

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Sections 1-160, 8-174, 11-170, and 11-197.7 as follows:

(40 ILCS 5/1-160)

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

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The

changes made to this Section by Public Act 98-596 are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

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

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

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

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

which he or she is a member or participant.

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

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

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

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

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

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

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

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of

benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

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

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

A member or participant who has attained age 62 (beginning January 1, 2015, age 60 with respect to service under Article

12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant subject to this Section ~~under Article 8 or Article 11 of this Code~~ on or after July 6, 2017 (the effective date of Public Act 100-23) ~~this amendatory Act of the 100th General Assembly,~~ notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity under Article 8 or Article 11 upon written application if he or she has attained age 65 and has at least 10 years of service credit ~~under Article 8 or Article 11 of this Code~~ and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

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

(d-5) The retirement annuity payable under Article 8 or Article 11 to an eligible ~~of a person~~ subject to subsection

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

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

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

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service

under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

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

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section and beginning on the effective date of this amendatory Act of the 100th General Assembly, age 65 with respect to service under Article 8 or Article 11 for eligible persons who: (i) are subject to subsection (c-5) of this Section ~~first became members or participants under Article 8 or Article 11 of this Code on or after the effective date of this amendatory Act of the 100th General Assembly; or (ii) first became members or participants under Article 8 or Article 11 of this Code on or after January 1, 2011 and before the effective date of this amendatory Act of the 100th General Assembly and~~ made the election under item (i) of subsection (d-10) of this Section) or the first anniversary of the annuity start date, whichever is later. Each annual

increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

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

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

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

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

eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

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

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

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

(i) (Blank).

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

(Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17; 100-563, eff. 12-8-17; 100-611, eff. 7-20-18.)

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

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

(a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953, and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each payment of the salary of each present employee and future entrant, except as provided in subsection (a-5) and (a-10),

shall be contributed to the fund as a deduction from salary for age and service annuity.

(a-5) Except as provided in subsection (a-10), for an employee who ~~on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 100th General Assembly first became a member or participant under this Article and~~ made the election under item (i) of subsection (d-10) of Section 1-160: prior to the effective date of this amendatory Act of the 100th General Assembly, 6.5%; and beginning on the effective date of this amendatory Act of the 100th General Assembly and prior to January 1, 2018, 7.5%; and beginning January 1, 2018 and prior to January 1, 2019, 8.5%; and beginning January 1, 2019 and thereafter, employee contributions for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (ii) the aggregate employee

contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and 8-182 of this Article.

For the one-year period beginning ~~Beginning~~ with the first pay period in January of each year ~~on or~~ after the date when the funded ratio of the fund as determined in the annual actuarial valuation is first determined to have reached the 90% funding goal, and each subsequent one-year ~~pay~~ period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (B) the

aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and 8-182 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume. An employee who made the election under item (ii) of subsection (d-10) of Section 1-160 shall continue to have the contributions for age and service annuity determined under subsection (a) of this Section.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection due to application of the normal cost criterion, the employee contribution amount shall be consistent ~~for from July 1 of the fiscal year through June 30~~ ~~of~~ that fiscal year.

The normal cost, for the purposes of this subsection (a-5) and subsection (a-10), shall be calculated by an independent enrolled actuary mutually agreed upon by the fund and the City. The fees and expenses of the independent actuary shall be the responsibility of the City. For purposes of this subsection (a-5), the fund and the City shall both be considered to be the clients of the actuary, and the actuary shall utilize participant data and actuarial standards to calculate the normal cost. The fund shall provide information that the actuary requests in order to calculate the applicable normal

cost.

(a-10) For each employee subject to subsection (c-5) of Section 1-160 ~~who on or after the effective date of this amendatory Act of the 100th General Assembly first becomes a member or participant under this Article~~, 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning January 1, 2018 and each year thereafter, employee contributions for each employee subject to this subsection (a-10) shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article.

For the one-year period beginning ~~Beginning~~ with the first pay period in January of each year ~~on or~~ after the date when the funded ratio of the fund as determined in the annual

actuarial valuation is first determined to have reached the 90% funding goal, and each subsequent one-year ~~pay~~ period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume.

If contributions are reduced to less than the aggregate

employee contribution described in item (ii) or item (B) of this subsection (a-10) due to application of the normal cost criterion, the employee contribution amount shall be consistent for ~~from July 1 of the fiscal year through June 30 of~~ that fiscal year.

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

(b) Concurrently with each employee contribution, the city shall contribute beginning on the effective date and prior to July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953 and prior to July 6, 2017, 6% of each payment of such salary until the employee attains age 65. Beginning July 6, 2017, the Fund shall credit sums equal to 6% of each payment of such salary for annuity

purposes. The amounts credited for annuity purposes shall not be credited for refund purposes ~~(Blank)~~.

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

(d) Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 100th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act of the 100th General Assembly.

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

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

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

(a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment of the salary of each present employee, future entrant and re-entrant, except as provided in subsection (a-5) and (a-10), shall be contributed to the fund as a deduction from salary for age and service annuity.

(a-5) Except as provided in subsection (a-10), for an

employee who ~~on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 100th General Assembly first became a member or participant under this Article and~~ made the election under item (i) of subsection (d-10) of Section 1-160: prior to the effective date of this amendatory Act of the 100th General Assembly, 6.5%; and beginning on the effective date of this amendatory Act of the 100th General Assembly and prior to January 1, 2018, 7.5%; and beginning January 1, 2018 and prior to January 1, 2019, 8.5%; and beginning January 1, 2019 and thereafter, employee contributions for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and 11-174 of this Article.

For the one-year period beginning ~~Beginning~~ with the first pay period in January of each year ~~on or after~~ the date when the funded ratio of the fund as determined in the annual actuarial valuation is first determined to have reached the 90% funding goal, and each subsequent one-year ~~pay~~ period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and 11-174

of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume. An employee who made the election under item (ii) of subsection (d-10) of Section 1-160 shall continue to have the contributions for age and service annuity determined under subsection (a) of this Section.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection due to application of the normal cost criterion, the employee contribution amount shall be consistent ~~for from July 1 of the fiscal year through June 30~~ for ~~of~~ that fiscal year.

The normal cost, for the purposes of this subsection (a-5) and subsection (a-10), shall be calculated by an independent enrolled actuary mutually agreed upon by the fund and the City. The fees and expenses of the independent actuary shall be the responsibility of the City. For purposes of this subsection (a-5), the fund and the City shall both be considered to be the clients of the actuary, and the actuary shall utilize participant data and actuarial standards to calculate the normal cost. The fund shall provide information that the actuary requests in order to calculate the applicable normal cost.

(a-10) For each employee subject to subsection (c-5) of Section 1-160 ~~who on or after the effective date of this~~

~~amendatory Act of the 100th General Assembly first becomes a member or participant under this Article,~~ 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning January 1, 2018 and each year thereafter, employee contributions for each employee subject to this subsection (a-10) shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article.

For the one-year period beginning ~~Beginning~~ with the first pay period in January of each year ~~on or~~ after the date when the funded ratio of the fund as determined in the annual actuarial valuation is first determined to have reached the 90% funding goal, and each subsequent one-year ~~pay~~ period thereafter for as long as the fund maintains a funding ratio of

75% or more, employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for the prior ~~that~~ fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 100th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection (a-10) due to application of the normal cost criterion, the employee contribution amount shall be

consistent ~~for from~~ July 1 of the fiscal year through June 30 ~~of~~ that fiscal year.

Such deductions beginning on the effective date and prior to June 30, 1947, inclusive shall be made for a future entrant while he is in service until he attains age 65, and for a present employee while he is in service until the amount so deducted from his salary with interest at the rate of 4% per annum shall be equal to the sum which would have accumulated to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

(b) Concurrently with each employee contribution, the city shall contribute beginning on the effective date and prior to July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953 and prior to July 6, 2017, 6% of each payment of such salary until the employee attains age 65. Beginning July 6, 2017, the Fund shall credit sums equal to 6% of each payment of such salary for annuity purposes. The amounts credited for annuity purposes shall not be credited for refund purposes (Blank).

(c) Each employee contribution made prior to the date age and service annuity for an employee is fixed and each corresponding city contribution shall be allocated to the

account of and credited to the employee for whose benefit it is made.

(d) Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 100th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act.

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

(40 ILCS 5/11-197.7)

Sec. 11-197.7. Payment of annuity other than direct. The board, at the written direction and request of any annuitant, may, solely as an accommodation to such annuitant, pay the annuity due him or her to a bank, savings and loan association, or any other financial institution insured by an agency of the federal government, for deposit to his or her account, or to a bank or trust company for deposit in a trust established by him or her for his benefit with such bank, savings and loan association, or trust company, and such annuitant may withdraw such direction at any time. An annuitant who directs the board to pay the annuity due him or her to a financial institution shall hold the board and the fund harmless from any claim or loss related to any error as to whether the financial institution is or continues to be federally insured. ~~The board may also, in the case of any disability beneficiary or annuitant for whom no estate guardian has been appointed and who is confined in a publicly owned and operated mental~~

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~~institution, pay such disability benefit or annuity due such person to the superintendent or other head of such institution or hospital for deposit to such person's trust fund account maintained for him or her by such institution or hospital, if by law such trust fund accounts are authorized or recognized.~~

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

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