



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5246

Introduced 2/10/2026, by Rep. Travis Weaver

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-160
40 ILCS 5/16-203
40 ILCS 5/16-204
30 ILCS 805/8.50 new

Amends the General Provisions and Downstate Teacher Article of the Illinois Pension Code. Provides that a person who first becomes a member on or after the effective date of the amendatory Act who (i) is at least 50 years of age and (ii) does not have any service credit in the System or any other reciprocal System may elect to participate in the defined contribution benefit in lieu of participation in the defined benefit plan under the Article. Provides that the member shall contribute an amount equal to 7.5% of the member's pre-tax salary to the member's defined contribution account. Provides that, in addition, the employer shall contribute 6% of the member's pre-tax salary to the defined contribution account. Provides that a person who participates in the defined contribution plan in lieu of the defined benefit plan may not establish any service credit in the System. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Makes conforming changes. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB104 16458 RPS 29851 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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
5 changing Sections 1-160, 16-203, and 16-204 as follows:

6 (40 ILCS 5/1-160)

7 (Text of Section from P.A. 102-719)

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

9 (a) The provisions of this Section apply to a person who,
10 on or after January 1, 2011, first becomes a member or a
11 participant under any reciprocal retirement system or pension
12 fund established under this Code, other than a retirement
13 system or pension fund established under Article 2, 3, 4, 5, 6,
14 7, 15, or 18 of this Code, notwithstanding any other provision
15 of this Code to the contrary, but do not apply to any
16 self-managed plan established under this Code or to any
17 participant of the retirement plan established under Section
18 22-101; except that this Section applies to a person who
19 elected to establish alternative credits by electing in
20 writing after January 1, 2011, but before August 8, 2011,
21 under Section 7-145.1 of this Code. Notwithstanding anything
22 to the contrary in this Section, for purposes of this Section,
23 a person who is a Tier 1 regular employee as defined in Section

1 7-109.4 of this Code or who participated in a retirement
2 system under Article 15 prior to January 1, 2011 shall be
3 deemed a person who first became a member or participant prior
4 to January 1, 2011 under any retirement system or pension fund
5 subject to this Section. The changes made to this Section by
6 Public Act 98-596 are a clarification of existing law and are
7 intended to be retroactive to January 1, 2011 (the effective
8 date of Public Act 96-889), notwithstanding the provisions of
9 Section 1-103.1 of this Code.

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

17 This Section does not apply to a person who first becomes a
18 member under Article 16 on or after the effective date of this
19 amendatory Act of the 104th General Assembly if that person
20 (i) is at least 50 years of age, (ii) does not have any service
21 credit under Article 16 or any reciprocal retirement system or
22 pension fund, and (iii) makes the election under subsection
23 (b) of Section 16-204.

24 This Section does not apply to a person who first becomes a
25 member or participant under Article 16 on or after the
26 implementation date of the plan created under Section 1-161

1 for that Article, unless that person elects under subsection
2 (b) of Section 1-161 to instead receive the benefits provided
3 under this Section and the applicable provisions of that
4 Article.

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

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

15 (b) "Final average salary" means, except as otherwise
16 provided in this subsection, the average monthly (or annual)
17 salary obtained by dividing the total salary or earnings
18 calculated under the Article applicable to the member or
19 participant during the 96 consecutive months (or 8 consecutive
20 years) of service within the last 120 months (or 10 years) of
21 service in which the total salary or earnings calculated under
22 the applicable Article was the highest by the number of months
23 (or years) of service in that period. For the purposes of a
24 person who first becomes a member or participant of any
25 retirement system or pension fund to which this Section
26 applies on or after January 1, 2011, in this Code, "final

1 average salary" shall be substituted for the following:

2 (1) (Blank).

3 (2) In Articles 8, 9, 10, 11, and 12, "highest average
4 annual salary for any 4 consecutive years within the last
5 10 years of service immediately preceding the date of
6 withdrawal".

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

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

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

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

12 A member of the Teachers' Retirement System of the State
13 of Illinois who retires on or after June 1, 2021 and for whom
14 the 2020-2021 school year is used in the calculation of the
15 member's final average salary shall use the higher of the
16 following for the purpose of determining the member's final
17 average salary:

18 (A) the amount otherwise calculated under the first
19 paragraph of this subsection; or

20 (B) an amount calculated by the Teachers' Retirement
21 System of the State of Illinois using the average of the
22 monthly (or annual) salary obtained by dividing the total
23 salary or earnings calculated under Article 16 applicable
24 to the member or participant during the 96 months (or 8
25 years) of service within the last 120 months (or 10 years)
26 of service in which the total salary or earnings

1 calculated under the Article was the highest by the number
2 of months (or years) of service in that period.

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

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

24 (b-10) Beginning on January 1, 2024, for all purposes
25 under this Code (including, without limitation, the
26 calculation of benefits and employee contributions), the

1 annual earnings, salary, or wages (based on the plan year) of a
2 member or participant under Article 9 to whom this Section
3 applies shall include an annual earnings, salary, or wage cap
4 that tracks the Social Security wage base. Maximum annual
5 earnings, wages, or salary shall be the annual contribution
6 and benefit base established for the applicable year by the
7 Commissioner of the Social Security Administration under the
8 federal Social Security Act.

9 However, in no event shall the annual earnings, salary, or
10 wages for the purposes of this Article and Article 9 exceed any
11 limitation imposed on annual earnings, salary, or wages under
12 Section 1-117. Under no circumstances shall the maximum amount
13 of annual earnings, salary, or wages be greater than the
14 amount set forth in this subsection (b-10) as a result of
15 reciprocal service or any provisions regarding reciprocal
16 services, nor shall the Fund under Article 9 be required to pay
17 any refund as a result of the application of this maximum
18 annual earnings, salary, and wage cap.

19 Nothing in this subsection (b-10) shall cause or otherwise
20 result in any retroactive adjustment of any employee
21 contributions. Nothing in this subsection (b-10) shall cause
22 or otherwise result in any retroactive adjustment of
23 disability or other payments made between January 1, 2011 and
24 January 1, 2024.

25 (c) A member or participant is entitled to a retirement
26 annuity upon written application if he or she has attained age

1 67 (age 65, with respect to service under Article 12 that is
2 subject to this Section, for a member or participant under
3 Article 12 who first becomes a member or participant under
4 Article 12 on or after January 1, 2022 or who makes the
5 election under item (i) of subsection (d-15) of this Section)
6 and has at least 10 years of service credit and is otherwise
7 eligible under the requirements of the applicable Article.

8 A member or participant who has attained age 62 (age 60,
9 with respect to service under Article 12 that is subject to
10 this Section, for a member or participant under Article 12 who
11 first becomes a member or participant under Article 12 on or
12 after January 1, 2022 or who makes the election under item (i)
13 of subsection (d-15) of this Section) and has at least 10 years
14 of service credit and is otherwise eligible under the
15 requirements of the applicable Article may elect to receive
16 the lower retirement annuity provided in subsection (d) of
17 this Section.

18 (c-5) A person who first becomes a member or a participant
19 subject to this Section on or after July 6, 2017 (the effective
20 date of Public Act 100-23), notwithstanding any other
21 provision of this Code to the contrary, is entitled to a
22 retirement annuity under Article 8 or Article 11 upon written
23 application if he or she has attained age 65 and has at least
24 10 years of service credit and is otherwise eligible under the
25 requirements of Article 8 or Article 11 of this Code,
26 whichever is applicable.

1 (d) The retirement annuity of a member or participant who
2 is retiring after attaining age 62 (age 60, with respect to
3 service under Article 12 that is subject to this Section, for a
4 member or participant under Article 12 who first becomes a
5 member or participant under Article 12 on or after January 1,
6 2022 or who makes the election under item (i) of subsection
7 (d-15) of this Section) with at least 10 years of service
8 credit shall be reduced by one-half of 1% for each full month
9 that the member's age is under age 67 (age 65, with respect to
10 service under Article 12 that is subject to this Section, for a
11 member or participant under Article 12 who first becomes a
12 member or participant under Article 12 on or after January 1,
13 2022 or who makes the election under item (i) of subsection
14 (d-15) of this Section).

15 (d-5) The retirement annuity payable under Article 8 or
16 Article 11 to an eligible person subject to subsection (c-5)
17 of this Section who is retiring at age 60 with at least 10
18 years of service credit shall be reduced by one-half of 1% for
19 each full month that the member's age is under age 65.

20 (d-10) Each person who first became a member or
21 participant under Article 8 or Article 11 of this Code on or
22 after January 1, 2011 and prior to July 6, 2017 (the effective
23 date of Public Act 100-23) shall make an irrevocable election
24 either:

25 (i) to be eligible for the reduced retirement age
26 provided in subsections (c-5) and (d-5) of this Section,

1 the eligibility for which is conditioned upon the member
2 or participant agreeing to the increases in employee
3 contributions for age and service annuities provided in
4 subsection (a-5) of Section 8-174 of this Code (for
5 service under Article 8) or subsection (a-5) of Section
6 11-170 of this Code (for service under Article 11); or

7 (ii) to not agree to item (i) of this subsection
8 (d-10), in which case the member or participant shall
9 continue to be subject to the retirement age provisions in
10 subsections (c) and (d) of this Section and the employee
11 contributions for age and service annuity as provided in
12 subsection (a) of Section 8-174 of this Code (for service
13 under Article 8) or subsection (a) of Section 11-170 of
14 this Code (for service under Article 11).

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

22 (d-15) Each person who first becomes a member or
23 participant under Article 12 on or after January 1, 2011 and
24 prior to January 1, 2022 shall make an irrevocable election
25 either:

26 (i) to be eligible for the reduced retirement age

1 specified in subsections (c) and (d) of this Section, the
2 eligibility for which is conditioned upon the member or
3 participant agreeing to the increase in employee
4 contributions for service annuities specified in
5 subsection (b) of Section 12-150; or

6 (ii) to not agree to item (i) of this subsection
7 (d-15), in which case the member or participant shall not
8 be eligible for the reduced retirement age specified in
9 subsections (c) and (d) of this Section and shall not be
10 subject to the increase in employee contributions for
11 service annuities specified in subsection (b) of Section
12 12-150.

13 The election provided for in this subsection shall be made
14 between January 1, 2022 and April 1, 2022. A person subject to
15 this subsection who makes the required election shall remain
16 bound by that election. A person subject to this subsection
17 who fails for any reason to make the required election within
18 the time specified in this subsection shall be deemed to have
19 made the election under item (ii).

20 (e) Any retirement annuity or supplemental annuity shall
21 be subject to annual increases on the January 1 occurring
22 either on or after the attainment of age 67 (age 65, with
23 respect to service under Article 12 that is subject to this
24 Section, for a member or participant under Article 12 who
25 first becomes a member or participant under Article 12 on or
26 after January 1, 2022 or who makes the election under item (i)

1 of subsection (d-15); and beginning on July 6, 2017 (the
2 effective date of Public Act 100-23), age 65 with respect to
3 service under Article 8 or Article 11 for eligible persons
4 who: (i) are subject to subsection (c-5) of this Section; or
5 (ii) made the election under item (i) of subsection (d-10) of
6 this Section) or the first anniversary of the annuity start
7 date, whichever is later. Each annual increase shall be
8 calculated at 3% or one-half the annual unadjusted percentage
9 increase (but not less than zero) in the consumer price
10 index-u for the 12 months ending with the September preceding
11 each November 1, whichever is less, of the originally granted
12 retirement annuity. If the annual unadjusted percentage change
13 in the consumer price index-u for the 12 months ending with the
14 September preceding each November 1 is zero or there is a
15 decrease, then the annuity shall not be increased.

16 For the purposes of Section 1-103.1 of this Code, the
17 changes made to this Section by Public Act 102-263 are
18 applicable without regard to whether the employee was in
19 active service on or after August 6, 2021 (the effective date
20 of Public Act 102-263).

21 For the purposes of Section 1-103.1 of this Code, the
22 changes made to this Section by Public Act 100-23 are
23 applicable without regard to whether the employee was in
24 active service on or after July 6, 2017 (the effective date of
25 Public Act 100-23).

26 (f) The initial survivor's or widow's annuity of an

1 otherwise eligible survivor or widow of a retired member or
2 participant who first became a member or participant on or
3 after January 1, 2011 shall be in the amount of 66 2/3% of the
4 retired member's or participant's retirement annuity at the
5 date of death. In the case of the death of a member or
6 participant who has not retired and who first became a member
7 or participant on or after January 1, 2011, eligibility for a
8 survivor's or widow's annuity shall be determined by the
9 applicable Article of this Code. The initial benefit shall be
10 66 2/3% of the earned annuity without a reduction due to age. A
11 child's annuity of an otherwise eligible child shall be in the
12 amount prescribed under each Article if applicable. Any
13 survivor's or widow's annuity shall be increased (1) on each
14 January 1 occurring on or after the commencement of the
15 annuity if the deceased member died while receiving a
16 retirement annuity or (2) in other cases, on each January 1
17 occurring after the first anniversary of the commencement of
18 the annuity. Each annual increase shall be calculated at 3% or
19 one-half the annual unadjusted percentage increase (but not
20 less than zero) in the consumer price index-u for the 12 months
21 ending with the September preceding each November 1, whichever
22 is less, of the originally granted survivor's annuity. If the
23 annual unadjusted percentage change in the consumer price
24 index-u for the 12 months ending with the September preceding
25 each November 1 is zero or there is a decrease, then the
26 annuity shall not be increased.

1 (g) The benefits in Section 14-110 apply if the person is a
2 fire fighter in the fire protection service of a department, a
3 security employee of the Department of Corrections or the
4 Department of Juvenile Justice, or a security employee of the
5 Department of Innovation and Technology, as those terms are
6 defined in subsection (b) and subsection (c) of Section
7 14-110. A person who meets the requirements of this Section is
8 entitled to an annuity calculated under the provisions of
9 Section 14-110, in lieu of the regular or minimum retirement
10 annuity, only if the person has withdrawn from service with
11 not less than 20 years of eligible creditable service and has
12 attained age 60, regardless of whether the attainment of age
13 60 occurs while the person is still in service.

14 (g-5) The benefits in Section 14-110 apply if the person
15 is a State policeman, investigator for the Secretary of State,
16 conservation police officer, investigator for the Department
17 of Revenue or the Illinois Gaming Board, investigator for the
18 Office of the Attorney General, Commerce Commission police
19 officer, or arson investigator, as those terms are defined in
20 subsection (b) and subsection (c) of Section 14-110. A person
21 who meets the requirements of this Section is entitled to an
22 annuity calculated under the provisions of Section 14-110, in
23 lieu of the regular or minimum retirement annuity, only if the
24 person has withdrawn from service with not less than 20 years
25 of eligible creditable service and has attained age 55,
26 regardless of whether the attainment of age 55 occurs while

1 the person is still in service.

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

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

1 annuity or retirement pension, as well as his or her
2 contractual employer, of his or her retirement status before
3 accepting contractual employment. A person who fails to submit
4 such notification shall be guilty of a Class A misdemeanor and
5 required to pay a fine of \$1,000. Upon termination of that
6 contractual employment, the person's retirement annuity or
7 retirement pension payments shall resume and, if appropriate,
8 be recalculated under the applicable provisions of this Code.

9 (i) (Blank).

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

13 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
14 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
15 5-6-22; 103-529, eff. 8-11-23.)

16 (Text of Section from P.A. 102-813)

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

18 (a) The provisions of this Section apply to a person who,
19 on or after January 1, 2011, first becomes a member or a
20 participant under any reciprocal retirement system or pension
21 fund established under this Code, other than a retirement
22 system or pension fund established under Article 2, 3, 4, 5, 6,
23 7, 15, or 18 of this Code, notwithstanding any other provision
24 of this Code to the contrary, but do not apply to any
25 self-managed plan established under this Code or to any

1 participant of the retirement plan established under Section
2 22-101; except that this Section applies to a person who
3 elected to establish alternative credits by electing in
4 writing after January 1, 2011, but before August 8, 2011,
5 under Section 7-145.1 of this Code. Notwithstanding anything
6 to the contrary in this Section, for purposes of this Section,
7 a person who is a Tier 1 regular employee as defined in Section
8 7-109.4 of this Code or who participated in a retirement
9 system under Article 15 prior to January 1, 2011 shall be
10 deemed a person who first became a member or participant prior
11 to January 1, 2011 under any retirement system or pension fund
12 subject to this Section. The changes made to this Section by
13 Public Act 98-596 are a clarification of existing law and are
14 intended to be retroactive to January 1, 2011 (the effective
15 date of Public Act 96-889), notwithstanding the provisions of
16 Section 1-103.1 of this Code.

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

24 This Section does not apply to a person who first becomes a
25 member under Article 16 on or after the effective date of this
26 amendatory Act of the 104th General Assembly if that person

1 (i) is at least 50 years of age, (ii) does not have any service
2 credit under Article 16 or any reciprocal retirement system or
3 pension fund, and (iii) makes the election under subsection
4 (b) of Section 16-204.

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

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

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

22 (b) "Final average salary" means, except as otherwise
23 provided in this subsection, the average monthly (or annual)
24 salary obtained by dividing the total salary or earnings
25 calculated under the Article applicable to the member or
26 participant during the 96 consecutive months (or 8 consecutive

1 years) of service within the last 120 months (or 10 years) of
2 service in which the total salary or earnings calculated under
3 the applicable Article was the highest by the number of months
4 (or years) of service in that period. For the purposes of a
5 person who first becomes a member or participant of any
6 retirement system or pension fund to which this Section
7 applies on or after January 1, 2011, in this Code, "final
8 average salary" shall be substituted for the following:

9 (1) (Blank).

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

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

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

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

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

19 A member of the Teachers' Retirement System of the State
20 of Illinois who retires on or after June 1, 2021 and for whom
21 the 2020-2021 school year is used in the calculation of the
22 member's final average salary shall use the higher of the
23 following for the purpose of determining the member's final
24 average salary:

25 (A) the amount otherwise calculated under the first
26 paragraph of this subsection; or

1 (B) an amount calculated by the Teachers' Retirement
2 System of the State of Illinois using the average of the
3 monthly (or annual) salary obtained by dividing the total
4 salary or earnings calculated under Article 16 applicable
5 to the member or participant during the 96 months (or 8
6 years) of service within the last 120 months (or 10 years)
7 of service in which the total salary or earnings
8 calculated under the Article was the highest by the number
9 of months (or years) of service in that period.

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

21 For the purposes of this Section, "consumer price index-u"
22 means the index published by the Bureau of Labor Statistics of
23 the United States Department of Labor that measures the
24 average change in prices of goods and services purchased by
25 all urban consumers, United States city average, all items,
26 1982-84 = 100. The new amount resulting from each annual

1 adjustment shall be determined by the Public Pension Division
2 of the Department of Insurance and made available to the
3 boards of the retirement systems and pension funds by November
4 1 of each year.

5 (b-10) Beginning on January 1, 2024, for all purposes
6 under this Code (including, without limitation, the
7 calculation of benefits and employee contributions), the
8 annual earnings, salary, or wages (based on the plan year) of a
9 member or participant under Article 9 to whom this Section
10 applies shall include an annual earnings, salary, or wage cap
11 that tracks the Social Security wage base. Maximum annual
12 earnings, wages, or salary shall be the annual contribution
13 and benefit base established for the applicable year by the
14 Commissioner of the Social Security Administration under the
15 federal Social Security Act.

16 However, in no event shall the annual earnings, salary, or
17 wages for the purposes of this Article and Article 9 exceed any
18 limitation imposed on annual earnings, salary, or wages under
19 Section 1-117. Under no circumstances shall the maximum amount
20 of annual earnings, salary, or wages be greater than the
21 amount set forth in this subsection (b-10) as a result of
22 reciprocal service or any provisions regarding reciprocal
23 services, nor shall the Fund under Article 9 be required to pay
24 any refund as a result of the application of this maximum
25 annual earnings, salary, and wage cap.

26 Nothing in this subsection (b-10) shall cause or otherwise

1 result in any retroactive adjustment of any employee
2 contributions. Nothing in this subsection (b-10) shall cause
3 or otherwise result in any retroactive adjustment of
4 disability or other payments made between January 1, 2011 and
5 January 1, 2024.

6 (c) A member or participant is entitled to a retirement
7 annuity upon written application if he or she has attained age
8 67 (age 65, with respect to service under Article 12 that is
9 subject to this Section, for a member or participant under
10 Article 12 who first becomes a member or participant under
11 Article 12 on or after January 1, 2022 or who makes the
12 election under item (i) of subsection (d-15) of this Section)
13 and has at least 10 years of service credit and is otherwise
14 eligible under the requirements of the applicable Article.

15 A member or participant who has attained age 62 (age 60,
16 with respect to service under Article 12 that is subject to
17 this Section, for a member or participant under Article 12 who
18 first becomes a member or participant under Article 12 on or
19 after January 1, 2022 or who makes the election under item (i)
20 of subsection (d-15) of this Section) and has at least 10 years
21 of service credit and is otherwise eligible under the
22 requirements of the applicable Article may elect to receive
23 the lower retirement annuity provided in subsection (d) of
24 this Section.

25 (c-5) A person who first becomes a member or a participant
26 subject to this Section on or after July 6, 2017 (the effective

1 date of Public Act 100-23), notwithstanding any other
2 provision of this Code to the contrary, is entitled to a
3 retirement annuity under Article 8 or Article 11 upon written
4 application if he or she has attained age 65 and has at least
5 10 years of service credit and is otherwise eligible under the
6 requirements of Article 8 or Article 11 of this Code,
7 whichever is applicable.

8 (d) The retirement annuity of a member or participant who
9 is retiring after attaining age 62 (age 60, with respect to
10 service under Article 12 that is subject to this Section, for a
11 member or participant under Article 12 who first becomes a
12 member or participant under Article 12 on or after January 1,
13 2022 or who makes the election under item (i) of subsection
14 (d-15) of this Section) with at least 10 years of service
15 credit shall be reduced by one-half of 1% for each full month
16 that the member's age is under age 67 (age 65, with respect to
17 service under Article 12 that is subject to this Section, for a
18 member or participant under Article 12 who first becomes a
19 member or participant under Article 12 on or after January 1,
20 2022 or who makes the election under item (i) of subsection
21 (d-15) of this Section).

22 (d-5) The retirement annuity payable under Article 8 or
23 Article 11 to an eligible person subject to subsection (c-5)
24 of this Section who is retiring at age 60 with at least 10
25 years of service credit shall be reduced by one-half of 1% for
26 each full month that the member's age is under age 65.

1 (d-10) Each person who first became a member or
2 participant under Article 8 or Article 11 of this Code on or
3 after January 1, 2011 and prior to July 6, 2017 (the effective
4 date of Public Act 100-23) shall make an irrevocable election
5 either:

6 (i) to be eligible for the reduced retirement age
7 provided in subsections (c-5) and (d-5) of this Section,
8 the eligibility for which is conditioned upon the member
9 or participant agreeing to the increases in employee
10 contributions for age and service annuities provided in
11 subsection (a-5) of Section 8-174 of this Code (for
12 service under Article 8) or subsection (a-5) of Section
13 11-170 of this Code (for service under Article 11); or

14 (ii) to not agree to item (i) of this subsection
15 (d-10), in which case the member or participant shall
16 continue to be subject to the retirement age provisions in
17 subsections (c) and (d) of this Section and the employee
18 contributions for age and service annuity as provided in
19 subsection (a) of Section 8-174 of this Code (for service
20 under Article 8) or subsection (a) of Section 11-170 of
21 this Code (for service under Article 11).

22 The election provided for in this subsection shall be made
23 between October 1, 2017 and November 15, 2017. A person
24 subject to this subsection who makes the required election
25 shall remain bound by that election. A person subject to this
26 subsection who fails for any reason to make the required

1 election within the time specified in this subsection shall be
2 deemed to have made the election under item (ii).

3 (d-15) Each person who first becomes a member or
4 participant under Article 12 on or after January 1, 2011 and
5 prior to January 1, 2022 shall make an irrevocable election
6 either:

7 (i) to be eligible for the reduced retirement age
8 specified in subsections (c) and (d) of this Section, the
9 eligibility for which is conditioned upon the member or
10 participant agreeing to the increase in employee
11 contributions for service annuities specified in
12 subsection (b) of Section 12-150; or

13 (ii) to not agree to item (i) of this subsection
14 (d-15), in which case the member or participant shall not
15 be eligible for the reduced retirement age specified in
16 subsections (c) and (d) of this Section and shall not be
17 subject to the increase in employee contributions for
18 service annuities specified in subsection (b) of Section
19 12-150.

20 The election provided for in this subsection shall be made
21 between January 1, 2022 and April 1, 2022. A person subject to
22 this subsection who makes the required election shall remain
23 bound by that election. A person subject to this subsection
24 who fails for any reason to make the required election within
25 the time specified in this subsection shall be deemed to have
26 made the election under item (ii).

1 (e) Any retirement annuity or supplemental annuity shall
2 be subject to annual increases on the January 1 occurring
3 either on or after the attainment of age 67 (age 65, with
4 respect to service under Article 12 that is subject to this
5 Section, for a member or participant under Article 12 who
6 first becomes a member or participant under Article 12 on or
7 after January 1, 2022 or who makes the election under item (i)
8 of subsection (d-15); and beginning on July 6, 2017 (the
9 effective date of Public Act 100-23), age 65 with respect to
10 service under Article 8 or Article 11 for eligible persons
11 who: (i) are subject to subsection (c-5) of this Section; or
12 (ii) made the election under item (i) of subsection (d-10) of
13 this Section) or the first anniversary of the annuity start
14 date, whichever is later. Each annual increase shall be
15 calculated at 3% or one-half the annual unadjusted percentage
16 increase (but not less than zero) in the consumer price
17 index-u for the 12 months ending with the September preceding
18 each November 1, whichever is less, of the originally granted
19 retirement annuity. If the annual unadjusted percentage change
20 in the consumer price index-u for the 12 months ending with the
21 September preceding each November 1 is zero or there is a
22 decrease, then the annuity shall not be increased.

23 For the purposes of Section 1-103.1 of this Code, the
24 changes made to this Section by Public Act 102-263 are
25 applicable without regard to whether the employee was in
26 active service on or after August 6, 2021 (the effective date

1 of Public Act 102-263).

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this Section by Public Act 100-23 are
4 applicable without regard to whether the employee was in
5 active service on or after July 6, 2017 (the effective date of
6 Public Act 100-23).

7 (f) The initial survivor's or widow's annuity of an
8 otherwise eligible survivor or widow of a retired member or
9 participant who first became a member or participant on or
10 after January 1, 2011 shall be in the amount of 66 2/3% of the
11 retired member's or participant's retirement annuity at the
12 date of death. In the case of the death of a member or
13 participant who has not retired and who first became a member
14 or participant on or after January 1, 2011, eligibility for a
15 survivor's or widow's annuity shall be determined by the
16 applicable Article of this Code. The initial benefit shall be
17 66 2/3% of the earned annuity without a reduction due to age. A
18 child's annuity of an otherwise eligible child shall be in the
19 amount prescribed under each Article if applicable. Any
20 survivor's or widow's annuity shall be increased (1) on each
21 January 1 occurring on or after the commencement of the
22 annuity if the deceased member died while receiving a
23 retirement annuity or (2) in other cases, on each January 1
24 occurring after the first anniversary of the commencement of
25 the annuity. Each annual increase shall be calculated at 3% or
26 one-half the annual unadjusted percentage increase (but not

1 less than zero) in the consumer price index-u for the 12 months
2 ending with the September preceding each November 1, whichever
3 is less, of the originally granted survivor's annuity. If the
4 annual unadjusted percentage change in the consumer price
5 index-u for the 12 months ending with the September preceding
6 each November 1 is zero or there is a decrease, then the
7 annuity shall not be increased.

8 (g) The benefits in Section 14-110 apply only if the
9 person is a State policeman, a fire fighter in the fire
10 protection service of a department, a conservation police
11 officer, an investigator for the Secretary of State, an arson
12 investigator, a Commerce Commission police officer,
13 investigator for the Department of Revenue or the Illinois
14 Gaming Board, a security employee of the Department of
15 Corrections or the Department of Juvenile Justice, or a
16 security employee of the Department of Innovation and
17 Technology, as those terms are defined in subsection (b) and
18 subsection (c) of Section 14-110. A person who meets the
19 requirements of this Section is entitled to an annuity
20 calculated under the provisions of Section 14-110, in lieu of
21 the regular or minimum retirement annuity, only if the person
22 has withdrawn from service with not less than 20 years of
23 eligible creditable service and has attained age 60,
24 regardless of whether the attainment of age 60 occurs while
25 the person is still in service.

26 (h) If a person who first becomes a member or a participant

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

14 If a person who first becomes a member of a retirement
15 system or pension fund subject to this Section on or after
16 January 1, 2012 and is receiving a retirement annuity or
17 retirement pension under that system or fund and accepts on a
18 contractual basis a position to provide services to a
19 governmental entity from which he or she has retired, then
20 that person's annuity or retirement pension earned as an
21 active employee of the employer shall be suspended during that
22 contractual service. A person receiving an annuity or
23 retirement pension under this Code shall notify the pension
24 fund or retirement system from which he or she is receiving an
25 annuity or retirement pension, as well as his or her
26 contractual employer, of his or her retirement status before

1 accepting contractual employment. A person who fails to submit
2 such notification shall be guilty of a Class A misdemeanor and
3 required to pay a fine of \$1,000. Upon termination of that
4 contractual employment, the person's retirement annuity or
5 retirement pension payments shall resume and, if appropriate,
6 be recalculated under the applicable provisions of this Code.

7 (i) (Blank).

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

11 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
12 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
13 5-13-22; 103-529, eff. 8-11-23.)

14 (Text of Section from P.A. 102-956)

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

16 (a) The provisions of this Section apply to a person who,
17 on or after January 1, 2011, first becomes a member or a
18 participant under any reciprocal retirement system or pension
19 fund established under this Code, other than a retirement
20 system or pension fund established under Article 2, 3, 4, 5, 6,
21 7, 15, or 18 of this Code, notwithstanding any other provision
22 of this Code to the contrary, but do not apply to any
23 self-managed plan established under this Code or to any
24 participant of the retirement plan established under Section
25 22-101; except that this Section applies to a person who

1 elected to establish alternative credits by electing in
2 writing after January 1, 2011, but before August 8, 2011,
3 under Section 7-145.1 of this Code. Notwithstanding anything
4 to the contrary in this Section, for purposes of this Section,
5 a person who is a Tier 1 regular employee as defined in Section
6 7-109.4 of this Code or who participated in a retirement
7 system under Article 15 prior to January 1, 2011 shall be
8 deemed a person who first became a member or participant prior
9 to January 1, 2011 under any retirement system or pension fund
10 subject to this Section. The changes made to this Section by
11 Public Act 98-596 are a clarification of existing law and are
12 intended to be retroactive to January 1, 2011 (the effective
13 date of Public Act 96-889), notwithstanding the provisions of
14 Section 1-103.1 of this Code.

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

22 This Section does not apply to a person who first becomes a
23 member under Article 16 on or after the effective date of this
24 amendatory Act of the 104th General Assembly if that person
25 (i) is at least 50 years of age, (ii) does not have any service
26 credit under Article 16 or any reciprocal retirement system or

1 pension fund, and (iii) makes the election under subsection
2 (b) of Section 16-204.

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

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

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

20 (b) "Final average salary" means, except as otherwise
21 provided in this subsection, the average monthly (or annual)
22 salary obtained by dividing the total salary or earnings
23 calculated under the Article applicable to the member or
24 participant during the 96 consecutive months (or 8 consecutive
25 years) of service within the last 120 months (or 10 years) of
26 service in which the total salary or earnings calculated under

1 the applicable Article was the highest by the number of months
2 (or years) of service in that period. For the purposes of a
3 person who first becomes a member or participant of any
4 retirement system or pension fund to which this Section
5 applies on or after January 1, 2011, in this Code, "final
6 average salary" shall be substituted for the following:

7 (1) (Blank).

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

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

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

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

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

17 A member of the Teachers' Retirement System of the State
18 of Illinois who retires on or after June 1, 2021 and for whom
19 the 2020-2021 school year is used in the calculation of the
20 member's final average salary shall use the higher of the
21 following for the purpose of determining the member's final
22 average salary:

23 (A) the amount otherwise calculated under the first
24 paragraph of this subsection; or

25 (B) an amount calculated by the Teachers' Retirement
26 System of the State of Illinois using the average of the

1 monthly (or annual) salary obtained by dividing the total
2 salary or earnings calculated under Article 16 applicable
3 to the member or participant during the 96 months (or 8
4 years) of service within the last 120 months (or 10 years)
5 of service in which the total salary or earnings
6 calculated under the Article was the highest by the number
7 of months (or years) of service in that period.

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

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

1 boards of the retirement systems and pension funds by November
2 1 of each year.

3 (b-10) Beginning on January 1, 2024, for all purposes
4 under this Code (including, without limitation, the
5 calculation of benefits and employee contributions), the
6 annual earnings, salary, or wages (based on the plan year) of a
7 member or participant under Article 9 to whom this Section
8 applies shall include an annual earnings, salary, or wage cap
9 that tracks the Social Security wage base. Maximum annual
10 earnings, wages, or salary shall be the annual contribution
11 and benefit base established for the applicable year by the
12 Commissioner of the Social Security Administration under the
13 federal Social Security Act.

14 However, in no event shall the annual earnings, salary, or
15 wages for the purposes of this Article and Article 9 exceed any
16 limitation imposed on annual earnings, salary, or wages under
17 Section 1-117. Under no circumstances shall the maximum amount
18 of annual earnings, salary, or wages be greater than the
19 amount set forth in this subsection (b-10) as a result of
20 reciprocal service or any provisions regarding reciprocal
21 services, nor shall the Fund under Article 9 be required to pay
22 any refund as a result of the application of this maximum
23 annual earnings, salary, and wage cap.

24 Nothing in this subsection (b-10) shall cause or otherwise
25 result in any retroactive adjustment of any employee
26 contributions. Nothing in this subsection (b-10) shall cause

1 or otherwise result in any retroactive adjustment of
2 disability or other payments made between January 1, 2011 and
3 January 1, 2024.

4 (c) A member or participant is entitled to a retirement
5 annuity upon written application if he or she has attained age
6 67 (age 65, with respect to service under Article 12 that is
7 subject to this Section, for a member or participant under
8 Article 12 who first becomes a member or participant under
9 Article 12 on or after January 1, 2022 or who makes the
10 election under item (i) of subsection (d-15) of this Section)
11 and has at least 10 years of service credit and is otherwise
12 eligible under the requirements of the applicable Article.

13 A member or participant who has attained age 62 (age 60,
14 with respect to service under Article 12 that is subject to
15 this Section, for a member or participant under Article 12 who
16 first becomes a member or participant under Article 12 on or
17 after January 1, 2022 or who makes the election under item (i)
18 of subsection (d-15) of this Section) and has at least 10 years
19 of service credit and is otherwise eligible under the
20 requirements of the applicable Article may elect to receive
21 the lower retirement annuity provided in subsection (d) of
22 this Section.

23 (c-5) A person who first becomes a member or a participant
24 subject to this Section on or after July 6, 2017 (the effective
25 date of Public Act 100-23), notwithstanding any other
26 provision of this Code to the contrary, is entitled to a

1 retirement annuity under Article 8 or Article 11 upon written
2 application if he or she has attained age 65 and has at least
3 10 years of service credit and is otherwise eligible under the
4 requirements of Article 8 or Article 11 of this Code,
5 whichever is applicable.

6 (d) The retirement annuity of a member or participant who
7 is retiring after attaining age 62 (age 60, with respect to
8 service under Article 12 that is subject to this Section, for a
9 member or participant under Article 12 who first becomes a
10 member or participant under Article 12 on or after January 1,
11 2022 or who makes the election under item (i) of subsection
12 (d-15) of this Section) with at least 10 years of service
13 credit shall be reduced by one-half of 1% for each full month
14 that the member's age is under age 67 (age 65, with respect to
15 service under Article 12 that is subject to this Section, for a
16 member or participant under Article 12 who first becomes a
17 member or participant under Article 12 on or after January 1,
18 2022 or who makes the election under item (i) of subsection
19 (d-15) of this Section).

20 (d-5) The retirement annuity payable under Article 8 or
21 Article 11 to an eligible person subject to subsection (c-5)
22 of this Section who is retiring at age 60 with at least 10
23 years of service credit shall be reduced by one-half of 1% for
24 each full month that the member's age is under age 65.

25 (d-10) Each person who first became a member or
26 participant under Article 8 or Article 11 of this Code on or

1 after January 1, 2011 and prior to July 6, 2017 (the effective
2 date of Public Act 100-23) shall make an irrevocable election
3 either:

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

12 (ii) to not agree to item (i) of this subsection
13 (d-10), in which case the member or participant shall
14 continue to be subject to the retirement age provisions in
15 subsections (c) and (d) of this Section and the employee
16 contributions for age and service annuity as provided in
17 subsection (a) of Section 8-174 of this Code (for service
18 under Article 8) or subsection (a) of Section 11-170 of
19 this Code (for service under Article 11).

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

1 (d-15) Each person who first becomes a member or
2 participant under Article 12 on or after January 1, 2011 and
3 prior to January 1, 2022 shall make an irrevocable election
4 either:

5 (i) to be eligible for the reduced retirement age
6 specified in subsections (c) and (d) of this Section, the
7 eligibility for which is conditioned upon the member or
8 participant agreeing to the increase in employee
9 contributions for service annuities specified in
10 subsection (b) of Section 12-150; or

11 (ii) to not agree to item (i) of this subsection
12 (d-15), in which case the member or participant shall not
13 be eligible for the reduced retirement age specified in
14 subsections (c) and (d) of this Section and shall not be
15 subject to the increase in employee contributions for
16 service annuities specified in subsection (b) of Section
17 12-150.

18 The election provided for in this subsection shall be made
19 between January 1, 2022 and April 1, 2022. A person subject to
20 this subsection who makes the required election shall remain
21 bound by that election. A person subject to this subsection
22 who fails for any reason to make the required election within
23 the time specified in this subsection shall be deemed to have
24 made the election under item (ii).

25 (e) Any retirement annuity or supplemental annuity shall
26 be subject to annual increases on the January 1 occurring

1 either on or after the attainment of age 67 (age 65, with
2 respect to service under Article 12 that is subject to this
3 Section, for a member or participant under Article 12 who
4 first becomes a member or participant under Article 12 on or
5 after January 1, 2022 or who makes the election under item (i)
6 of subsection (d-15); and beginning on July 6, 2017 (the
7 effective date of Public Act 100-23), age 65 with respect to
8 service under Article 8 or Article 11 for eligible persons
9 who: (i) are subject to subsection (c-5) of this Section; or
10 (ii) made the election under item (i) of subsection (d-10) of
11 this Section) or the first anniversary of the annuity start
12 date, whichever is later. Each annual increase shall be
13 calculated at 3% or one-half the annual unadjusted percentage
14 increase (but not less than zero) in the consumer price
15 index-u for the 12 months ending with the September preceding
16 each November 1, whichever is less, of the originally granted
17 retirement annuity. If the annual unadjusted percentage change
18 in the consumer price index-u for the 12 months ending with the
19 September preceding each November 1 is zero or there is a
20 decrease, then the annuity shall not be increased.

21 For the purposes of Section 1-103.1 of this Code, the
22 changes made to this Section by Public Act 102-263 are
23 applicable without regard to whether the employee was in
24 active service on or after August 6, 2021 (the effective date
25 of Public Act 102-263).

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 100-23 are
2 applicable without regard to whether the employee was in
3 active service on or after July 6, 2017 (the effective date of
4 Public Act 100-23).

5 (f) The initial survivor's or widow's annuity of an
6 otherwise eligible survivor or widow of a retired member or
7 participant who first became a member or participant on or
8 after January 1, 2011 shall be in the amount of 66 2/3% of the
9 retired member's or participant's retirement annuity at the
10 date of death. In the case of the death of a member or
11 participant who has not retired and who first became a member
12 or participant on or after January 1, 2011, eligibility for a
13 survivor's or widow's annuity shall be determined by the
14 applicable Article of this Code. The initial benefit shall be
15 66 2/3% of the earned annuity without a reduction due to age. A
16 child's annuity of an otherwise eligible child shall be in the
17 amount prescribed under each Article if applicable. Any
18 survivor's or widow's annuity shall be increased (1) on each
19 January 1 occurring on or after the commencement of the
20 annuity if the deceased member died while receiving a
21 retirement annuity or (2) in other cases, on each January 1
22 occurring after the first anniversary of the commencement of
23 the annuity. Each annual increase shall be calculated at 3% or
24 one-half the annual unadjusted percentage increase (but not
25 less than zero) in the consumer price index-u for the 12 months
26 ending with the September preceding each November 1, whichever

1 is less, of the originally granted survivor's annuity. If the
2 annual unadjusted percentage change in the consumer price
3 index-u for the 12 months ending with the September preceding
4 each November 1 is zero or there is a decrease, then the
5 annuity shall not be increased.

6 (g) The benefits in Section 14-110 apply only if the
7 person is a State policeman, a fire fighter in the fire
8 protection service of a department, a conservation police
9 officer, an investigator for the Secretary of State, an
10 investigator for the Office of the Attorney General, an arson
11 investigator, a Commerce Commission police officer,
12 investigator for the Department of Revenue or the Illinois
13 Gaming Board, a security employee of the Department of
14 Corrections or the Department of Juvenile Justice, or a
15 security employee of the Department of Innovation and
16 Technology, as those terms are defined in subsection (b) and
17 subsection (c) of Section 14-110. A person who meets the
18 requirements of this Section is entitled to an annuity
19 calculated under the provisions of Section 14-110, in lieu of
20 the regular or minimum retirement annuity, only if the person
21 has withdrawn from service with not less than 20 years of
22 eligible creditable service and has attained age 60,
23 regardless of whether the attainment of age 60 occurs while
24 the person is still in service.

25 (h) If a person who first becomes a member or a participant
26 of a retirement system or pension fund subject to this Section

1 on or after January 1, 2011 is receiving a retirement annuity
2 or retirement pension under that system or fund and becomes a
3 member or participant under any other system or fund created
4 by this Code and is employed on a full-time basis, except for
5 those members or participants exempted from the provisions of
6 this Section under subsection (a) of this Section, then the
7 person's retirement annuity or retirement pension under that
8 system or fund shall be suspended during that employment. Upon
9 termination of that employment, the person's retirement
10 annuity or retirement pension payments shall resume and be
11 recalculated if recalculation is provided for under the
12 applicable Article of this Code.

13 If a person who first becomes a member of a retirement
14 system or pension fund subject to this Section on or after
15 January 1, 2012 and is receiving a retirement annuity or
16 retirement pension under that system or fund and accepts on a
17 contractual basis a position to provide services to a
18 governmental entity from which he or she has retired, then
19 that person's annuity or retirement pension earned as an
20 active employee of the employer shall be suspended during that
21 contractual service. A person receiving an annuity or
22 retirement pension under this Code shall notify the pension
23 fund or retirement system from which he or she is receiving an
24 annuity or retirement pension, as well as his or her
25 contractual employer, of his or her retirement status before
26 accepting contractual employment. A person who fails to submit

1 such notification shall be guilty of a Class A misdemeanor and
2 required to pay a fine of \$1,000. Upon termination of that
3 contractual employment, the person's retirement annuity or
4 retirement pension payments shall resume and, if appropriate,
5 be recalculated under the applicable provisions of this Code.

6 (i) (Blank).

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

10 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
11 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
12 8-11-23.)

13 (40 ILCS 5/16-203)

14 Sec. 16-203. Application and expiration of new benefit
15 increases.

16 (a) As used in this Section, "new benefit increase" means
17 an increase in the amount of any benefit provided under this
18 Article, or an expansion of the conditions of eligibility for
19 any benefit under this Article, that results from an amendment
20 to this Code that takes effect after June 1, 2005 (the
21 effective date of Public Act 94-4). "New benefit increase",
22 however, does not include any benefit increase resulting from
23 the changes made to Article 1 or this Article by Public Act
24 95-910, Public Act 100-23, Public Act 100-587, Public Act
25 100-743, Public Act 100-769, Public Act 101-10, Public Act

1 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
2 amendatory Act of the 104th General Assembly.

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

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

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

1 made.

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

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

18 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
19 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.
20 6-30-23.)

21 (40 ILCS 5/16-204)

22 Sec. 16-204. Optional defined contribution benefit.

23 (a) As soon as practicable after the effective date of
24 this amendatory Act of the 100th General Assembly, the System
25 shall offer a defined contribution benefit to active full-time

1 or part-time contractual members of the System who are
2 employed by an employer eligible to participate in the defined
3 contribution benefit under applicable law. The defined
4 contribution benefit shall be an optional benefit to any
5 full-time or part-time contractual member who chooses to
6 participate. The defined contribution benefit shall collect
7 optional employee and optional employer contributions into an
8 account and shall offer investment options to the participant.

9 (b) In this subsection:

10 "Defined benefit plan" means the retirement plan available
11 under this Article for members who do not make the election
12 under this subsection.

13 "Eligible member" means a person who first becomes a
14 member on or after the effective date of this amendatory Act of
15 the 104th General Assembly who (i) is at least 50 years of age
16 and (ii) does not have any service credit in this System or any
17 other reciprocal retirement system or pension fund.

18 An eligible member may elect to participate in the defined
19 contribution benefit under this Section in lieu of
20 participation in the defined benefit plan under this Article.
21 The election to participate in the defined contribution
22 benefit is irrevocable and must be made in writing in the
23 manner prescribed by the System. Participation in the defined
24 contribution plan shall begin as soon as practical after the
25 member makes the election under this subsection.

26 A member participating under this subsection may not

1 establish service credit under this Article and is not
2 eligible for any other benefit under this Article. If that
3 member terminates service and thereafter returns to service
4 under this Article, that member may not participate in the
5 defined benefit plan and shall continue participating under
6 this subsection.

7 The member shall contribute an amount equal to 7.5% of the
8 member's pre-tax salary to the member's defined contribution
9 account. In addition, the employer shall contribute 6% of the
10 member's pre-tax salary to the member's defined contribution
11 account.

12 (c) The benefit under this Section shall be operated in
13 full compliance with any applicable State and federal laws,
14 and the System shall utilize generally accepted practices in
15 creating and maintaining the benefit for the best interest of
16 the participants.

17 (d) In administering the defined contribution benefit, the
18 System shall require that the defined contribution benefit
19 recordkeeper agree that, in performing services with respect
20 to the defined contribution benefit, the recordkeeper: (i)
21 will not use information received as a result of providing
22 services with respect to the defined contribution benefit or
23 the participants in the defined contribution benefit to
24 solicit the participants in the defined contribution benefit
25 for the purpose of cross-selling nonplan products and
26 services, unless in response to a request by a participant in

1 the defined contribution benefit; and (ii) will not promote,
2 recommend, endorse, or solicit participants in the defined
3 contribution benefit to purchase any financial products or
4 services outside of the defined contribution benefit, except
5 that links to parts of the recordkeeper's website that are
6 generally available to the public, are about commercial
7 products, and may be encountered by a participant in the
8 regular course of navigating the recordkeeper's website will
9 not constitute a violation of this item (ii).

10 (e) The System may use funds from the employee and
11 employer contributions to defray any and all costs of creating
12 and maintaining the benefit. In addition, the System may use
13 funds provided under Section 16-158 of this Code to defray any
14 and all costs of creating and maintaining the benefit and then
15 shall reimburse those costs from funds received from the
16 employee and employer contributions under this Section. All
17 employers must comply with the reporting and administrative
18 functions established by the System and are required to
19 implement the benefits established under this Section. The
20 System shall produce an annual report on the participation in
21 the benefit and shall make the report public.

22 (f) As soon as is practicable on or after January 1, 2022,
23 the System shall automatically enroll any employee who first
24 becomes an active full-time or part-time contractual member in
25 the System. A member automatically enrolled under this Section
26 shall have 3% of his or her pre-tax compensation deferred into

1 his or her deferred compensation account. A member may elect,
2 in a manner provided for by the System, to not participate in
3 the defined contribution benefit or to increase or reduce the
4 amount of pre-tax compensation contributed, consistent with
5 State or federal law. A member shall be automatically enrolled
6 in the benefit beginning the first day of the pay period
7 following the close of the notice period, or as soon as
8 practicable, unless the employee elects otherwise within the
9 notice period. For the purposes of this Section, "notice
10 period" means a reasonable period of time after the employee
11 is provided with an automatic enrollment notice as required
12 under Section 414(w) of the Internal Revenue Code of 1986, as
13 amended. An active full-time or part-time contractual member
14 who has been automatically enrolled in the benefit may elect,
15 within 90 days following the member's initial contribution, to
16 withdraw the contribution and receive a refund of amounts
17 deferred, as adjusted for applicable earnings and fees. A
18 member making such an election shall forfeit all employer
19 matching contributions, if any, made with respect to the
20 initial contribution and the forfeited amounts shall be used
21 to defray plan expenses. Any refunded amount shall be included
22 in the member's gross income for the taxable year in which the
23 refund is issued.

24 This subsection does not apply to a member who makes the
25 election under subsection (b).

26 (g) On or after January 1, 2023, the System may elect to

1 increase the automatic annual contributions under this
2 Section. The increase in the rate of contribution, however,
3 shall not exceed 2% of a member's pre-tax compensation per
4 year, and at no time shall any total contribution exceed any
5 contribution limits established by State or federal law.

6 This subsection does not apply to a member who makes the
7 election under subsection (b).

8 (h) Notwithstanding any other provision of this Section,
9 active members eligible to participate in the defined
10 contribution benefit do not include employees of a department
11 as defined in Section 14-103.04.

12 (Source: P.A. 103-552, eff. 8-11-23; 104-284, eff. 1-1-26.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.50 as follows:

15 (30 ILCS 805/8.50 new)

16 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and
17 8 of this Act, no reimbursement by the State is required for
18 the implementation of any mandate created by this amendatory
19 Act of the 104th General Assembly.

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