase or provided
22 under subsection (c). This does not prevent the General
23 Assembly from extending or re-creating a new benefit increase
24 by law.

25 (e) Except as otherwise provided in the language creating
26 the new benefit increase, a new benefit increase that expires

1 under this Section continues to apply to persons who applied
2 and qualified for the affected benefit while the new benefit
3 increase was in effect and to the affected beneficiaries and
4 alternate payees of such persons, but does not apply to any
5 other person, including without limitation a person who
6 continues in service after the expiration date and did not
7 apply and qualify for the affected benefit while the new
8 benefit increase was in effect.

9 (Source: P.A. 100-23, eff. 7-6-17.)

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