LRB104 08598 RPS 18650 b

# 104TH GENERAL ASSEMBLY

## State of Illinois

## 2025 and 2026

### HB2477

Introduced 2/4/2025, by Rep. Stephanie A. Kifowit

## SYNOPSIS AS INTRODUCED:

| | |
|---|---|
| 40 ILCS 5/15-135 | from Ch. 108 1/2, par. 15-135 |
| 40 ILCS 5/15-198 | |
| 30 ILCS 805/8.49 new | |

Amends the Illinois Pension Code. In the State Universities Article, provides that a Tier 2 member who has at least 20 years of service in the System as a police officer is entitled to a retirement annuity upon written application on or after the attainment of age 55 (instead of age 60) if a specified rule is applicable to the participant. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Amends the State Mandates Act to require implementation without reimbursement.

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STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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 15-135 and 15-198 as follows:

(40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

Sec. 15-135. Retirement annuities; conditions.

(a) This subsection (a) applies only to a Tier 1 member. A participant who retires in one of the following specified years with the specified amount of service is entitled to a retirement annuity at any age under the retirement program applicable to the participant:

35 years if retirement is in 1997 or before;

34 years if retirement is in 1998;

33 years if retirement is in 1999;

32 years if retirement is in 2000;

31 years if retirement is in 2001;

30 years if retirement is in 2002 or later.

A participant with 8 or more years of service after September 1, 1941, is entitled to a retirement annuity on or after attainment of age 55.

A participant with at least 5 but less than 8 years of service after September 1, 1941, is entitled to a retirement annuity on or after attainment of age 62.

A participant who has at least 25 years of service in this system as a police officer or firefighter is entitled to a retirement annuity on or after the attainment of age 50, if Rule 4 of Section 15-136 is applicable to the participant.

(a-5) A Tier 2 member is entitled to a retirement annuity upon written application if he or she has attained age 67 and has at least 10 years of service credit and is otherwise eligible under the requirements of this Article. A Tier 2 member who has attained age 62 and has at least 10 years of service credit and is otherwise eligible under the requirements of this Article may elect to receive the lower retirement annuity provided in subsection (b-5) of Section 15-136 of this Article.

(a-10) A Tier 2 member who has at least 20 years of service in this system as a ~~police officer or~~ firefighter is entitled to a retirement annuity upon written application on or after the attainment of age 60 if Rule 4 of Section 15-136 is applicable to the participant. A Tier 2 member who has at least 20 years of service in this system as a police officer is entitled to a retirement annuity upon written application on or after the attainment of age 55 if Rule 4 of Section 15-136 is applicable to the participant. The changes made to this subsection by this amendatory Act of the 101st General Assembly apply retroactively to January 1, 2011.

(b) The annuity payment period shall begin on the date specified by the participant or the recipient of a disability retirement annuity submitting a written application. For a participant, the date on which the annuity payment period begins shall not be prior to termination of employment or more than one year before the application is received by the board; however, if the participant is not an employee of an employer participating in this System or in a participating system as defined in Article 20 of this Code on April 1 of the calendar year next following the calendar year in which the participant attains the age specified under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, the annuity payment period shall begin on that date regardless of whether an application has been filed. For a recipient of a disability retirement annuity, the date on which the annuity payment period begins shall not be prior to the discontinuation of the disability retirement annuity under Section 15-153.2.

(c) An annuity is not payable if the amount provided under Section 15-136 is less than $10 per month.

(Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

(40 ILCS 5/15-198)

Sec. 15-198. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 100-23, Public Act 100-587, Public Act 100-769, Public Act 101-10, Public Act 101-610, Public Act 102-16, Public Act 103-80, ~~or~~ Public Act 103-548, or this amendatory Act of the 104th General Assembly.

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

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

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

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

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23; 103-548, eff. 8-11-23; 103-605, eff. 7-1-24.)

Section 90. The State Mandates Act is amended by adding Section 8.49 as follows:

(30 ILCS 805/8.49 new)

Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 104th General Assembly.