

104TH GENERAL ASSEMBLY**State of Illinois****2025 and 2026****SB0002**

Introduced 1/13/2025, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Makes changes to Tier 2 benefits, including changing the amount of the automatic annual increase to 3% of the originally granted retirement annuity or 3% of the retirement annuity then being paid for the General Assembly and Judges Articles, changing the limit on the amount of salary for annuity purposes to the Social Security wage base, changing the calculation of final average salary to the Tier 1 calculation for persons who are active members on or after January 1, 2026, and changing the retirement age. Establishes an accelerated pension benefit payment option for the General Assembly, Chicago Teachers, and Judges Articles of the Code. Provides that, with regard to persons subject to the Tier 2 provisions, a security employee of the Department of Human Services, a security employee of the Department of Corrections or the Department of Juvenile Justice, an investigator for the Department of the Lottery, or a State highway worker is entitled to an annuity calculated under the alternative retirement annuity provisions of the State Employee Article of the Code. Authorizes the conversion of service to eligible creditable service. Provides that the Retirement Systems Reciprocal Act (Article 20 of the Code) is adopted and made a part of the Downstate Police, Downstate Firefighter, Chicago Police, and Chicago Firefighter Articles. Authorizes SLEP status under the Illinois Municipal Retirement Fund for a person who is a county correctional officer or probation officer and for a person who participates in IMRF and qualifies as a firefighter under the Public Safety Employee Benefits Act. In the Downstate Firefighter Article, includes a de facto firefighter in the definition of "firefighter". Defines "de facto firefighter". Provides that the monthly pension of a firefighter who is receiving a disability pension shall be increased at the rate of 3% of the original monthly pension. Makes changes to the minimum retirement annuity payable to a firefighter with 20 or more years of creditable service, the minimum disability pension, and the minimum surviving spouse's pension. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB104 07746 RPS 17791 b

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 Article 1.

5 Section 1-5. The Illinois Pension Code is amended by
6 changing Sections 1-160, 2-108.1, and 18-125 and by adding
7 Sections 1-163, 3-153, 4-145, 5-239, 6-231, 7-226, 8-251.5,
8 9-242, 10-110, 11-233, 12-196, 13-217, 14-157, 15-203, 16-207,
9 17-160, and 18-175 as follows:

10 (40 ILCS 5/1-160)

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

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

13 (a) The provisions of this Section apply to a person who,
14 on or after January 1, 2011, first becomes a member or a
15 participant under any reciprocal retirement system or pension
16 fund established under this Code, other than a retirement
17 system or pension fund established under Article 2, 3, 4, 5, 6,
18 7, 15, or 18 of this Code, notwithstanding any other provision
19 of this Code to the contrary, but do not apply to any
20 self-managed plan established under this Code or to any
21 participant of the retirement plan established under Section
22 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 or participant under Article 16 on or after the
24 implementation date of the plan created under Section 1-161
25 for that Article, unless that person elects under subsection
26 (b) of Section 1-161 to instead receive the benefits provided

1 under this Section and the applicable provisions of that
2 Article.

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

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

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

26 (1) (Blank).

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

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

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

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

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

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

16 (A) the amount otherwise calculated under the first
17 paragraph of this subsection; or

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

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

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

22 (b-10) Beginning on January 1, 2024, for all purposes
23 under this Code (including, without limitation, the
24 calculation of benefits and employee contributions), the
25 annual earnings, salary, or wages (based on the plan year) of a
26 member or participant under Article 9 to whom this Section

1 applies shall include an annual earnings, salary, or wage cap
2 that tracks the Social Security wage base. Maximum annual
3 earnings, wages, or salary shall be the annual contribution
4 and benefit base established for the applicable year by the
5 Commissioner of the Social Security Administration under the
6 federal Social Security Act.

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

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

23 (c) A member or participant is entitled to a retirement
24 annuity upon written application if he or she has attained age
25 67 (age 65, with respect to service under Article 12 that is
26 subject to this Section, for a member or participant under

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

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

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

25 (d) The retirement annuity of a member or participant who
26 is retiring after attaining age 62 (age 60, with respect to

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

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

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

23 (i) to be eligible for the reduced retirement age
24 provided in subsections (c-5) and (d-5) of this Section,
25 the eligibility for which is conditioned upon the member
26 or participant agreeing to the increases in employee

1 contributions for age and service annuities provided in
2 subsection (a-5) of Section 8-174 of this Code (for
3 service under Article 8) or subsection (a-5) of Section
4 11-170 of this Code (for service under Article 11); or

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

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

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

24 (i) to be eligible for the reduced retirement age
25 specified in subsections (c) and (d) of this Section, the
26 eligibility for which is conditioned upon the member or

1 participant agreeing to the increase in employee
2 contributions for service annuities specified in
3 subsection (b) of Section 12-150; or

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

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

18 (e) Any retirement annuity or supplemental annuity shall
19 be subject to annual increases on the January 1 occurring
20 either on or after the attainment of age 67 (age 65, with
21 respect to service under Article 12 that is subject to this
22 Section, for a member or participant under Article 12 who
23 first becomes a member or participant under Article 12 on or
24 after January 1, 2022 or who makes the election under item (i)
25 of subsection (d-15); and beginning on July 6, 2017 (the
26 effective date of Public Act 100-23), age 65 with respect to

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

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

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

24 (f) The initial survivor's or widow's annuity of an
25 otherwise eligible survivor or widow of a retired member or
26 participant who first became a member or participant on or

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

25 (g) The benefits in Section 14-110 apply if the person is a
26 fire fighter in the fire protection service of a department, a

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

12 (g-5) The benefits in Section 14-110 apply if the person
13 is a State policeman, investigator for the Secretary of State,
14 conservation police officer, investigator for the Department
15 of Revenue or the Illinois Gaming Board, investigator for the
16 Office of the Attorney General, Commerce Commission police
17 officer, or arson investigator, as those terms are defined in
18 subsection (b) and subsection (c) of Section 14-110. A person
19 who meets the requirements of this Section is entitled to an
20 annuity calculated under the provisions of Section 14-110, in
21 lieu of the regular or minimum retirement annuity, only if the
22 person has withdrawn from service with not less than 20 years
23 of eligible creditable service and has attained age 55,
24 regardless of whether the attainment of age 55 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, except for
10 Section 1-163, the 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; 102-719, eff.
13 5-6-22; 103-529, eff. 8-11-23.)

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

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 or participant under Article 16 on or after the
24 implementation date of the plan created under Section 1-161
25 for that Article, unless that person elects under subsection
26 (b) of Section 1-161 to instead receive the benefits provided

1 under this Section and the applicable provisions of that
2 Article.

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

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

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

26 (1) (Blank).

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

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

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

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

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

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

16 (A) the amount otherwise calculated under the first
17 paragraph of this subsection; or

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

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

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

22 (b-10) Beginning on January 1, 2024, for all purposes
23 under this Code (including, without limitation, the
24 calculation of benefits and employee contributions), the
25 annual earnings, salary, or wages (based on the plan year) of a
26 member or participant under Article 9 to whom this Section

1 applies shall include an annual earnings, salary, or wage cap
2 that tracks the Social Security wage base. Maximum annual
3 earnings, wages, or salary shall be the annual contribution
4 and benefit base established for the applicable year by the
5 Commissioner of the Social Security Administration under the
6 federal Social Security Act.

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

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

23 (c) A member or participant is entitled to a retirement
24 annuity upon written application if he or she has attained age
25 67 (age 65, with respect to service under Article 12 that is
26 subject to this Section, for a member or participant under

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

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

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

25 (d) The retirement annuity of a member or participant who
26 is retiring after attaining age 62 (age 60, with respect to

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

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

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

23 (i) to be eligible for the reduced retirement age
24 provided in subsections (c-5) and (d-5) of this Section,
25 the eligibility for which is conditioned upon the member
26 or participant agreeing to the increases in employee

1 contributions for age and service annuities provided in
2 subsection (a-5) of Section 8-174 of this Code (for
3 service under Article 8) or subsection (a-5) of Section
4 11-170 of this Code (for service under Article 11); or

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

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

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

24 (i) to be eligible for the reduced retirement age
25 specified in subsections (c) and (d) of this Section, the
26 eligibility for which is conditioned upon the member or

1 participant agreeing to the increase in employee
2 contributions for service annuities specified in
3 subsection (b) of Section 12-150; or

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

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

18 (e) Any retirement annuity or supplemental annuity shall
19 be subject to annual increases on the January 1 occurring
20 either on or after the attainment of age 67 (age 65, with
21 respect to service under Article 12 that is subject to this
22 Section, for a member or participant under Article 12 who
23 first becomes a member or participant under Article 12 on or
24 after January 1, 2022 or who makes the election under item (i)
25 of subsection (d-15); and beginning on July 6, 2017 (the
26 effective date of Public Act 100-23), age 65 with respect to

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

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

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

24 (f) The initial survivor's or widow's annuity of an
25 otherwise eligible survivor or widow of a retired member or
26 participant who first became a member or participant on or

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

25 (g) The benefits in Section 14-110 apply only if the
26 person is a State policeman, a fire fighter in the fire

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

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

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

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

24 (i) (Blank).

25 (j) In the case of a conflict between the provisions of
26 this Section and any other provision of this Code, except for

1 Section 1-163, the provisions of this Section shall control.

2 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
3 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
4 5-13-22; 103-529, eff. 8-11-23.)

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

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

7 (a) The provisions of this Section apply to a person who,
8 on or after January 1, 2011, first becomes a member or a
9 participant under any reciprocal retirement system or pension
10 fund established under this Code, other than a retirement
11 system or pension fund established under Article 2, 3, 4, 5, 6,
12 7, 15, or 18 of this Code, notwithstanding any other provision
13 of this Code to the contrary, but do not apply to any
14 self-managed plan established under this Code or to any
15 participant of the retirement plan established under Section
16 22-101; except that this Section applies to a person who
17 elected to establish alternative credits by electing in
18 writing after January 1, 2011, but before August 8, 2011,
19 under Section 7-145.1 of this Code. Notwithstanding anything
20 to the contrary in this Section, for purposes of this Section,
21 a person who is a Tier 1 regular employee as defined in Section
22 7-109.4 of this Code or who participated in a retirement
23 system under Article 15 prior to January 1, 2011 shall be
24 deemed a person who first became a member or participant prior
25 to January 1, 2011 under any retirement system or pension fund

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

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

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

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

23 This Section does not apply to a person who first becomes a
24 member or participant of an affected pension fund on or after 6
25 months after the resolution or ordinance date, as defined in
26 Section 1-162, unless that person elects under subsection (c)

1 of Section 1-162 to receive the benefits provided under this
2 Section and the applicable provisions of the Article under
3 which he or she is a member or participant.

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

17 (1) (Blank).

18 (2) In Articles 8, 9, 10, 11, and 12, "highest average
19 annual salary for any 4 consecutive years within the last
20 10 years of service immediately preceding the date of
21 withdrawal".

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

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

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

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

1 A member of the Teachers' Retirement System of the State
2 of Illinois who retires on or after June 1, 2021 and for whom
3 the 2020-2021 school year is used in the calculation of the
4 member's final average salary shall use the higher of the
5 following for the purpose of determining the member's final
6 average salary:

7 (A) the amount otherwise calculated under the first
8 paragraph of this subsection; or

9 (B) an amount calculated by the Teachers' Retirement
10 System of the State of Illinois using the average of the
11 monthly (or annual) salary obtained by dividing the total
12 salary or earnings calculated under Article 16 applicable
13 to the member or participant during the 96 months (or 8
14 years) of service within the last 120 months (or 10 years)
15 of service in which the total salary or earnings
16 calculated under the Article was the highest by the number
17 of months (or years) of service in that period.

18 (b-5) Beginning on January 1, 2011, for all purposes under
19 this Code (including without limitation the calculation of
20 benefits and employee contributions), the annual earnings,
21 salary, or wages (based on the plan year) of a member or
22 participant to whom this Section applies shall not exceed
23 \$106,800; however, that amount shall annually thereafter be
24 increased by the lesser of (i) 3% of that amount, including all
25 previous adjustments, or (ii) one-half the annual unadjusted
26 percentage increase (but not less than zero) in the consumer

1 price index-u for the 12 months ending with the September
2 preceding each November 1, including all previous adjustments.

3 For the purposes of this Section, "consumer price index-u"
4 means the index published by the Bureau of Labor Statistics of
5 the United States Department of Labor that measures the
6 average change in prices of goods and services purchased by
7 all urban consumers, United States city average, all items,
8 1982-84 = 100. The new amount resulting from each annual
9 adjustment shall be determined by the Public Pension Division
10 of the Department of Insurance and made available to the
11 boards of the retirement systems and pension funds by November
12 1 of each year.

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

24 However, in no event shall the annual earnings, salary, or
25 wages for the purposes of this Article and Article 9 exceed any
26 limitation imposed on annual earnings, salary, or wages under

1 Section 1-117. Under no circumstances shall the maximum amount
2 of annual earnings, salary, or wages be greater than the
3 amount set forth in this subsection (b-10) as a result of
4 reciprocal service or any provisions regarding reciprocal
5 services, nor shall the Fund under Article 9 be required to pay
6 any refund as a result of the application of this maximum
7 annual earnings, salary, and wage cap.

8 Nothing in this subsection (b-10) shall cause or otherwise
9 result in any retroactive adjustment of any employee
10 contributions. Nothing in this subsection (b-10) shall cause
11 or otherwise result in any retroactive adjustment of
12 disability or other payments made between January 1, 2011 and
13 January 1, 2024.

14 (c) A member or participant is entitled to a retirement
15 annuity upon written application if he or she has attained age
16 67 (age 65, with respect to service under Article 12 that is
17 subject to this Section, for a member or participant under
18 Article 12 who first becomes a member or participant under
19 Article 12 on or after January 1, 2022 or who makes the
20 election under item (i) of subsection (d-15) of this Section)
21 and has at least 10 years of service credit and is otherwise
22 eligible under the requirements of the applicable Article.

23 A member or participant who has attained age 62 (age 60,
24 with respect to service under Article 12 that is subject to
25 this Section, for a member or participant under Article 12 who
26 first becomes a member or participant under Article 12 on or

1 after January 1, 2022 or who makes the election under item (i)
2 of subsection (d-15) of this Section) and has at least 10 years
3 of service credit and is otherwise eligible under the
4 requirements of the applicable Article may elect to receive
5 the lower retirement annuity provided in subsection (d) of
6 this Section.

7 (c-5) A person who first becomes a member or a participant
8 subject to this Section on or after July 6, 2017 (the effective
9 date of Public Act 100-23), notwithstanding any other
10 provision of this Code to the contrary, is entitled to a
11 retirement annuity under Article 8 or Article 11 upon written
12 application if he or she has attained age 65 and has at least
13 10 years of service credit and is otherwise eligible under the
14 requirements of Article 8 or Article 11 of this Code,
15 whichever is applicable.

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

1 member or participant under Article 12 on or after January 1,
2 2022 or who makes the election under item (i) of subsection
3 (d-15) of this Section).

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

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

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

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

1 subsection (a) of Section 8-174 of this Code (for service
2 under Article 8) or subsection (a) of Section 11-170 of
3 this Code (for service under Article 11).

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

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

15 (i) to be eligible for the reduced retirement age
16 specified in subsections (c) and (d) of this Section, the
17 eligibility for which is conditioned upon the member or
18 participant agreeing to the increase in employee
19 contributions for service annuities specified in
20 subsection (b) of Section 12-150; or

21 (ii) to not agree to item (i) of this subsection
22 (d-15), in which case the member or participant shall not
23 be eligible for the reduced retirement age specified in
24 subsections (c) and (d) of this Section and shall not be
25 subject to the increase in employee contributions for
26 service annuities specified in subsection (b) of Section

1 12-150.

2 The election provided for in this subsection shall be made
3 between January 1, 2022 and April 1, 2022. A person subject to
4 this subsection who makes the required election shall remain
5 bound by that election. A person subject to this subsection
6 who fails for any reason to make the required election within
7 the time specified in this subsection shall be deemed to have
8 made the election under item (ii).

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

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

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

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

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

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

16 (g) The benefits in Section 14-110 apply only if the
17 person is a State policeman, a fire fighter in the fire
18 protection service of a department, a conservation police
19 officer, an investigator for the Secretary of State, an
20 investigator for the Office of the Attorney General, an arson
21 investigator, a Commerce Commission police officer,
22 investigator for the Department of Revenue or the Illinois
23 Gaming Board, a security employee of the Department of
24 Corrections or the Department of Juvenile Justice, or a
25 security employee of the Department of Innovation and
26 Technology, as those terms are defined in subsection (b) and

1 subsection (c) of Section 14-110. A person who meets the
2 requirements of this Section is entitled to an annuity
3 calculated under the provisions of Section 14-110, in lieu of
4 the regular or minimum retirement annuity, only if the person
5 has withdrawn from service with not less than 20 years of
6 eligible creditable service and has attained age 60,
7 regardless of whether the attainment of age 60 occurs while
8 the person is still in service.

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

23 If a person who first becomes a member of a retirement
24 system or pension fund subject to this Section on or after
25 January 1, 2012 and is receiving a retirement annuity or
26 retirement pension under that system or fund and accepts on a

1 contractual basis a position to provide services to a
2 governmental entity from which he or she has retired, then
3 that person's annuity or retirement pension earned as an
4 active employee of the employer shall be suspended during that
5 contractual service. A person receiving an annuity or
6 retirement pension under this Code shall notify the pension
7 fund or retirement system from which he or she is receiving an
8 annuity or retirement pension, as well as his or her
9 contractual employer, of his or her retirement status before
10 accepting contractual employment. A person who fails to submit
11 such notification shall be guilty of a Class A misdemeanor and
12 required to pay a fine of \$1,000. Upon termination of that
13 contractual employment, the person's retirement annuity or
14 retirement pension payments shall resume and, if appropriate,
15 be recalculated under the applicable provisions of this Code.

16 (i) (Blank).

17 (j) In the case of a conflict between the provisions of
18 this Section and any other provision of this Code, except for
19 Section 1-163, the provisions of this Section shall control.

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

23 (40 ILCS 5/1-163 new)

24 Sec. 1-163. Limitation on annual earnings, salary, or
25 wages for pension purposes for certain persons who first

1 become participants on or after January 1, 2011.

2 (a) Notwithstanding any provision of law to the contrary,
3 including Section 1-160, this Section applies to a person who,
4 on or after January 1, 2011, first becomes a member or
5 participant under a pension fund or retirement system
6 established under any of Articles 3 through 17 of this Code. To
7 the extent that any provision of this Section conflicts with
8 any other provision of this Code, this Section controls,
9 except for a conflict that would diminish or impair a benefit
10 of membership in a pension or retirement system of the State.

11 (b) Beginning on January 1, 2026, for all purposes under
12 this Code (including, without limitation, the calculation of
13 benefits and employee contributions), the annual earnings,
14 salary, or wages (based on the plan year) of a member or
15 participant to whom this Section applies shall not exceed the
16 Social Security wage base for the applicable plan year. In
17 this subsection, "Social Security wage base" means the
18 contribution and benefit base calculated for the calendar year
19 in question by the Commissioner of Social Security under
20 Section 230 of the federal Social Security Act (42 U.S.C.
21 430).

22 However, in no event shall the annual earnings, salary, or
23 wages for the purposes of this Code exceed any limitation
24 imposed on annual earnings, salary, or wages under Section
25 1-117. Under no circumstances shall the maximum amount of
26 annual earnings, salary, or wages be greater than the amount

1 set forth in this subsection as a result of reciprocal service
2 or any provisions regarding reciprocal services, nor shall the
3 retirement system or pension fund be required to pay any
4 refund as a result of the application of this maximum annual
5 earnings, salary, and wage cap.

6 Nothing in this Section shall cause or otherwise result in
7 any retroactive adjustment of any employee contributions.
8 Nothing in this Section shall cause or otherwise result in any
9 retroactive adjustment of benefit payments made between
10 January 1, 2011 and January 1, 2026.

11 (c) With regard to a member's or participant's earnings,
12 salary, or wages received on or after January 1, 2011 and
13 before January 1, 2026, the limitation on annual earnings,
14 salary, or wages shall be retroactively increased to an amount
15 equal to the Social Security wage base for that year. This
16 subsection does not require a member or participant to make
17 any additional contribution to the pension fund or retirement
18 system for the period from January 1, 2011 to January 1, 2026.
19 This subsection applies only to a person who, on or after
20 January 1, 2026, is an active member or active participant of a
21 pension fund or retirement system established under this Code.

22 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

23 (Text of Section WITHOUT the changes made by P.A. 98-599,
24 which has been held unconstitutional)

25 Sec. 2-108.1. Highest salary for annuity purposes.

1 (a) "Highest salary for annuity purposes" means whichever
2 of the following is applicable to the participant:

3 For a participant who first becomes a participant of this
4 System before August 10, 2009 (the effective date of Public
5 Act 96-207):

6 (1) For a participant who is a member of the General
7 Assembly on his or her last day of service: the highest
8 salary that is prescribed by law, on the participant's
9 last day of service, for a member of the General Assembly
10 who is not an officer; plus, if the participant was
11 elected or appointed to serve as an officer of the General
12 Assembly for 2 or more years and has made contributions as
13 required under subsection (d) of Section 2-126, the
14 highest additional amount of compensation prescribed by
15 law, at the time of the participant's service as an
16 officer, for members of the General Assembly who serve in
17 that office.

18 (2) For a participant who holds one of the State
19 executive offices specified in Section 2-105 on his or her
20 last day of service: the highest salary prescribed by law
21 for service in that office on the participant's last day
22 of service.

23 (3) For a participant who is Clerk or Assistant Clerk
24 of the House of Representatives or Secretary or Assistant
25 Secretary of the Senate on his or her last day of service:
26 the salary received for service in that capacity on the

1 last day of service, but not to exceed the highest salary
2 (including additional compensation for service as an
3 officer) that is prescribed by law on the participant's
4 last day of service for the highest paid officer of the
5 General Assembly.

6 (4) For a participant who is a continuing participant
7 under Section 2-117.1 on his or her last day of service:
8 the salary received for service in that capacity on the
9 last day of service, but not to exceed the highest salary
10 (including additional compensation for service as an
11 officer) that is prescribed by law on the participant's
12 last day of service for the highest paid officer of the
13 General Assembly.

14 For a participant who first becomes a participant of this
15 System on or after August 10, 2009 (the effective date of
16 Public Act 96-207) and before January 1, 2011 (the effective
17 date of Public Act 96-889), the average monthly salary
18 obtained by dividing the total salary of the participant
19 during the period of: (1) the 48 consecutive months of service
20 within the last 120 months of service in which the total
21 compensation was the highest, or (2) the total period of
22 service, if less than 48 months, by the number of months of
23 service in that period.

24 For a participant who first becomes a participant of this
25 System on or after January 1, 2011 (the effective date of
26 Public Act 96-889), the average monthly salary obtained by

1 dividing the total salary of the participant during the 96
2 consecutive months of service within the last 120 months of
3 service in which the total compensation was the highest by the
4 number of months of service in that period; however, beginning
5 January 1, 2011 and until January 1, 2026, the highest salary
6 for annuity purposes may not exceed \$106,800, except that that
7 amount shall annually thereafter be increased by the lesser of
8 (i) 3% of that amount, including all previous adjustments, or
9 (ii) the annual unadjusted percentage increase (but not less
10 than zero) in the consumer price index-u for the 12 months
11 ending with the September preceding each November 1. "Consumer
12 price index-u" means the index published by the Bureau of
13 Labor Statistics of the United States Department of Labor that
14 measures the average change in prices of goods and services
15 purchased by all urban consumers, United States city average,
16 all items, 1982-84 = 100. The new amount resulting from each
17 annual adjustment shall be determined by the Public Pension
18 Division of the Department of Insurance and made available to
19 the Board by November 1 of each year.

20 Beginning January 1, 2026, the highest salary for annuity
21 purposes shall not exceed the Social Security wage base for
22 the applicable plan year. In this subsection, "Social Security
23 wage base" means the contribution and benefit base calculated
24 for the calendar year in question by the Commissioner of
25 Social Security under Section 230 of the federal Social
26 Security Act (42 U.S.C. 430). However, in no event shall the

1 highest salary for annuity purposes exceed any limitation
2 imposed on annual salary under Section 1-117. Under no
3 circumstances shall the maximum amount of annual earnings,
4 salary, or wages be greater than the amount set forth in this
5 subsection as a result of reciprocal service or any provisions
6 regarding reciprocal services, nor shall the System be
7 required to pay any refund as a result of the application of
8 the limitation on highest salary for annuity purposes.

9 Nothing in the changes made to this Section by this
10 amendatory Act of the 104th General Assembly shall cause or
11 otherwise result in any retroactive adjustment of any employee
12 contributions. Nothing in this Section shall cause or
13 otherwise result in any retroactive adjustment of benefit
14 payments made between January 1, 2011 and January 1, 2026.

15 With regard to a participant's salary received on or after
16 January 1, 2011 and before January 1, 2026, if the participant
17 is in service on or after January 1, 2026, then the limitation
18 on highest salary for annuity purposes shall be retroactively
19 increased to an amount equal to the Social Security wage base
20 for that year. The retroactive increase in the salary
21 limitation under this paragraph does not require a participant
22 to make any additional contribution to the System.

23 (b) The earnings limitations of subsection (a) apply to
24 earnings under any other participating system under the
25 Retirement Systems Reciprocal Act that are considered in
26 calculating a proportional annuity under this Article, except

1 in the case of a person who first became a member of this
2 System before August 22, 1994 and has not, on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly, irrevocably elected to have those limitations apply.
5 The limitations of subsection (a) shall apply, however, to
6 earnings under any other participating system under the
7 Retirement Systems Reciprocal Act that are considered in
8 calculating the proportional annuity of a person who first
9 became a member of this System before August 22, 1994 if, on or
10 after the effective date of this amendatory Act of the 97th
11 General Assembly, that member irrevocably elects to have those
12 limitations apply.

13 (c) In calculating the subsection (a) earnings limitation
14 to be applied to earnings under any other participating system
15 under the Retirement Systems Reciprocal Act for the purpose of
16 calculating a proportional annuity under this Article, the
17 participant's last day of service shall be deemed to mean the
18 last day of service in any participating system from which the
19 person has applied for a proportional annuity under the
20 Retirement Systems Reciprocal Act.

21 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
22 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

23 (40 ILCS 5/3-153 new)

24 Sec. 3-153. Application of Section 1-163. To the extent
25 that any provision of this Article conflicts with Section

1 1-163, Section 1-163 controls, except for a conflict that
2 would diminish or impair a benefit of membership in a pension
3 or retirement system of the State.

4 (40 ILCS 5/4-145 new)

5 Sec. 4-145. Application of Section 1-163. To the extent
6 that any provision of this Article conflicts with Section
7 1-163, Section 1-163 controls, except for a conflict that
8 would diminish or impair a benefit of membership in a pension
9 or retirement system of the State.

10 (40 ILCS 5/5-239 new)

11 Sec. 5-239. Application of Section 1-163. To the extent
12 that any provision of this Article conflicts with Section
13 1-163, Section 1-163 controls, except for a conflict that
14 would diminish or impair a benefit of membership in a pension
15 or retirement system of the State.

16 (40 ILCS 5/6-231 new)

17 Sec. 6-231. Application of Section 1-163. To the extent
18 that any provision of this Article conflicts with Section
19 1-163, Section 1-163 controls, except for a conflict that
20 would diminish or impair a benefit of membership in a pension
21 or retirement system of the State.

22 (40 ILCS 5/7-226 new)

1 Sec. 7-226. Application of Section 1-163. To the extent
2 that any provision of this Article conflicts with Section
3 1-163, Section 1-163 controls, except for a conflict that
4 would diminish or impair a benefit of membership in a pension
5 or retirement system of the State.

6 (40 ILCS 5/8-251.5 new)

7 Sec. 8-251.5. Application of Section 1-163. To the extent
8 that any provision of this Article conflicts with Section
9 1-163, Section 1-163 controls, except for a conflict that
10 would diminish or impair a benefit of membership in a pension
11 or retirement system of the State.

12 (40 ILCS 5/9-242 new)

13 Sec. 9-242. Application of Section 1-163. To the extent
14 that any provision of this Article conflicts with Section
15 1-163, Section 1-163 controls, except for a conflict that
16 would diminish or impair a benefit of membership in a pension
17 or retirement system of the State.

18 (40 ILCS 5/10-110 new)

19 Sec. 10-110. Application of Section 1-163. To the extent
20 that any provision of this Article conflicts with Section
21 1-163, Section 1-163 controls, except for a conflict that
22 would diminish or impair a benefit of membership in a pension
23 or retirement system of the State.

1 (40 ILCS 5/11-233 new)

2 Sec. 11-233. Application of Section 1-163. To the extent
3 that any provision of this Article conflicts with Section
4 1-163, Section 1-163 controls, except for a conflict that
5 would diminish or impair a benefit of membership in a pension
6 or retirement system of the State.

7 (40 ILCS 5/12-196 new)

8 Sec. 12-196. Application of Section 1-163. To the extent
9 that any provision of this Article conflicts with Section
10 1-163, Section 1-163 controls, except for a conflict that
11 would diminish or impair a benefit of membership in a pension
12 or retirement system of the State.

13 (40 ILCS 5/13-217 new)

14 Sec. 13-217. Application of Section 1-163. To the extent
15 that any provision of this Article conflicts with Section
16 1-163, Section 1-163 controls, except for a conflict that
17 would diminish or impair a benefit of membership in a pension
18 or retirement system of the State.

19 (40 ILCS 5/14-157 new)

20 Sec. 14-157. Application of Section 1-163. To the extent
21 that any provision of this Article conflicts with Section
22 1-163, Section 1-163 controls, except for a conflict that

1 would diminish or impair a benefit of membership in a pension
2 or retirement system of the State.

3 (40 ILCS 5/15-203 new)

4 Sec. 15-203. Application of Section 1-163. To the extent
5 that any provision of this Article conflicts with Section
6 1-163, Section 1-163 controls, except for a conflict that
7 would diminish or impair a benefit of membership in a pension
8 or retirement system of the State.

9 (40 ILCS 5/16-207 new)

10 Sec. 16-207. Application of Section 1-163. To the extent
11 that any provision of this Article conflicts with Section
12 1-163, Section 1-163 controls, except for a conflict that
13 would diminish or impair a benefit of membership in a pension
14 or retirement system of the State.

15 (40 ILCS 5/17-160 new)

16 Sec. 17-160. Application of Section 1-163. To the extent
17 that any provision of this Article conflicts with Section
18 1-163, Section 1-163 controls, except for a conflict that
19 would diminish or impair a benefit of membership in a pension
20 or retirement system of the State.

21 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

22 Sec. 18-125. Retirement annuity amount.

1 (a) The annual retirement annuity for a participant who
2 terminated service as a judge prior to July 1, 1971 shall be
3 based on the law in effect at the time of termination of
4 service.

5 (b) Except as provided in subsection (b-5), effective July
6 1, 1971, the retirement annuity for any participant in service
7 on or after such date shall be 3 1/2% of final average salary,
8 as defined in this Section, for each of the first 10 years of
9 service, and 5% of such final average salary for each year of
10 service in excess of 10.

11 For purposes of this Section, final average salary for a
12 participant who first serves as a judge before August 10, 2009
13 (the effective date of Public Act 96-207) shall be:

14 (1) the average salary for the last 4 years of
15 credited service as a judge for a participant who
16 terminates service before July 1, 1975.

17 (2) for a participant who terminates service after
18 June 30, 1975 and before July 1, 1982, the salary on the
19 last day of employment as a judge.

20 (3) for any participant who terminates service after
21 June 30, 1982 and before January 1, 1990, the average
22 salary for the final year of service as a judge.

23 (4) for a participant who terminates service on or
24 after January 1, 1990 but before July 14, 1995 (the
25 effective date of Public Act 89-136), the salary on the
26 last day of employment as a judge.

1 (5) for a participant who terminates service on or
2 after July 14, 1995 (the effective date of Public Act
3 89-136), the salary on the last day of employment as a
4 judge, or the highest salary received by the participant
5 for employment as a judge in a position held by the
6 participant for at least 4 consecutive years, whichever is
7 greater.

8 However, in the case of a participant who elects to
9 discontinue contributions as provided in subdivision (a)(2) of
10 Section 18-133, the time of such election shall be considered
11 the last day of employment in the determination of final
12 average salary under this subsection.

13 For a participant who first serves as a judge on or after
14 August 10, 2009 (the effective date of Public Act 96-207) and
15 before January 1, 2011 (the effective date of Public Act
16 96-889), final average salary shall be the average monthly
17 salary obtained by dividing the total salary of the
18 participant during the period of: (1) the 48 consecutive
19 months of service within the last 120 months of service in
20 which the total compensation was the highest, or (2) the total
21 period of service, if less than 48 months, by the number of
22 months of service in that period.

23 The maximum retirement annuity for any participant shall
24 be 85% of final average salary.

25 (b-5) Notwithstanding any other provision of this Article,
26 for a participant who first serves as a judge on or after

1 January 1, 2011 (the effective date of Public Act 96-889), the
2 annual retirement annuity is 3% of the participant's final
3 average salary for each year of service. The maximum
4 retirement annuity payable shall be 60% of the participant's
5 final average salary.

6 For a participant who first serves as a judge on or after
7 January 1, 2011 (the effective date of Public Act 96-889),
8 final average salary shall be the average monthly salary
9 obtained by dividing the total salary of the judge during the
10 96 consecutive months of service within the last 120 months of
11 service in which the total salary was the highest by the number
12 of months of service in that period; however, beginning
13 January 1, 2011 and until January 1, 2026, the annual salary
14 may not exceed \$106,800, except that that amount shall
15 annually thereafter be increased by the lesser of (i) 3% of
16 that amount, including all previous adjustments, or (ii) the
17 annual unadjusted percentage increase (but not less than zero)
18 in the consumer price index-u for the 12 months ending with the
19 September preceding each November 1. "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 Board

1 by November 1st of each year.

2 Beginning January 1, 2026, for a participant who first
3 serves as a judge on or after January 1, 2011, the annual
4 salary shall not exceed the Social Security wage base for the
5 applicable plan year. In this subsection, "Social Security
6 wage base" means the contribution and benefit base calculated
7 for the calendar year in question by the Commissioner of
8 Social Security under Section 230 of the federal Social
9 Security Act (42 U.S.C. 430). However, in no event shall the
10 highest salary for annuity purposes exceed any limitation
11 imposed on annual salary under Section 1-117. Under no
12 circumstances shall the maximum amount of annual salary be
13 greater than the amount set forth in this subsection as a
14 result of reciprocal service or any provisions regarding
15 reciprocal services, nor shall the System be required to pay
16 any refund as a result of the application of the limitation on
17 annual salary.

18 Nothing in the changes made to this Section by this
19 amendatory Act of the 104th General Assembly shall cause or
20 otherwise result in any retroactive adjustment of any employee
21 contributions. Nothing in this Section shall cause or
22 otherwise result in any retroactive adjustment of benefit
23 payments made between January 1, 2011 and January 1, 2026.

24 With regard to a participant's salary received on or after
25 January 1, 2011 and before January 1, 2026, if the participant
26 is in service on or after January 1, 2026, then the limitation

1 on highest salary for annuity purposes shall be retroactively
2 increased to an amount equal to the Social Security wage base
3 for that year. The retroactive increase in the salary
4 limitation under this paragraph does not require a participant
5 to make any additional contribution to the System.

6 (c) The retirement annuity for a participant who retires
7 prior to age 60 with less than 28 years of service in the
8 System shall be reduced 1/2 of 1% for each month that the
9 participant's age is under 60 years at the time the annuity
10 commences. However, for a participant who retires on or after
11 December 10, 1999 (the effective date of Public Act 91-653),
12 the percentage reduction in retirement annuity imposed under
13 this subsection shall be reduced by 5/12 of 1% for every month
14 of service in this System in excess of 20 years, and therefore
15 a participant with at least 26 years of service in this System
16 may retire at age 55 without any reduction in annuity.

17 The reduction in retirement annuity imposed by this
18 subsection shall not apply in the case of retirement on
19 account of disability.

20 (d) Notwithstanding any other provision of this Article,
21 for a participant who first serves as a judge on or after
22 January 1, 2011 (the effective date of Public Act 96-889) and
23 who is retiring after attaining age 62, the retirement annuity
24 shall be reduced by 1/2 of 1% for each month that the
25 participant's age is under age 67 at the time the annuity
26 commences.

1 (Source: P.A. 100-201, eff. 8-18-17.)

2 Article 2.

3 Section 2-5. The Illinois Pension Code is amended by
4 changing Sections 1-160, 2-108.1, 3-111, 4-109, 5-238, 6-229,
5 7-116, 7-142.1, 15-112, and 18-125 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 or participant under Article 16 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 elects under
25 subsection (c-5) of Section 1-161 to receive the benefits
26 under Section 1-161.

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

8 (a-5) In this Section, "affected member or participant"
9 means a member or participant to whom this Section applies and
10 who is an active member or participant on or after January 1,
11 2026; except that "affected member or participant" does not
12 include a member or participant under Article 22.

13 (b) For a person who is not an affected member or
14 participant, "final "Final average salary" means, except as
15 otherwise provided in this subsection, the average monthly (or
16 annual) salary obtained by dividing the total salary or
17 earnings calculated under the Article applicable to the member
18 or participant during the 96 consecutive months (or 8
19 consecutive years) of service within the last 120 months (or
20 10 years) of service in which the total salary or earnings
21 calculated under the applicable Article was the highest by the
22 number of months (or years) of service in that period. For the
23 purposes of a person who is not an affected member or
24 participant ~~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 For an affected member or participant, "final average
13 salary" means:

14 (1) For Articles 8, 9, 10, 11, and 12, the highest
15 average annual salary for any 4 consecutive years within
16 the last 10 years of service immediately preceding the
17 date of withdrawal.

18 (2) For Article 13, the highest average monthly salary
19 as calculated by accumulating the salary for the highest
20 520 consecutive paid days of service within the last 10
21 years of service immediately preceding the date of
22 retirement and dividing by 24. If the employee is paid for
23 any portion of a workday, the fraction of the day worked
24 and the salary for that fraction of the day shall be
25 counted in accordance with the administrative rules of the
26 Fund established under Article 13.

1 (3) For Article 14, unless the member or participant
2 is entitled to an annuity under Section 14-110 and has at
3 least 20 years of eligible creditable service as defined
4 in Section 14-110, the monthly compensation obtained by
5 dividing the total compensation of an employee during the
6 period of: (1) the 48 consecutive months of service within
7 the last 120 months of service in which the total
8 compensation was the highest or (2) the total period of
9 service, if less than 48 months, by the number of months of
10 service in such period; however, for purposes of a
11 retirement annuity, the average compensation for the last
12 12 months of the 48-month period shall not exceed the
13 final average compensation by more than 25%.

14 (4) For Article 14, if the member or participant is
15 entitled to an annuity under Section 14-110 and has at
16 least 20 years of eligible creditable service as defined
17 in Section 14-110, the monthly rate of compensation
18 received by the member or participant on the last day of
19 eligible creditable service (but not to exceed 115% of the
20 average monthly compensation received by the member or
21 participant for the last 24 months of service) or the
22 average monthly compensation received by the member or
23 participant for the last 48 months of service prior to
24 retirement, whichever is greater.

25 (5) For Article 17, the average annual rate of salary
26 for the 4 consecutive years of validated service within

1 the last 10 years of service when such average annual rate
2 was highest.

3 A member of the Teachers' Retirement System of the State
4 of Illinois who retires on or after June 1, 2021 and for whom
5 the 2020-2021 school year is used in the calculation of the
6 member's final average salary shall use the higher of the
7 following for the purpose of determining the member's final
8 average salary:

9 (A) the amount otherwise calculated under the first
10 paragraph of this subsection; or

11 (B) an amount calculated by the Teachers' Retirement
12 System of the State of Illinois using the average of the
13 monthly (or annual) salary obtained by dividing the total
14 salary or earnings calculated under Article 16 applicable
15 to the member or participant during the 96 months (or 8
16 years) of service within the last 120 months (or 10 years)
17 of service in which the total salary or earnings
18 calculated under the Article was the highest by the number
19 of months (or years) of service in that period.

20 (b-5) Beginning on January 1, 2011, for all purposes under
21 this Code (including without limitation the calculation of
22 benefits and employee contributions), the annual earnings,
23 salary, or wages (based on the plan year) of a member or
24 participant to whom this Section applies shall not exceed
25 \$106,800; however, that amount shall annually thereafter be
26 increased by the lesser of (i) 3% of that amount, including all

1 previous adjustments, or (ii) one-half the annual unadjusted
2 percentage increase (but not less than zero) in the consumer
3 price index-u for the 12 months ending with the September
4 preceding each November 1, including all previous adjustments.

5 For the purposes of this Section, "consumer price index-u"
6 means the index published by the Bureau of Labor Statistics of
7 the United States Department of Labor that measures the
8 average change in prices of goods and services purchased by
9 all urban consumers, United States city average, all items,
10 1982-84 = 100. The new amount resulting from each annual
11 adjustment shall be determined by the Public Pension Division
12 of the Department of Insurance and made available to the
13 boards of the retirement systems and pension funds by November
14 1 of each year.

15 (b-10) Beginning on January 1, 2024, for all purposes
16 under this Code (including, without limitation, the
17 calculation of benefits and employee contributions), the
18 annual earnings, salary, or wages (based on the plan year) of a
19 member or participant under Article 9 to whom this Section
20 applies shall include an annual earnings, salary, or wage cap
21 that tracks the Social Security wage base. Maximum annual
22 earnings, wages, or salary shall be the annual contribution
23 and benefit base established for the applicable year by the
24 Commissioner of the Social Security Administration under the
25 federal Social Security Act.

26 However, in no event shall the annual earnings, salary, or

1 wages for the purposes of this Article and Article 9 exceed any
2 limitation imposed on annual earnings, salary, or wages under
3 Section 1-117. Under no circumstances shall the maximum amount
4 of annual earnings, salary, or wages be greater than the
5 amount set forth in this subsection (b-10) as a result of
6 reciprocal service or any provisions regarding reciprocal
7 services, nor shall the Fund under Article 9 be required to pay
8 any refund as a result of the application of this maximum
9 annual earnings, salary, and wage cap.

10 Nothing in this subsection (b-10) shall cause or otherwise
11 result in any retroactive adjustment of any employee
12 contributions. Nothing in this subsection (b-10) shall cause
13 or otherwise result in any retroactive adjustment of
14 disability or other payments made between January 1, 2011 and
15 January 1, 2024.

16 (c) A member or participant is entitled to a retirement
17 annuity upon written application if he or she has attained age
18 67 (age 65, with respect to service under Article 12 that is
19 subject to this Section, for a member or participant under
20 Article 12 who first becomes a member or participant under
21 Article 12 on or after January 1, 2022 or who makes the
22 election under item (i) of subsection (d-15) of this Section)
23 and has at least 10 years of service credit and is otherwise
24 eligible under the requirements of the applicable Article.

25 A member or participant who has attained age 62 (age 60,
26 with respect to service under Article 12 that is subject to

1 this Section, for a member or participant under Article 12 who
2 first becomes a member or participant under Article 12 on or
3 after January 1, 2022 or who makes the election under item (i)
4 of subsection (d-15) of this Section) and has at least 10 years
5 of service credit and is otherwise eligible under the
6 requirements of the applicable Article may elect to receive
7 the lower retirement annuity provided in subsection (d) of
8 this Section.

9 (c-5) A person who first becomes a member or a participant
10 subject to this Section on or after July 6, 2017 (the effective
11 date of Public Act 100-23), notwithstanding any other
12 provision of this Code to the contrary, is entitled to a
13 retirement annuity under Article 8 or Article 11 upon written
14 application if he or she has attained age 65 and has at least
15 10 years of service credit and is otherwise eligible under the
16 requirements of Article 8 or Article 11 of this Code,
17 whichever is applicable.

18 (d) The retirement annuity of a member or participant who
19 is retiring after attaining age 62 (age 60, with respect to
20 service under Article 12 that is subject to this Section, for a
21 member or participant under Article 12 who first becomes a
22 member or participant under Article 12 on or after January 1,
23 2022 or who makes the election under item (i) of subsection
24 (d-15) of this Section) with at least 10 years of service
25 credit shall be reduced by one-half of 1% for each full month
26 that the member's age is under age 67 (age 65, with respect to

1 service under Article 12 that is subject to this Section, for a
2 member or participant under Article 12 who first becomes a
3 member or participant under Article 12 on or after January 1,
4 2022 or who makes the election under item (i) of subsection
5 (d-15) of this Section).

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

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

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

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

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

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

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

17 (i) to be eligible for the reduced retirement age
18 specified in subsections (c) and (d) of this Section, the
19 eligibility for which is conditioned upon the member or
20 participant agreeing to the increase in employee
21 contributions for service annuities specified in
22 subsection (b) of Section 12-150; or

23 (ii) to not agree to item (i) of this subsection
24 (d-15), in which case the member or participant shall not
25 be eligible for the reduced retirement age specified in
26 subsections (c) and (d) of this Section and shall not be

1 subject to the increase in employee contributions for
2 service annuities specified in subsection (b) of Section
3 12-150.

4 The election provided for in this subsection shall be made
5 between January 1, 2022 and April 1, 2022. A person subject to
6 this subsection who makes the required election shall remain
7 bound by that election. A person subject to this subsection
8 who fails for any reason to make the required election within
9 the time specified in this subsection shall be deemed to have
10 made the election under item (ii).

11 (e) Any retirement annuity or supplemental annuity shall
12 be subject to annual increases on the January 1 occurring
13 either on or after the attainment of age 67 (age 65, with
14 respect to service under Article 12 that is subject to this
15 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); and beginning on July 6, 2017 (the
19 effective date of Public Act 100-23), age 65 with respect to
20 service under Article 8 or Article 11 for eligible persons
21 who: (i) are subject to subsection (c-5) of this Section; or
22 (ii) made the election under item (i) of subsection (d-10) of
23 this Section) or the first anniversary of the annuity start
24 date, whichever is later. Each annual increase shall be
25 calculated at 3% or one-half the annual unadjusted percentage
26 increase (but not less than zero) in the consumer price

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

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

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

17 (f) The initial survivor's or widow's annuity of an
18 otherwise eligible survivor or widow of a retired member or
19 participant who first became a member or participant on or
20 after January 1, 2011 shall be in the amount of 66 2/3% of the
21 retired member's or participant's retirement annuity at the
22 date of death. In the case of the death of a member or
23 participant who has not retired and who first became a member
24 or participant on or after January 1, 2011, eligibility for a
25 survivor's or widow's annuity shall be determined by the
26 applicable Article of this Code. The initial benefit shall be

1 66 2/3% of the earned annuity without a reduction due to age. A
2 child's annuity of an otherwise eligible child shall be in the
3 amount prescribed under each Article if applicable. Any
4 survivor's or widow's annuity shall be increased (1) on each
5 January 1 occurring on or after the commencement of the
6 annuity if the deceased member died while receiving a
7 retirement annuity or (2) in other cases, on each January 1
8 occurring after the first anniversary of the commencement of
9 the annuity. Each annual increase shall be calculated at 3% or
10 one-half the annual unadjusted percentage increase (but not
11 less than zero) in the consumer price index-u for the 12 months
12 ending with the September preceding each November 1, whichever
13 is less, of the originally granted survivor's annuity. If the
14 annual unadjusted percentage change in the consumer price
15 index-u for the 12 months ending with the September preceding
16 each November 1 is zero or there is a decrease, then the
17 annuity shall not be increased.

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

1 annuity, only if the person has withdrawn from service with
2 not less than 20 years of eligible creditable service and has
3 attained age 60, regardless of whether the attainment of age
4 60 occurs while the person is still in service.

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

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

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

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

26 (i) (Blank).

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

4 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
5 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
6 5-6-22.)

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

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
24 7-109.4 of this Code or who participated in a retirement
25 system under Article 15 prior to January 1, 2011 shall be

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

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

15 This Section does not apply to a person who first becomes a
16 member or participant under Article 16 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 elects under
23 subsection (c-5) of Section 1-161 to receive the benefits
24 under Section 1-161.

25 This Section does not apply to a person who first becomes a
26 member or participant of an affected pension fund on or after 6

1 months after the resolution or ordinance date, as defined in
2 Section 1-162, unless that person elects under subsection (c)
3 of Section 1-162 to receive the benefits provided under this
4 Section and the applicable provisions of the Article under
5 which he or she is a member or participant.

6 (a-5) In this Section, "affected member or participant"
7 means a member or participant to whom this Section applies and
8 who is an active member or participant on or after January 1,
9 2026; except that "affected member or participant" does not
10 include a member or participant under Article 22.

11 (b) For a person who is not an affected member or
12 participant, "final "Final average salary" means, except as
13 otherwise provided in this subsection, the average monthly (or
14 annual) salary obtained by dividing the total salary or
15 earnings calculated under the Article applicable to the member
16 or participant during the 96 consecutive months (or 8
17 consecutive years) of service within the last 120 months (or
18 10 years) of service in which the total salary or earnings
19 calculated under the applicable Article was the highest by the
20 number of months (or years) of service in that period. For the
21 purposes of a person who is not an affected member or
22 participant ~~first becomes a member or participant of any~~
23 ~~retirement system or pension fund to which this Section~~
24 ~~applies on or after January 1, 2011,~~ in this Code, "final
25 average salary" shall be substituted for the following:

26 (1) (Blank).

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

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

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

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

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

10 For an affected member or participant, "final average
11 salary" means:

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

16 (2) For Article 13, the highest average monthly salary
17 as calculated by accumulating the salary for the highest
18 520 consecutive paid days of service within the last 10
19 years of service immediately preceding the date of
20 retirement and dividing by 24. If the employee is paid for
21 any portion of a workday, the fraction of the day worked
22 and the salary for that fraction of the day shall be
23 counted in accordance with the administrative rules of the
24 Fund established under Article 13.

25 (3) For Article 14, unless the member or participant
26 is entitled to an annuity under Section 14-110 and has at

1 least 20 years of eligible creditable service as defined
2 in Section 14-110, the monthly compensation obtained by
3 dividing the total compensation of an employee during the
4 period of: (1) the 48 consecutive months of service within
5 the last 120 months of service in which the total
6 compensation was the highest or (2) the total period of
7 service, if less than 48 months, by the number of months of
8 service in such period; however, for purposes of a
9 retirement annuity, the average compensation for the last
10 12 months of the 48-month period shall not exceed the
11 final average compensation by more than 25%.

12 (4) For Article 14, if the member or participant is
13 entitled to an annuity under Section 14-110 and has at
14 least 20 years of eligible creditable service as defined
15 in Section 14-110, the monthly rate of compensation
16 received by the member or participant on the last day of
17 eligible creditable service (but not to exceed 115% of the
18 average monthly compensation received by the member or
19 participant for the last 24 months of service) or the
20 average monthly compensation received by the member or
21 participant for the last 48 months of service prior to
22 retirement, whichever is greater.

23 (5) For Article 17, the average annual rate of salary
24 for the 4 consecutive years of validated service within
25 the last 10 years of service when such average annual rate
26 was highest.

1 A member of the Teachers' Retirement System of the State
2 of Illinois who retires on or after June 1, 2021 and for whom
3 the 2020-2021 school year is used in the calculation of the
4 member's final average salary shall use the higher of the
5 following for the purpose of determining the member's final
6 average salary:

7 (A) the amount otherwise calculated under the first
8 paragraph of this subsection; or

9 (B) an amount calculated by the Teachers' Retirement
10 System of the State of Illinois using the average of the
11 monthly (or annual) salary obtained by dividing the total
12 salary or earnings calculated under Article 16 applicable
13 to the member or participant during the 96 months (or 8
14 years) of service within the last 120 months (or 10 years)
15 of service in which the total salary or earnings
16 calculated under the Article was the highest by the number
17 of months (or years) of service in that period.

18 (b-5) Beginning on January 1, 2011, for all purposes under
19 this Code (including without limitation the calculation of
20 benefits and employee contributions), the annual earnings,
21 salary, or wages (based on the plan year) of a member or
22 participant to whom this Section applies shall not exceed
23 \$106,800; however, that amount shall annually thereafter be
24 increased by the lesser of (i) 3% of that amount, including all
25 previous adjustments, or (ii) one-half the annual unadjusted
26 percentage increase (but not less than zero) in the consumer

1 price index-u for the 12 months ending with the September
2 preceding each November 1, including all previous adjustments.

3 For the purposes of this Section, "consumer price index-u"
4 means the index published by the Bureau of Labor Statistics of
5 the United States Department of Labor that measures the
6 average change in prices of goods and services purchased by
7 all urban consumers, United States city average, all items,
8 1982-84 = 100. The new amount resulting from each annual
9 adjustment shall be determined by the Public Pension Division
10 of the Department of Insurance and made available to the
11 boards of the retirement systems and pension funds by November
12 1 of each year.

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

24 However, in no event shall the annual earnings, salary, or
25 wages for the purposes of this Article and Article 9 exceed any
26 limitation imposed on annual earnings, salary, or wages under

1 Section 1-117. Under no circumstances shall the maximum amount
2 of annual earnings, salary, or wages be greater than the
3 amount set forth in this subsection (b-10) as a result of
4 reciprocal service or any provisions regarding reciprocal
5 services, nor shall the Fund under Article 9 be required to pay
6 any refund as a result of the application of this maximum
7 annual earnings, salary, and wage cap.

8 Nothing in this subsection (b-10) shall cause or otherwise
9 result in any retroactive adjustment of any employee
10 contributions. Nothing in this subsection (b-10) shall cause
11 or otherwise result in any retroactive adjustment of
12 disability or other payments made between January 1, 2011 and
13 January 1, 2024.

14 (c) A member or participant is entitled to a retirement
15 annuity upon written application if he or she has attained age
16 67 (age 65, with respect to service under Article 12 that is
17 subject to this Section, for a member or participant under
18 Article 12 who first becomes a member or participant under
19 Article 12 on or after January 1, 2022 or who makes the
20 election under item (i) of subsection (d-15) of this Section)
21 and has at least 10 years of service credit and is otherwise
22 eligible under the requirements of the applicable Article.

23 A member or participant who has attained age 62 (age 60,
24 with respect to service under Article 12 that is subject to
25 this Section, for a member or participant under Article 12 who
26 first becomes a member or participant under Article 12 on or

1 after January 1, 2022 or who makes the election under item (i)
2 of subsection (d-15) of this Section) and has at least 10 years
3 of service credit and is otherwise eligible under the
4 requirements of the applicable Article may elect to receive
5 the lower retirement annuity provided in subsection (d) of
6 this Section.

7 (c-5) A person who first becomes a member or a participant
8 subject to this Section on or after July 6, 2017 (the effective
9 date of Public Act 100-23), notwithstanding any other
10 provision of this Code to the contrary, is entitled to a
11 retirement annuity under Article 8 or Article 11 upon written
12 application if he or she has attained age 65 and has at least
13 10 years of service credit and is otherwise eligible under the
14 requirements of Article 8 or Article 11 of this Code,
15 whichever is applicable.

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

1 member or participant under Article 12 on or after January 1,
2 2022 or who makes the election under item (i) of subsection
3 (d-15) of this Section).

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

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

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

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

1 subsection (a) of Section 8-174 of this Code (for service
2 under Article 8) or subsection (a) of Section 11-170 of
3 this Code (for service under Article 11).

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

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

15 (i) to be eligible for the reduced retirement age
16 specified in subsections (c) and (d) of this Section, the
17 eligibility for which is conditioned upon the member or
18 participant agreeing to the increase in employee
19 contributions for service annuities specified in
20 subsection (b) of Section 12-150; or

21 (ii) to not agree to item (i) of this subsection
22 (d-15), in which case the member or participant shall not
23 be eligible for the reduced retirement age specified in
24 subsections (c) and (d) of this Section and shall not be
25 subject to the increase in employee contributions for
26 service annuities specified in subsection (b) of Section

1 12-150.

2 The election provided for in this subsection shall be made
3 between January 1, 2022 and April 1, 2022. A person subject to
4 this subsection who makes the required election shall remain
5 bound by that election. A person subject to this subsection
6 who fails for any reason to make the required election within
7 the time specified in this subsection shall be deemed to have
8 made the election under item (ii).

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

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

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

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

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

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

16 (g) The benefits in Section 14-110 apply only if the
17 person is a State policeman, a fire fighter in the fire
18 protection service of a department, a conservation police
19 officer, an investigator for the Secretary of State, an arson
20 investigator, a Commerce Commission police officer,
21 investigator for the Department of Revenue or the Illinois
22 Gaming Board, a security employee of the Department of
23 Corrections or the Department of Juvenile Justice, or a
24 security employee of the Department of Innovation and
25 Technology, as those terms are defined in subsection (b) and
26 subsection (c) of Section 14-110. A person who meets the

1 requirements of this Section is entitled to an annuity
2 calculated under the provisions of Section 14-110, in lieu of
3 the regular or minimum retirement annuity, only if the person
4 has withdrawn from service with not less than 20 years of
5 eligible creditable service and has attained age 60,
6 regardless of whether the attainment of age 60 occurs while
7 the person is still in service.

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

22 If a person who first becomes a member of a retirement
23 system or pension fund subject to this Section on or after
24 January 1, 2012 and is receiving a retirement annuity or
25 retirement pension under that system or fund and accepts on a
26 contractual basis a position to provide services to a

1 governmental entity from which he or she has retired, then
2 that person's annuity or retirement pension earned as an
3 active employee of the employer shall be suspended during that
4 contractual service. A person receiving an annuity or
5 retirement pension under this Code shall notify the pension
6 fund or retirement system from which he or she is receiving an
7 annuity or retirement pension, as well as his or her
8 contractual employer, of his or her retirement status before
9 accepting contractual employment. A person who fails to submit
10 such notification shall be guilty of a Class A misdemeanor and
11 required to pay a fine of \$1,000. Upon termination of that
12 contractual employment, the person's retirement annuity or
13 retirement pension payments shall resume and, if appropriate,
14 be recalculated under the applicable provisions of this Code.

15 (i) (Blank).

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

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

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

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

24 (a) The provisions of this Section apply to a person who,
25 on or after January 1, 2011, first becomes a member or a

1 participant under any reciprocal retirement system or pension
2 fund established under this Code, other than a retirement
3 system or pension fund established under Article 2, 3, 4, 5, 6,
4 7, 15, or 18 of this Code, notwithstanding any other provision
5 of this Code to the contrary, but do not apply to any
6 self-managed plan established under this Code or to any
7 participant of the retirement plan established under Section
8 22-101; except that this Section applies to a person who
9 elected to establish alternative credits by electing in
10 writing after January 1, 2011, but before August 8, 2011,
11 under Section 7-145.1 of this Code. Notwithstanding anything
12 to the contrary in this Section, for purposes of this Section,
13 a person who is a Tier 1 regular employee as defined in Section
14 7-109.4 of this Code or who participated in a retirement
15 system under Article 15 prior to January 1, 2011 shall be
16 deemed a person who first became a member or participant prior
17 to January 1, 2011 under any retirement system or pension fund
18 subject to this Section. The changes made to this Section by
19 Public Act 98-596 are a clarification of existing law and are
20 intended to be retroactive to January 1, 2011 (the effective
21 date of Public Act 96-889), notwithstanding the provisions of
22 Section 1-103.1 of this Code.

23 This Section does not apply to a person who first becomes a
24 noncovered employee under Article 14 on or after the
25 implementation date of the plan created under Section 1-161
26 for that Article, unless that person elects under subsection

1 (b) of Section 1-161 to instead receive the benefits provided
2 under this Section and the applicable provisions of that
3 Article.

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

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

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

21 (a-5) In this Section, "affected member or participant"
22 means a member or participant to whom this Section applies and
23 who is an active member or participant on or after January 1,
24 2026; except that "affected member or participant" does not
25 include a member or participant under Article 22.

26 (b) For a person who is not an affected member or

1 participant, "final ~~"Final~~ average salary" means, except as
2 otherwise provided in this subsection, the average monthly (or
3 annual) salary obtained by dividing the total salary or
4 earnings calculated under the Article applicable to the member
5 or participant during the 96 consecutive months (or 8
6 consecutive years) of service within the last 120 months (or
7 10 years) of service in which the total salary or earnings
8 calculated under the applicable Article was the highest by the
9 number of months (or years) of service in that period. For the
10 purposes of a person who is not an affected member or
11 participant ~~first becomes a member or participant of any~~
12 ~~retirement system or pension fund to which this Section~~
13 ~~applies on or after January 1, 2011,~~ in this Code, "final
14 average salary" shall be substituted for the following:

15 (1) (Blank).

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average
17 annual salary for any 4 consecutive years within the last
18 10 years of service immediately preceding the date of
19 withdrawal".

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

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

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

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

25 For an affected member or participant, "final average
26 salary" means:

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

5 (2) For Article 13, the highest average monthly salary
6 as calculated by accumulating the salary for the highest
7 520 consecutive paid days of service within the last 10
8 years of service immediately preceding the date of
9 retirement and dividing by 24. If the employee is paid for
10 any portion of a workday, the fraction of the day worked
11 and the salary for that fraction of the day shall be
12 counted in accordance with the administrative rules of the
13 Fund established under Article 13.

14 (3) For Article 14, unless the member or participant
15 is entitled to an annuity under Section 14-110 and has at
16 least 20 years of eligible creditable service as defined
17 in Section 14-110, the monthly compensation obtained by
18 dividing the total compensation of an employee during the
19 period of: (1) the 48 consecutive months of service within
20 the last 120 months of service in which the total
21 compensation was the highest or (2) the total period of
22 service, if less than 48 months, by the number of months of
23 service in such period; however, for purposes of a
24 retirement annuity, the average compensation for the last
25 12 months of the 48-month period shall not exceed the
26 final average compensation by more than 25%.

1 (4) For Article 14, if the member or participant is
2 entitled to an annuity under Section 14-110 and has at
3 least 20 years of eligible creditable service as defined
4 in Section 14-110, the monthly rate of compensation
5 received by the member or participant on the last day of
6 eligible creditable service (but not to exceed 115% of the
7 average monthly compensation received by the member or
8 participant for the last 24 months of service) or the
9 average monthly compensation received by the member or
10 participant for the last 48 months of service prior to
11 retirement, whichever is greater.

12 (5) For Article 17, the average annual rate of salary
13 for the 4 consecutive years of validated service within
14 the last 10 years of service when such average annual rate
15 was highest.

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

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

24 (B) an amount calculated by the Teachers' Retirement
25 System of the State of Illinois using the average of the
26 monthly (or annual) salary obtained by dividing the total

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

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

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

1 1 of each year.

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

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

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

1 disability or other payments made between January 1, 2011 and
2 January 1, 2024.

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

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

22 (c-5) A person who first becomes a member or a participant
23 subject to this Section on or after July 6, 2017 (the effective
24 date of Public Act 100-23), notwithstanding any other
25 provision of this Code to the contrary, is entitled to a
26 retirement annuity under Article 8 or Article 11 upon written

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

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

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

24 (d-10) Each person who first became a member or
25 participant under Article 8 or Article 11 of this Code on or
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election
2 either:

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

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

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

26 (d-15) Each person who first becomes a member or

1 participant under Article 12 on or after January 1, 2011 and
2 prior to January 1, 2022 shall make an irrevocable election
3 either:

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

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

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

24 (e) Any retirement annuity or supplemental annuity shall
25 be subject to annual increases on the January 1 occurring
26 either on or after the attainment of age 67 (age 65, with

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

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

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 100-23 are

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

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

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

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

24 (h) If a person who first becomes a member or a participant
25 of a retirement system or pension fund subject to this Section
26 on or after January 1, 2011 is receiving a retirement annuity

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

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

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

5 (i) (Blank).

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

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

12 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

13 (Text of Section WITHOUT the changes made by P.A. 98-599,
14 which has been held unconstitutional)

15 Sec. 2-108.1. Highest salary for annuity purposes.

16 (a) "Highest salary for annuity purposes" means whichever
17 of the following is applicable to the participant:

18 For a participant who first becomes a participant of this
19 System before August 10, 2009 (the effective date of Public
20 Act 96-207):

21 (1) For a participant who is a member of the General
22 Assembly on his or her last day of service: the highest
23 salary that is prescribed by law, on the participant's
24 last day of service, for a member of the General Assembly
25 who is not an officer; plus, if the participant was

1 elected or appointed to serve as an officer of the General
2 Assembly for 2 or more years and has made contributions as
3 required under subsection (d) of Section 2-126, the
4 highest additional amount of compensation prescribed by
5 law, at the time of the participant's service as an
6 officer, for members of the General Assembly who serve in
7 that office.

8 (2) For a participant who holds one of the State
9 executive offices specified in Section 2-105 on his or her
10 last day of service: the highest salary prescribed by law
11 for service in that office on the participant's last day
12 of service.

13 (3) For a participant who is Clerk or Assistant Clerk
14 of the House of Representatives or Secretary or Assistant
15 Secretary of the Senate on his or her last day of service:
16 the salary received for service in that capacity on the
17 last day of service, but not to exceed the highest salary
18 (including additional compensation for service as an
19 officer) that is prescribed by law on the participant's
20 last day of service for the highest paid officer of the
21 General Assembly.

22 (4) For a participant who is a continuing participant
23 under Section 2-117.1 on his or her last day of service:
24 the salary received for service in that capacity on the
25 last day of service, but not to exceed the highest salary
26 (including additional compensation for service as an

1 officer) that is prescribed by law on the participant's
2 last day of service for the highest paid officer of the
3 General Assembly.

4 For a participant who first becomes a participant of this
5 System on or after August 10, 2009 (the effective date of
6 Public Act 96-207) and before January 1, 2011 (the effective
7 date of Public Act 96-889), the average monthly salary
8 obtained by dividing the total salary of the participant
9 during the period of: (1) the 48 consecutive months of service
10 within the last 120 months of service in which the total
11 compensation was the highest, or (2) the total period of
12 service, if less than 48 months, by the number of months of
13 service in that period.

14 For a participant who first becomes a participant of this
15 System on or after January 1, 2011 (the effective date of
16 Public Act 96-889) and who is not in service on or after
17 January 1, 2026, the average monthly salary obtained by
18 dividing the total salary of the participant during the 96
19 consecutive months of service within the last 120 months of
20 service in which the total compensation was the highest by the
21 number of months of service in that period; however, beginning
22 January 1, 2011, the highest salary for annuity purposes may
23 not exceed \$106,800, except that that amount shall annually
24 thereafter be increased by the lesser of (i) 3% of that amount,
25 including all previous adjustments, or (ii) the annual
26 unadjusted percentage increase (but not less than zero) in the

1 consumer price index-u for the 12 months ending with the
2 September preceding each November 1. "Consumer price index-u"
3 means the index published by the Bureau of Labor Statistics of
4 the United States Department of Labor that measures the
5 average change in prices of goods and services purchased by
6 all urban consumers, United States city average, all items,
7 1982-84 = 100. The new amount resulting from each annual
8 adjustment shall be determined by the Public Pension Division
9 of the Department of Insurance and made available to the Board
10 by November 1 of each year.

11 Subject to any applicable limitation on the highest salary
12 for annuity purposes, for a participant who first becomes a
13 participant of this System on or after January 1, 2011 and who
14 is in service on or after January 1, 2026, "highest salary for
15 annuity purposes" means:

16 (1) For a participant who is a member of the General
17 Assembly on his or her last day of service: the highest
18 salary that is prescribed by law, on the participant's
19 last day of service, for a member of the General Assembly
20 who is not an officer; plus, if the participant was
21 elected or appointed to serve as an officer of the General
22 Assembly for 2 or more years and has made contributions as
23 required under subsection (d) of Section 2-126, the
24 highest additional amount of compensation prescribed by
25 law, at the time of the participant's service as an
26 officer, for members of the General Assembly who serve in

1 that office.

2 (2) For a participant who holds one of the State
3 executive offices specified in Section 2-105 on his or her
4 last day of service: the highest salary prescribed by law
5 for service in that office on the participant's last day
6 of service.

7 (3) For a participant who is Clerk or Assistant Clerk
8 of the House of Representatives or Secretary or Assistant
9 Secretary of the Senate on his or her last day of service:
10 the salary received for service in that capacity on the
11 last day of service, but not to exceed the highest salary
12 (including additional compensation for service as an
13 officer) that is prescribed by law on the participant's
14 last day of service for the highest paid officer of the
15 General Assembly.

16 (4) For a participant who is a continuing participant
17 under Section 2-117.1 on his or her last day of service:
18 the salary received for service in that capacity on the
19 last day of service, but not to exceed the highest salary
20 (including additional compensation for service as an
21 officer) that is prescribed by law on the participant's
22 last day of service for the highest paid officer of the
23 General Assembly.

24 (b) The earnings limitations of subsection (a) apply to
25 earnings under any other participating system under the
26 Retirement Systems Reciprocal Act that are considered in

1 calculating a proportional annuity under this Article, except
2 in the case of a person who first became a member of this
3 System before August 22, 1994 and has not, on or after the
4 effective date of this amendatory Act of the 97th General
5 Assembly, irrevocably elected to have those limitations apply.
6 The limitations of subsection (a) shall apply, however, to
7 earnings under any other participating system under the
8 Retirement Systems Reciprocal Act that are considered in
9 calculating the proportional annuity of a person who first
10 became a member of this System before August 22, 1994 if, on or
11 after the effective date of this amendatory Act of the 97th
12 General Assembly, that member irrevocably elects to have those
13 limitations apply.

14 (c) In calculating the subsection (a) earnings limitation
15 to be applied to earnings under any other participating system
16 under the Retirement Systems Reciprocal Act for the purpose of
17 calculating a proportional annuity under this Article, the
18 participant's last day of service shall be deemed to mean the
19 last day of service in any participating system from which the
20 person has applied for a proportional annuity under the
21 Retirement Systems Reciprocal Act.

22 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
23 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

24 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)
25 Sec. 3-111. Pension.

1 (a) A police officer age 50 or more with 20 or more years
2 of creditable service, who is not a participant in the
3 self-managed plan under Section 3-109.3 and who is no longer
4 in service as a police officer, shall receive a pension of 1/2
5 of the salary attached to the rank held by the officer on the
6 police force for one year immediately prior to retirement or,
7 beginning July 1, 1987 for persons terminating service on or
8 after that date, the salary attached to the rank held on the
9 last day of service or for one year prior to the last day,
10 whichever is greater. The pension shall be increased by 2.5%
11 of such salary for each additional year of service over 20
12 years of service through 30 years of service, to a maximum of
13 75% of such salary.

14 The changes made to this subsection (a) by this amendatory
15 Act of the 91st General Assembly apply to all pensions that
16 become payable under this subsection on or after January 1,
17 1999. All pensions payable under this subsection that began on
18 or after January 1, 1999 and before the effective date of this
19 amendatory Act shall be recalculated, and the amount of the
20 increase accruing for that period shall be payable to the
21 pensioner in a lump sum.

22 (a-5) No pension in effect on or granted after June 30,
23 1973 shall be less than \$200 per month. Beginning July 1, 1987,
24 the minimum retirement pension for a police officer having at
25 least 20 years of creditable service shall be \$400 per month,
26 without regard to whether or not retirement occurred prior to

1 that date. If the minimum pension established in Section
2 3-113.1 is greater than the minimum provided in this
3 subsection, the Section 3-113.1 minimum controls.

4 (b) A police officer mandatorily retired from service due
5 to age by operation of law, having at least 8 but less than 20
6 years of creditable service, shall receive a pension equal to
7 2 1/2% of the salary attached to the rank he or she held on the
8 police force for one year immediately prior to retirement or,
9 beginning July 1, 1987 for persons terminating service on or
10 after that date, the salary attached to the rank held on the
11 last day of service or for one year prior to the last day,
12 whichever is greater, for each year of creditable service.

13 A police officer who retires or is separated from service
14 having at least 8 years but less than 20 years of creditable
15 service, who is not mandatorily retired due to age by
16 operation of law, and who does not apply for a refund of
17 contributions at his or her last separation from police
18 service, shall receive a pension upon attaining age 60 equal
19 to 2.5% of the salary attached to the rank held by the police
20 officer on the police force for one year immediately prior to
21 retirement or, beginning July 1, 1987 for persons terminating
22 service on or after that date, the salary attached to the rank
23 held on the last day of service or for one year prior to the
24 last day, whichever is greater, for each year of creditable
25 service.

26 (c) A police officer no longer in service who has at least

1 one but less than 8 years of creditable service in a police
2 pension fund but meets the requirements of this subsection (c)
3 shall be eligible to receive a pension from that fund equal to
4 2.5% of the salary attached to the rank held on the last day of
5 service under that fund or for one year prior to that last day,
6 whichever is greater, for each year of creditable service in
7 that fund. The pension shall begin no earlier than upon
8 attainment of age 60 (or upon mandatory retirement from the
9 fund by operation of law due to age, if that occurs before age
10 60) and in no event before the effective date of this
11 amendatory Act of 1997.

12 In order to be eligible for a pension under this
13 subsection (c), the police officer must have at least 8 years
14 of creditable service in a second police pension fund under
15 this Article and be receiving a pension under subsection (a)
16 or (b) of this Section from that second fund. The police
17 officer need not be in service on or after the effective date
18 of this amendatory Act of 1997.

19 (d) Notwithstanding any other provision of this Article,
20 the provisions of this subsection (d) apply to a person who is
21 not a participant in the self-managed plan under Section
22 3-109.3 and who first becomes a police officer under this
23 Article on or after January 1, 2011.

24 A police officer age 55 or more who has 10 or more years of
25 service in that capacity shall be entitled at his option to
26 receive a monthly pension for his service as a police officer

1 computed by multiplying 2.5% for each year of such service by
2 his or her final average salary.

3 The pension of a police officer who is retiring after
4 attaining age 50 with 10 or more years of creditable service
5 shall be reduced by one-half of 1% for each month that the
6 police officer's age is under age 55.

7 The maximum pension under this subsection (d) shall be 75%
8 of final average salary.

9 For the purposes of this subsection (d), "final average
10 salary" means, for a police officer who is not an active police
11 officer on or after January 1, 2026, the greater of: (i) the
12 average monthly salary obtained by dividing the total salary
13 of the police officer during the 48 consecutive months of
14 service within the last 60 months of service in which the total
15 salary was the highest by the number of months of service in
16 that period; or (ii) the average monthly salary obtained by
17 dividing the total salary of the police officer during the 96
18 consecutive months of service within the last 120 months of
19 service in which the total salary was the highest by the number
20 of months of service in that period. For the purposes of this
21 subsection (d), "final average salary" means, for a police
22 officer who is an active police officer on or after January 1,
23 2026, the salary attached to the rank held by the officer on
24 the police force for one year immediately prior to retirement
25 or the salary attached to the rank held on the last day of
26 service or for one year prior to the last day, whichever is

1 greater.

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

13 Nothing in this amendatory Act of the 101st General
14 Assembly shall cause or otherwise result in any retroactive
15 adjustment of any employee contributions.

16 (Source: P.A. 101-610, eff. 1-1-20.)

17 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

18 Sec. 4-109. Pension.

19 (a) A firefighter age 50 or more with 20 or more years of
20 creditable service, who is no longer in service as a
21 firefighter, shall receive a monthly pension of 1/2 the
22 monthly salary attached to the rank held by him or her in the
23 fire service at the date of retirement.

24 The monthly pension shall be increased by 1/12 of 2.5% of
25 such monthly salary for each additional month over 20 years of

1 service through 30 years of service, to a maximum of 75% of
2 such monthly salary.

3 The changes made to this subsection (a) by this amendatory
4 Act of the 91st General Assembly apply to all pensions that
5 become payable under this subsection on or after January 1,
6 1999. All pensions payable under this subsection that began on
7 or after January 1, 1999 and before the effective date of this
8 amendatory Act shall be recalculated, and the amount of the
9 increase accruing for that period shall be payable to the
10 pensioner in a lump sum.

11 (b) A firefighter who retires or is separated from service
12 having at least 10 but less than 20 years of creditable
13 service, who is not entitled to receive a disability pension,
14 and who did not apply for a refund of contributions at his or
15 her last separation from service shall receive a monthly
16 pension upon attainment of age 60 based on the monthly salary
17 attached to his or her rank in the fire service on the date of
18 retirement or separation from service according to the
19 following schedule:

20 For 10 years of service, 15% of salary;
21 For 11 years of service, 17.6% of salary;
22 For 12 years of service, 20.4% of salary;
23 For 13 years of service, 23.4% of salary;
24 For 14 years of service, 26.6% of salary;
25 For 15 years of service, 30% of salary;
26 For 16 years of service, 33.6% of salary;

1 For 17 years of service, 37.4% of salary;

2 For 18 years of service, 41.4% of salary;

3 For 19 years of service, 45.6% of salary.

4 (c) Notwithstanding any other provision of this Article,
5 the provisions of this subsection (c) apply to a person who
6 first becomes a firefighter under this Article on or after
7 January 1, 2011.

8 A firefighter age 55 or more who has 10 or more years of
9 service in that capacity shall be entitled at his option to
10 receive a monthly pension for his service as a firefighter
11 computed by multiplying 2.5% for each year of such service by
12 his or her final average salary.

13 The pension of a firefighter who is retiring after
14 attaining age 50 with 10 or more years of creditable service
15 shall be reduced by one-half of 1% for each month that the
16 firefighter's age is under age 55.

17 The maximum pension under this subsection (c) shall be 75%
18 of final average salary.

19 For the purposes of this subsection (c), "final average
20 salary" means, for a firefighter who is not an active
21 firefighter on or after January 1, 2026, the greater of: (i)
22 the average monthly salary obtained by dividing the total
23 salary of the firefighter during the 48 consecutive months of
24 service within the last 60 months of service in which the total
25 salary was the highest by the number of months of service in
26 that period; or (ii) the average monthly salary obtained by

1 dividing the total salary of the firefighter during the 96
2 consecutive months of service within the last 120 months of
3 service in which the total salary was the highest by the number
4 of months of service in that period. For the purposes of this
5 subsection (c), "final average salary" means, for a
6 firefighter who is an active firefighter on or after January
7 1, 2026, the monthly salary attached to the rank held by him or
8 her in the fire service at the date of retirement.

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

20 Nothing in this amendatory Act of the 101st General
21 Assembly shall cause or otherwise result in any retroactive
22 adjustment of any employee contributions.

23 (Source: P.A. 101-610, eff. 1-1-20.)

24 (40 ILCS 5/5-238)

25 Sec. 5-238. Provisions applicable to new hires; Tier 2.

1 (a) Notwithstanding any other provision of this Article,
2 the provisions of this Section apply to a person who first
3 becomes a policeman under this Article on or after January 1,
4 2011, and to certain qualified survivors of such a policeman.
5 Such persons, and the benefits and restrictions that apply
6 specifically to them under this Article, may be referred to as
7 "Tier 2".

8 (b) A policeman who has withdrawn from service, has
9 attained age 50 or more, and has 10 or more years of service in
10 that capacity shall be entitled, upon proper application being
11 received by the Fund, to receive a Tier 2 monthly retirement
12 annuity for his service as a police officer. The Tier 2 monthly
13 retirement annuity shall be computed by multiplying 2.5% for
14 each year of such service by his or her final average salary,
15 subject to an annuity reduction factor of one-half of 1% for
16 each month that the police officer's age at retirement is
17 under age 55. The Tier 2 monthly retirement annuity is in lieu
18 of any age and service annuity or other form of retirement
19 annuity under this Article.

20 The maximum retirement annuity under this subsection (b)
21 shall be 75% of final average salary.

22 For the purposes of this subsection (b), "final average
23 salary" means, for a policeman who is not an active policeman
24 on or after January 1, 2026, the average monthly salary
25 obtained by dividing the total salary of the policeman during
26 the 96 consecutive months of service within the last 120

1 months of service in which the total salary was the highest by
2 the number of months of service in that period. For the
3 purposes of this subsection (b), for a policeman who is an
4 active policeman on or after January 1, 2026, "final average
5 salary" means the average of the highest 4 consecutive years
6 of salary within the last 10 years of service.

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

18 (c) Notwithstanding any other provision of this Article,
19 for a person who first becomes a policeman under this Article
20 on or after January 1, 2011, eligibility for and the amount of
21 the annuity to which the qualified surviving spouse, children,
22 and parents are entitled under this subsection (c) shall be
23 determined as follows:

24 (1) The surviving spouse of a deceased policeman to
25 whom this Section applies shall be deemed qualified to
26 receive a Tier 2 surviving spouse's annuity under this

1 paragraph (1) if: (i) the deceased policeman meets the
2 requirements specified under subdivision (A), (B), (C), or
3 (D) of this paragraph (1); and (ii) the surviving spouse
4 would not otherwise be excluded from receiving a widow's
5 annuity under the eligibility requirements for a widow's
6 annuity set forth in Section 5-146. The Tier 2 surviving
7 spouse's annuity is in lieu of the widow's annuity
8 determined under any other Section of this Article and is
9 subject to the requirements of Section 5-147.1.

10 As used in this subsection (c), "earned annuity" means
11 a Tier 2 monthly retirement annuity determined under
12 subsection (b) of this Section, including any increases
13 the policeman had received pursuant to Section 5-167.1.

14 (A) If the deceased policeman was receiving an
15 earned annuity at the date of his or her death, the
16 Tier 2 surviving spouse's annuity under this paragraph
17 (1) shall be in the amount of 66 2/3% of the
18 policeman's earned annuity at the date of death.

19 (B) If the deceased policeman was not receiving an
20 earned annuity but had at least 10 years of service at
21 the time of death, the Tier 2 surviving spouse's
22 annuity under this paragraph (1) shall be the greater
23 of: (i) 30% of the annual maximum salary attached to
24 the classified civil service position of a first class
25 patrolman at the time of his death; or (ii) 66 2/3% of
26 the Tier 2 monthly retirement annuity that the

1 deceased policeman would have been eligible to receive
2 under subsection (b) of this Section, based upon the
3 actual service accrued through the day before the
4 policeman's death, but determined as though the
5 policeman was at least age 55 on the day before his or
6 her death and retired on that day.

7 (C) If the deceased policeman was an active
8 policeman with at least 1 1/2 but less than 10 years of
9 service at the time of death, the Tier 2 surviving
10 spouse's annuity under this paragraph (1) shall be in
11 the amount of 30% of the annual maximum salary
12 attached to the classified civil service position of a
13 first class patrolman at the time of his death.

14 (D) If the performance of an act or acts of duty
15 results directly in the death of a policeman subject
16 to this Section, or prevents him from subsequently
17 resuming active service in the police department, and
18 if the policeman's Tier 2 surviving spouse would
19 otherwise meet the eligibility requirements for a
20 compensation annuity or supplemental annuity granted
21 under Section 5-144, then in addition to the Tier 2
22 surviving spouse's annuity provided under subdivision
23 (A), (B), or (C) of this paragraph (1), whichever
24 applies, the Tier 2 surviving spouse shall be
25 qualified to receive compensation annuity or
26 supplemental annuity, as would be provided under

1 Section 5-144, in order to bring the total benefit up
2 to the applicable 75% salary limitation provided in
3 that Section, but subject to the Tier 2 salary cap
4 provided under subsection (b) of this Section; except
5 that no such annuity shall be paid to the surviving
6 spouse of a policeman who dies while in receipt of
7 disability benefits when the policeman's death was
8 caused by an intervening illness or injury unrelated
9 to the illness or injury that had prevented him from
10 subsequently resuming active service in the police
11 department.

12 (E) Notwithstanding any other provision of this
13 Article, the monthly Tier 2 surviving spouse's annuity
14 under subdivision (A) or (B) of this paragraph (1)
15 shall be increased on the January 1 next occurring
16 after (i) attainment of age 60 by the recipient of the
17 Tier 2 surviving spouse's annuity or (ii) the first
18 anniversary of the Tier 2 surviving spouse's annuity
19 start date, whichever is later, and on each January 1
20 thereafter, by 3% or one-half the annual unadjusted
21 percentage increase (but not less than zero) in the
22 consumer price index-u for the 12 months ending with
23 the September preceding each November 1, whichever is
24 less, of the originally granted Tier 2 surviving
25 spouse's annuity. If the unadjusted percentage change
26 in the consumer price index-u for a 12-month period

1 ending in September is zero or, when compared with the
2 preceding period, decreases, then the annuity shall
3 not be increased.

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

14 (F) Notwithstanding the other provisions of this
15 paragraph (1), for a qualified surviving spouse who is
16 entitled to a Tier 2 surviving spouse's annuity under
17 subdivision (A), (B), (C), or (D) of this paragraph
18 (1), that Tier 2 surviving spouse's annuity shall not
19 be less than the amount of the minimum widow's annuity
20 established from time to time under Section 5-167.4.

21 (2) Surviving children of a deceased policeman subject
22 to this Section who would otherwise meet the eligibility
23 requirements for a child's annuity set forth in Sections
24 5-151 and 5-152 shall be deemed qualified to receive a
25 Tier 2 child's annuity under this subsection (c), which
26 shall be in lieu of, but in the same amount and paid in the

1 same manner as, the child's annuity provided under those
2 Sections; except that any salary used for computing a Tier
3 2 child's annuity shall be subject to the Tier 2 salary cap
4 provided under subsection (b) of this Section. For
5 purposes of determining any pro rata reduction in child's
6 annuities under this subsection (c), references in Section
7 5-152 to the combined annuities of the family shall be
8 deemed to refer to the combined Tier 2 surviving spouse's
9 annuity, if any, and the Tier 2 child's annuities payable
10 under this subsection (c).

11 (3) Surviving parents of a deceased policeman subject
12 to this Section who would otherwise meet the eligibility
13 requirements for a parent's annuity set forth in Section
14 5-152 shall be deemed qualified to receive a Tier 2
15 parent's annuity under this subsection (c), which shall be
16 in lieu of, but in the same amount and paid in the same
17 manner as, the parent's annuity provided under Section
18 5-152.1; except that any salary used for computing a Tier
19 2 parent's annuity shall be subject to the Tier 2 salary
20 cap provided under subsection (b) of this Section. For the
21 purposes of this Section, a reference to "annuity" in
22 Section 5-152.1 includes: (i) in the context of a widow, a
23 Tier 2 surviving spouse's annuity and (ii) in the context
24 of a child, a Tier 2 child's annuity.

25 (d) The General Assembly finds and declares that the
26 provisions of this Section, as enacted by Public Act 96-1495,

1 require clarification relating to necessary eligibility
2 standards and the manner of determining and paying the
3 intended Tier 2 benefits and contributions in order to enable
4 the Fund to unambiguously implement and administer benefits
5 for Tier 2 members. The changes to this Section and the
6 conforming changes to Sections 5-153, 5-155, 5-163, 5-167.1
7 (except for the changes to subsection (a) of that Section),
8 5-169, and 5-170 made by this amendatory Act of the 99th
9 General Assembly are enacted to clarify the provisions of this
10 Section as enacted by Public Act 96-1495, and are hereby
11 declared to represent and be consistent with the original and
12 continuing intent of this Section and Public Act 96-1495.

13 (e) The changes to Sections 5-153, 5-155, 5-163, 5-167.1
14 (except for the changes to subsection (a) of that Section),
15 5-169, and 5-170 made by this amendatory Act of the 99th
16 General Assembly are intended to be retroactive to January 1,
17 2011 (the effective date of Public Act 96-1495) and, for the
18 purposes of Section 1-103.1 of this Code, they apply without
19 regard to whether the relevant policeman was in service on or
20 after the effective date of this amendatory Act of the 99th
21 General Assembly.

22 (Source: P.A. 99-905, eff. 11-29-16.)

23 (40 ILCS 5/6-229)

24 Sec. 6-229. Provisions applicable to new hires; Tier 2.

25 (a) Notwithstanding any other provision of this Article,

1 the provisions of this Section apply to a person who first
2 becomes a fireman under this Article on or after January 1,
3 2011, and to certain qualified survivors of such a fireman.
4 Such persons, and the benefits and restrictions that apply
5 specifically to them under this Article, may be referred to as
6 "Tier 2".

7 (b) A fireman who has withdrawn from service, has attained
8 age 50 or more, and has 10 or more years of service in that
9 capacity shall be entitled, upon proper application being
10 received by the Fund, to receive a Tier 2 monthly retirement
11 annuity for his service as a fireman. The Tier 2 monthly
12 retirement annuity shall be computed by multiplying 2.5% for
13 each year of such service by his or her final average salary,
14 subject to an annuity reduction factor of one-half of 1% for
15 each month that the fireman's age at retirement is under age
16 55. The Tier 2 monthly retirement annuity is in lieu of any age
17 and service annuity or other form of retirement annuity under
18 this Article.

19 The maximum retirement annuity under this subsection (b)
20 shall be 75% of final average salary.

21 For the purposes of this subsection (b), "final average
22 salary" means, for a fireman who is not an active fireman on or
23 after January 1, 2026, the greater of (1) the average monthly
24 salary obtained by dividing the total salary of the fireman
25 during the 96 consecutive months of service within the last
26 120 months of service in which the total salary was the highest

1 by the number of months of service in that period or (2) the
2 average monthly salary obtained by dividing the total salary
3 of the fireman during the 48 consecutive months of service
4 within the last 60 months of service in which the total salary
5 was the highest by the number of months of service in that
6 period. For the purposes of this subsection (b), for a fireman
7 who is an active fireman on or after January 1, 2026, "final
8 average salary" means the average of the fireman's highest 4
9 consecutive years of salary within the last 10 years of
10 service.

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

22 (b-5) For the purposes of this Section, "consumer price
23 index-u" means the index published by the Bureau of Labor
24 Statistics of the United States Department of Labor that
25 measures the average change in prices of goods and services
26 purchased by all urban consumers, United States city average,

1 all items, 1982-84 = 100. The new amount resulting from each
2 annual adjustment shall be determined by the Public Pension
3 Division of the Department of Insurance and made available to
4 the boards of the retirement systems and pension funds by
5 November 1 of each year.

6 (c) Notwithstanding any other provision of this Article,
7 for a person who first becomes a fireman under this Article on
8 or after January 1, 2011, eligibility for and the amount of the
9 annuity to which the qualified surviving spouse, children, and
10 parents of the fireman are entitled under this subsection (c)
11 shall be determined as follows:

12 (1) The surviving spouse of a deceased fireman to whom
13 this Section applies shall be deemed qualified to receive
14 a Tier 2 surviving spouse's annuity under this paragraph
15 (1) if: (i) the deceased fireman meets the requirements
16 specified under subdivision (A), (B), (C), or (D) of this
17 paragraph (1); and (ii) the surviving spouse would not
18 otherwise be excluded from receiving a widow's annuity
19 under the eligibility requirements for a widow's annuity
20 set forth in Section 6-142. The Tier 2 surviving spouse's
21 annuity is in lieu of the widow's annuity determined under
22 any other Section of this Article and is subject to the
23 requirements of Section 6-143.2.

24 As used in this subsection (c), "earned pension" means
25 a Tier 2 monthly retirement annuity determined under
26 subsection (b) of this Section, including any increases

1 the fireman had received pursuant to Section 6-164.

2 (A) If the deceased fireman was receiving an
3 earned pension at the date of his or her death, the
4 Tier 2 surviving spouse's annuity under this paragraph
5 (1) shall be in the amount of 66 2/3% of the fireman's
6 earned pension at the date of death.

7 (B) If the deceased fireman was not receiving an
8 earned pension but had at least 10 years of service at
9 the time of death, the Tier 2 surviving spouse's
10 annuity under this paragraph (1) shall be the greater
11 of: (i) 30% of the salary attached to the rank of first
12 class firefighter in the classified career service at
13 the time of the fireman's death; or (ii) 66 2/3% of the
14 Tier 2 monthly retirement annuity that the deceased
15 fireman would have been eligible to receive under
16 subsection (b) of this Section, based upon the actual
17 service accrued through the day before the fireman's
18 death, but determined as though the fireman was at
19 least age 55 on the day before his or her death and
20 retired on that day.

21 (C) If the deceased fireman was an active fireman
22 with at least 1 1/2 but less than 10 years of service
23 at the time of death, the Tier 2 surviving spouse's
24 annuity under this paragraph (1) shall be in the
25 amount of 30% of the salary attached to the rank of
26 first class firefighter in the classified career

1 service at the time of the fireman's death.

2 (D) Notwithstanding subdivisions (A), (B), and (C)
3 of this paragraph (1), if the performance of an act or
4 acts of duty results directly in the death of a fireman
5 subject to this Section, or prevents him from
6 subsequently resuming active service in the fire
7 department, then a surviving spouse who would
8 otherwise meet the eligibility requirements for a
9 death in the line of duty widow's annuity granted
10 under Section 6-140 shall be deemed to be qualified
11 for a Tier 2 surviving spouse's annuity under this
12 subdivision (D); except that no such annuity shall be
13 paid to the surviving spouse of a fireman who dies
14 while in receipt of disability benefits when the
15 fireman's death was caused by an intervening illness
16 or injury unrelated to the illness or injury that had
17 prevented him from subsequently resuming active
18 service in the fire department. The Tier 2 surviving
19 spouse's annuity calculated under this subdivision (D)
20 shall be in lieu of, but in the same amount and paid in
21 the same manner as, the widow's annuity provided under
22 Section 6-140; except that the salary used for
23 computing a Tier 2 surviving spouse's annuity under
24 this subdivision (D) shall be subject to the Tier 2
25 salary cap provided under subsection (b) of this
26 Section.

1 (E) Notwithstanding any other provision of this
2 Article, the monthly Tier 2 surviving spouse's annuity
3 under subdivision (A) or (B) of this paragraph (1)
4 shall be increased on the January 1 next occurring
5 after (i) attainment of age 60 by the recipient of the
6 Tier 2 surviving spouse's annuity or (ii) the first
7 anniversary of the Tier 2 surviving spouse's annuity
8 start date, whichever is later, and on each January 1
9 thereafter, by 3% or one-half the annual unadjusted
10 percentage increase in the consumer price index-u for
11 the 12 months ending with September preceding each
12 November 1, whichever is less, of the originally
13 granted Tier 2 surviving spouse's annuity. If the
14 annual unadjusted percentage change in the consumer
15 price index-u for a 12-month period ending in
16 September is zero or, when compared with the preceding
17 period, decreases, then the annuity shall not be
18 increased.

19 (F) Notwithstanding the other provisions of this
20 paragraph (1), for a qualified surviving spouse who is
21 entitled to a Tier 2 surviving spouse's annuity under
22 subdivision (A), (B), (C), or (D) of this paragraph
23 (1), that Tier 2 surviving spouse's annuity shall not
24 be less than the amount of the minimum widow's annuity
25 established from time to time under Section 6-128.4.

26 (2) Surviving children of a deceased fireman subject

1 to this Section who would otherwise meet the eligibility
2 requirements for a child's annuity set forth in Sections
3 6-147 and 6-148 shall be deemed qualified to receive a
4 Tier 2 child's annuity under this subsection (c), which
5 shall be in lieu of, but in the same amount and paid in the
6 same manner as, the child's annuity provided under those
7 Sections; except that any salary used for computing a Tier
8 2 child's annuity shall be subject to the Tier 2 salary cap
9 provided under subsection (b) of this Section. For
10 purposes of determining any pro rata reduction in child's
11 annuities under this subsection (c), references in Section
12 6-148 to the combined annuities of the family shall be
13 deemed to refer to the combined Tier 2 surviving spouse's
14 annuity, if any, and the Tier 2 child's annuities payable
15 under this subsection (c).

16 (3) Surviving parents of a deceased fireman subject to
17 this Section who would otherwise meet the eligibility
18 requirements for a parent's annuity set forth in Section
19 6-149 shall be deemed qualified to receive a Tier 2
20 parent's annuity under this subsection (c), which shall be
21 in lieu of, but in the same amount and paid in the same
22 manner as, the parent's annuity provided under Section
23 6-149; except that any salary used for computing a Tier 2
24 parent's annuity shall be subject to the Tier 2 salary cap
25 provided under subsection (b) of this Section. For the
26 purposes of this Section, a reference to "annuity" in

1 Section 6-149 includes: (i) in the context of a widow, a
2 Tier 2 surviving spouse's annuity and (ii) in the context
3 of a child, a Tier 2 child's annuity.

4 (d) The General Assembly finds and declares that the
5 provisions of this Section, as enacted by Public Act 96-1495,
6 require clarification relating to necessary eligibility
7 standards and the manner of determining and paying the
8 intended Tier 2 benefits and contributions in order to enable
9 the Fund to unambiguously implement and administer benefits
10 for Tier 2 members. The changes to this Section and the
11 conforming changes to Sections 6-150, 6-158, 6-164 (except for
12 the changes to subsection (a) of that Section), 6-166, and
13 6-167 made by this amendatory Act of the 99th General Assembly
14 are enacted to clarify the provisions of this Section as
15 enacted by Public Act 96-1495, and are hereby declared to
16 represent and be consistent with the original and continuing
17 intent of this Section and Public Act 96-1495.

18 (e) The changes to Sections 6-150, 6-158, 6-164 (except
19 for the changes to subsection (a) of that Section), 6-166, and
20 6-167 made by this amendatory Act of the 99th General Assembly
21 are intended to be retroactive to January 1, 2011 (the
22 effective date of Public Act 96-1495) and, for the purposes of
23 Section 1-103.1 of this Code, they apply without regard to
24 whether the relevant fireman was in service on or after the
25 effective date of this amendatory Act of the 99th General
26 Assembly.

1 (Source: P.A. 103-579, eff. 12-8-23.)

2 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

3 Sec. 7-116. "Final rate of earnings":

4 (a) For retirement and survivor annuities, the monthly
5 earnings obtained by dividing the total earnings received by
6 the employee during the period of either (1) for Tier 1 regular
7 employees or Tier 2 regular employees who are in active
8 employment on or after January 1, 2026, the 48 consecutive
9 months of service within the last 120 months of service in
10 which his total earnings were the highest, (2) for Tier 2
11 regular employees who are not in active employment on or after
12 January 1, 2026, the 96 consecutive months of service within
13 the last 120 months of service in which his total earnings were
14 the highest, or (3) the employee's total period of service, by
15 the number of months of service in such period.

16 (b) For death benefits, the higher of the rate determined
17 under paragraph (a) of this Section or total earnings received
18 in the last 12 months of service divided by twelve. If the
19 deceased employee has less than 12 months of service, the
20 monthly final rate shall be the monthly rate of pay the
21 employee was receiving when he began service.

22 (c) For disability benefits, the total earnings of a
23 participating employee in the last 12 calendar months of
24 service prior to the date he becomes disabled divided by 12.

25 (d) In computing the final rate of earnings: (1) the

1 earnings rate for all periods of prior service shall be
2 considered equal to the average earnings rate for the last 3
3 calendar years of prior service for which creditable service
4 is received under Section 7-139 or, if there is less than 3
5 years of creditable prior service, the average for the total
6 prior service period for which creditable service is received
7 under Section 7-139; (2) for out of state service and
8 authorized leave, the earnings rate shall be the rate upon
9 which service credits are granted; (3) periods of military
10 leave shall not be considered; (4) the earnings rate for all
11 periods of disability shall be considered equal to the rate of
12 earnings upon which the employee's disability benefits are
13 computed for such periods; (5) the earnings to be considered
14 for each of the final three months of the final earnings period
15 for persons who first became participants before January 1,
16 2012 and the earnings to be considered for each of the final 24
17 months for participants who first become participants on or
18 after January 1, 2012 shall not exceed 125% of the highest
19 earnings of any other month in the final earnings period; and
20 (6) the annual amount of final rate of earnings shall be the
21 monthly amount multiplied by the number of months of service
22 normally required by the position in a year.

23 (Source: P.A. 102-210, eff. 1-1-22.)

24 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

25 Sec. 7-142.1. Sheriff's law enforcement employees.

1 (a) In lieu of the retirement annuity provided by
2 subparagraph 1 of paragraph (a) of Section 7-142:

3 Any sheriff's law enforcement employee who has 20 or more
4 years of service in that capacity and who terminates service
5 prior to January 1, 1988 shall be entitled at his option to
6 receive a monthly retirement annuity for his service as a
7 sheriff's law enforcement employee computed by multiplying 2%
8 for each year of such service up to 10 years, 2 1/4% for each
9 year of such service above 10 years and up to 20 years, and 2
10 1/2% for each year of such service above 20 years, by his
11 annual final rate of earnings and dividing by 12.

12 Any sheriff's law enforcement employee who has 20 or more
13 years of service in that capacity and who terminates service
14 on or after January 1, 1988 and before July 1, 2004 shall be
15 entitled at his option to receive a monthly retirement annuity
16 for his service as a sheriff's law enforcement employee
17 computed by multiplying 2.5% for each year of such service up
18 to 20 years, 2% for each year of such service above 20 years
19 and up to 30 years, and 1% for each year of such service above
20 30 years, by his annual final rate of earnings and dividing by
21 12.

22 Any sheriff's law enforcement employee who has 20 or more
23 years of service in that capacity and who terminates service
24 on or after July 1, 2004 shall be entitled at his or her option
25 to receive a monthly retirement annuity for service as a
26 sheriff's law enforcement employee computed by multiplying

1 2.5% for each year of such service by his annual final rate of
2 earnings and dividing by 12.

3 If a sheriff's law enforcement employee has service in any
4 other capacity, his retirement annuity for service as a
5 sheriff's law enforcement employee may be computed under this
6 Section and the retirement annuity for his other service under
7 Section 7-142.

8 In no case shall the total monthly retirement annuity for
9 persons who retire before July 1, 2004 exceed 75% of the
10 monthly final rate of earnings. In no case shall the total
11 monthly retirement annuity for persons who retire on or after
12 July 1, 2004 exceed 80% of the monthly final rate of earnings.

13 (b) Whenever continued group insurance coverage is elected
14 in accordance with the provisions of Section 367h of the
15 Illinois Insurance Code, as now or hereafter amended, the
16 total monthly premium for such continued group insurance
17 coverage or such portion thereof as is not paid by the
18 municipality shall, upon request of the person electing such
19 continued group insurance coverage, be deducted from any
20 monthly pension benefit otherwise payable to such person
21 pursuant to this Section, to be remitted by the Fund to the
22 insurance company or other entity providing the group
23 insurance coverage.

24 (c) A sheriff's law enforcement employee who began service
25 in that capacity prior to the effective date of this
26 amendatory Act of the 97th General Assembly and who has

1 service in any other capacity may convert up to 10 years of
2 that service into service as a sheriff's law enforcement
3 employee by paying to the Fund an amount equal to (1) the
4 additional employee contribution required under Section
5 7-173.1, plus (2) the additional employer contribution
6 required under Section 7-172, plus (3) interest on items (1)
7 and (2) at the prescribed rate from the date of the service to
8 the date of payment. Application must be received by the Board
9 while the employee is an active participant in the Fund.
10 Payment must be received while the member is an active
11 participant, except that one payment will be permitted after
12 termination of participation.

13 (d) The changes to subsections (a) and (b) of this Section
14 made by this amendatory Act of the 94th General Assembly apply
15 only to persons in service on or after July 1, 2004. In the
16 case of such a person who begins to receive a retirement
17 annuity before the effective date of this amendatory Act of
18 the 94th General Assembly, the annuity shall be recalculated
19 prospectively to reflect those changes, with the resulting
20 increase beginning to accrue on the first annuity payment date
21 following the effective date of this amendatory Act.

22 (e) Any elected county officer who was entitled to receive
23 a stipend from the State on or after July 1, 2009 and on or
24 before June 30, 2010 may establish earnings credit for the
25 amount of stipend not received, if the elected county official
26 applies in writing to the fund within 6 months after the

1 effective date of this amendatory Act of the 96th General
2 Assembly and pays to the fund an amount equal to (i) employee
3 contributions on the amount of stipend not received, (ii)
4 employer contributions determined by the Board equal to the
5 employer's normal cost of the benefit on the amount of stipend
6 not received, plus (iii) interest on items (i) and (ii) at the
7 actuarially assumed rate.

8 (f) Notwithstanding any other provision of this Article,
9 the provisions of this subsection (f) apply to a person who
10 first becomes a sheriff's law enforcement employee under this
11 Article on or after January 1, 2011.

12 A sheriff's law enforcement employee age 55 or more who
13 has 10 or more years of service in that capacity shall be
14 entitled at his option to receive a monthly retirement annuity
15 for his or her service as a sheriff's law enforcement employee
16 computed by multiplying 2.5% for each year of such service by
17 his or her final rate of earnings.

18 The retirement annuity of a sheriff's law enforcement
19 employee who is retiring after attaining age 50 with 10 or more
20 years of creditable service shall be reduced by one-half of 1%
21 for each month that the sheriff's law enforcement employee's
22 age is under age 55.

23 The maximum retirement annuity under this subsection (f)
24 shall be 75% of final rate of earnings.

25 For the purposes of this subsection (f), "final rate of
26 earnings" means, for a sheriff's law enforcement employee who

1 is not an active sheriff's law enforcement employee on or
2 after January 1, 2026, the average monthly earnings obtained
3 by dividing the total salary of the sheriff's law enforcement
4 employee during the 96 consecutive months of service within
5 the last 120 months of service in which the total earnings was
6 the highest by the number of months of service in that period.
7 For the purposes of this subsection (f) "final rate of
8 earnings" means, for a sheriff's law enforcement employee who
9 is an active sheriff's law enforcement employee on or after
10 January 1, 2026, the 48 consecutive months of service within
11 the last 120 months of service in which the sheriff's law
12 enforcement employee's total earnings were the highest.

13 Notwithstanding any other provision of this Article,
14 beginning on January 1, 2011, for all purposes under this Code
15 (including without limitation the calculation of benefits and
16 employee contributions), the annual earnings of a sheriff's
17 law enforcement employee to whom this Section applies shall
18 not include overtime and shall not exceed \$106,800; however,
19 that amount shall annually thereafter be increased by the
20 lesser of (i) 3% of that amount, including all previous
21 adjustments, or (ii) one-half the annual unadjusted percentage
22 increase (but not less than zero) in the consumer price
23 index-u for the 12 months ending with the September preceding
24 each November 1, including all previous adjustments.

25 (g) Notwithstanding any other provision of this Article,
26 the monthly annuity of a person who first becomes a sheriff's

1 law enforcement employee under this Article on or after
2 January 1, 2011 shall be increased on the January 1 occurring
3 either on or after the attainment of age 60 or the first
4 anniversary of the annuity start date, whichever is later.
5 Each annual increase shall be calculated at 3% or one-half the
6 annual unadjusted percentage increase (but not less than zero)
7 in the consumer price index-u for the 12 months ending with the
8 September preceding each November 1, whichever is less, of the
9 originally granted retirement annuity. If the annual
10 unadjusted percentage change in the consumer price index-u for
11 a 12-month period ending in September is zero or, when
12 compared with the preceding period, decreases, then the
13 annuity shall not be increased.

14 (h) Notwithstanding any other provision of this Article,
15 for a person who first becomes a sheriff's law enforcement
16 employee under this Article on or after January 1, 2011, the
17 annuity to which the surviving spouse, children, or parents
18 are entitled under this subsection (h) shall be in the amount
19 of 66 2/3% of the sheriff's law enforcement employee's earned
20 annuity at the date of death.

21 (i) Notwithstanding any other provision of this Article,
22 the monthly annuity of a survivor of a person who first becomes
23 a sheriff's law enforcement employee under this Article on or
24 after January 1, 2011 shall be increased on the January 1 after
25 attainment of age 60 by the recipient of the survivor's
26 annuity and each January 1 thereafter by 3% or one-half the

1 annual unadjusted percentage increase in the consumer price
2 index-u for the 12 months ending with the September preceding
3 each November 1, whichever is less, of the originally granted
4 pension. If the annual unadjusted percentage change in the
5 consumer price index-u for a 12-month period ending in
6 September is zero or, when compared with the preceding period,
7 decreases, then the annuity shall not be increased.

8 (j) For the purposes of this Section, "consumer price
9 index-u" means the index published by the Bureau of Labor
10 Statistics of the United States Department of Labor that
11 measures the average change in prices of goods and services
12 purchased by all urban consumers, United States city average,
13 all items, 1982-84 = 100. The new amount resulting from each
14 annual adjustment shall be determined by the Public Pension
15 Division of the Department of Insurance and made available to
16 the boards of the pension funds.

17 (Source: P.A. 100-148, eff. 8-18-17.)

18 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

19 Sec. 15-112. Final rate of earnings. "Final rate of
20 earnings":

21 (a) This subsection (a) applies only to a Tier 1 member or
22 a Tier 2 member who receives earnings on or after January 1,
23 2026.

24 For an employee who is paid on an hourly basis or who
25 receives an annual salary in installments during 12 months of

1 each academic year, the average annual earnings during the 48
2 consecutive calendar month period ending with the last day of
3 final termination of employment or the 4 consecutive academic
4 years of service in which the employee's earnings were the
5 highest, whichever is greater. For any other employee, the
6 average annual earnings during the 4 consecutive academic
7 years of service in which his or her earnings were the highest.
8 For an employee with less than 48 months or 4 consecutive
9 academic years of service, the average earnings during his or
10 her entire period of service. The earnings of an employee with
11 more than 36 months of service under item (a) of Section
12 15-113.1 prior to the date of becoming a participant are, for
13 such period, considered equal to the average earnings during
14 the last 36 months of such service.

15 (b) This subsection (b) applies to a Tier 2 member who does
16 not receive earnings on or after January 1, 2026.

17 For an employee who is paid on an hourly basis or who
18 receives an annual salary in installments during 12 months of
19 each academic year, the average annual earnings obtained by
20 dividing by 8 the total earnings of the employee during the 96
21 consecutive months in which the total earnings were the
22 highest within the last 120 months prior to termination.

23 For any other employee, the average annual earnings during
24 the 8 consecutive academic years within the 10 years prior to
25 termination in which the employee's earnings were the highest.
26 For an employee with less than 96 consecutive months or 8

1 consecutive academic years of service, whichever is necessary,
2 the average earnings during his or her entire period of
3 service.

4 (c) For an employee on leave of absence with pay, or on
5 leave of absence without pay who makes contributions during
6 such leave, earnings are assumed to be equal to the basic
7 compensation on the date the leave began.

8 (d) For an employee on disability leave, earnings are
9 assumed to be equal to the basic compensation on the date
10 disability occurs or the average earnings during the 24 months
11 immediately preceding the month in which disability occurs,
12 whichever is greater.

13 (e) For a Tier 1 member who retires on or after August 22,
14 1997 (the effective date of Public Act 90-511) ~~this amendatory~~
15 ~~Act of 1997~~ with at least 20 years of service as a firefighter
16 or police officer under this Article, the final rate of
17 earnings shall be the annual rate of earnings received by the
18 participant on his or her last day as a firefighter or police
19 officer under this Article, if that is greater than the final
20 rate of earnings as calculated under the other provisions of
21 this Section.

22 (f) If a Tier 1 member is an employee for at least 6 months
23 during the academic year in which his or her employment is
24 terminated, the annual final rate of earnings shall be 25% of
25 the sum of (1) the annual basic compensation for that year, and
26 (2) the amount earned during the 36 months immediately

1 preceding that year, if this is greater than the final rate of
2 earnings as calculated under the other provisions of this
3 Section.

4 (g) In the determination of the final rate of earnings for
5 an employee, that part of an employee's earnings for any
6 academic year beginning after June 30, 1997, which exceeds the
7 employee's earnings with that employer for the preceding year
8 by more than 20% ~~20 percent~~ shall be excluded; in the event
9 that an employee has more than one employer this limitation
10 shall be calculated separately for the earnings with each
11 employer. In making such calculation, only the basic
12 compensation of employees shall be considered, without regard
13 to vacation or overtime or to contracts for summer employment.
14 Beginning September 1, 2024, this subsection (g) also applies
15 to an employee who has been employed at 1/2 time or less for 3
16 or more years.

17 (h) The following are not considered as earnings in
18 determining the final rate of earnings: (1) severance or
19 separation pay, (2) retirement pay, (3) payment for unused
20 sick leave, and (4) payments from an employer for the period
21 used in determining the final rate of earnings for any purpose
22 other than (i) services rendered, (ii) leave of absence or
23 vacation granted during that period, and (iii) vacation of up
24 to 56 work days allowed upon termination of employment; except
25 that, if the benefit has been collectively bargained between
26 the employer and the recognized collective bargaining agent

1 pursuant to the Illinois Educational Labor Relations Act,
2 payment received during a period of up to 2 academic years for
3 unused sick leave may be considered as earnings in accordance
4 with the applicable collective bargaining agreement, subject
5 to the 20% increase limitation of this Section. Any unused
6 sick leave considered as earnings under this Section shall not
7 be taken into account in calculating service credit under
8 Section 15-113.4.

9 (i) Intermittent periods of service shall be considered as
10 consecutive in determining the final rate of earnings.

11 (Source: P.A. 103-548, eff. 8-11-23; revised 7-18-24.)

12 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

13 Sec. 18-125. Retirement annuity amount.

14 (a) The annual retirement annuity for a participant who
15 terminated service as a judge prior to July 1, 1971 shall be
16 based on the law in effect at the time of termination of
17 service.

18 (b) Except as provided in subsection (b-5), effective July
19 1, 1971, the retirement annuity for any participant in service
20 on or after such date shall be 3 1/2% of final average salary,
21 as defined in this Section, for each of the first 10 years of
22 service, and 5% of such final average salary for each year of
23 service in excess of 10.

24 For purposes of this Section, final average salary for a
25 participant who first serves as a judge before August 10, 2009

1 (the effective date of Public Act 96-207) shall be:

2 (1) the average salary for the last 4 years of
3 credited service as a judge for a participant who
4 terminates service before July 1, 1975.

5 (2) for a participant who terminates service after
6 June 30, 1975 and before July 1, 1982, the salary on the
7 last day of employment as a judge.

8 (3) for any participant who terminates service after
9 June 30, 1982 and before January 1, 1990, the average
10 salary for the final year of service as a judge.

11 (4) for a participant who terminates service on or
12 after January 1, 1990 but before July 14, 1995 (the
13 effective date of Public Act 89-136), the salary on the
14 last day of employment as a judge.

15 (5) for a participant who terminates service on or
16 after July 14, 1995 (the effective date of Public Act
17 89-136), the salary on the last day of employment as a
18 judge, or the highest salary received by the participant
19 for employment as a judge in a position held by the
20 participant for at least 4 consecutive years, whichever is
21 greater.

22 However, in the case of a participant who elects to
23 discontinue contributions as provided in subdivision (a)(2) of
24 Section 18-133, the time of such election shall be considered
25 the last day of employment in the determination of final
26 average salary under this subsection.

1 For a participant who first serves as a judge on or after
2 August 10, 2009 (the effective date of Public Act 96-207) and
3 before January 1, 2011 (the effective date of Public Act
4 96-889), final average salary shall be the average monthly
5 salary obtained by dividing the total salary of the
6 participant during the period of: (1) the 48 consecutive
7 months of service within the last 120 months of service in
8 which the total compensation was the highest, or (2) the total
9 period of service, if less than 48 months, by the number of
10 months of service in that period.

11 The maximum retirement annuity for any participant shall
12 be 85% of final average salary.

13 (b-5) Notwithstanding any other provision of this Article,
14 for a participant who first serves as a judge on or after
15 January 1, 2011 (the effective date of Public Act 96-889), the
16 annual retirement annuity is 3% of the participant's final
17 average salary for each year of service. The maximum
18 retirement annuity payable shall be 60% of the participant's
19 final average salary.

20 For a participant who first serves as a judge on or after
21 January 1, 2011 (the effective date of Public Act 96-889) and
22 who does not serve as a judge on or after January 1, 2026,
23 final average salary shall be the average monthly salary
24 obtained by dividing the total salary of the judge during the
25 96 consecutive months of service within the last 120 months of
26 service in which the total salary was the highest by the number

1 of months of service in that period; however, beginning
2 January 1, 2011, the annual salary may not exceed \$106,800,
3 except that that amount shall annually thereafter be increased
4 by the lesser of (i) 3% of that amount, including all previous
5 adjustments, or (ii) the annual unadjusted percentage increase
6 (but not less than zero) in the consumer price index-u for the
7 12 months ending with the September preceding each November 1.
8 "Consumer price index-u" means the index published by the
9 Bureau of Labor Statistics of the United States Department of
10 Labor that measures the average change in prices of goods and
11 services purchased by all urban consumers, United States city
12 average, all items, 1982-84 = 100. The new amount resulting
13 from each annual adjustment shall be determined by the Public
14 Pension Division of the Department of Insurance and made
15 available to the Board by November 1st of each year.

16 Subject to any applicable limitation on final average
17 salary, for a participant who first serves as a judge on or
18 after January 1, 2011 and serves as a judge on or after January
19 1, 2026, final average salary shall be the salary on the last
20 day of employment as a judge or the highest salary received by
21 the participant for employment as a judge in a position held by
22 the participant for at least 4 consecutive years, whichever is
23 greater.

24 (c) The retirement annuity for a participant who retires
25 prior to age 60 with less than 28 years of service in the
26 System shall be reduced 1/2 of 1% for each month that the

1 participant's age is under 60 years at the time the annuity
2 commences. However, for a participant who retires on or after
3 December 10, 1999 (the effective date of Public Act 91-653),
4 the percentage reduction in retirement annuity imposed under
5 this subsection shall be reduced by 5/12 of 1% for every month
6 of service in this System in excess of 20 years, and therefore
7 a participant with at least 26 years of service in this System
8 may retire at age 55 without any reduction in annuity.

9 The reduction in retirement annuity imposed by this
10 subsection shall not apply in the case of retirement on
11 account of disability.

12 (d) Notwithstanding any other provision of this Article,
13 for a participant who first serves as a judge on or after
14 January 1, 2011 (the effective date of Public Act 96-889) and
15 who is retiring after attaining age 62, the retirement annuity
16 shall be reduced by 1/2 of 1% for each month that the
17 participant's age is under age 67 at the time the annuity
18 commences.

19 (Source: P.A. 100-201, eff. 8-18-17.)

20 Article 3.

21 Section 3-5. The Illinois Pension Code is amended by
22 changing Sections 1-160, 2-119.1, 3-111.1, 4-109.1, 5-167.1,
23 6-164, 7-142, 7-142.1, 15-136, and 18-125.1 as follows:

1 (40 ILCS 5/1-160)

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

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

4 (a) The provisions of this Section apply to a person who,
5 on or after January 1, 2011, first becomes a member or a
6 participant under any reciprocal retirement system or pension
7 fund established under this Code, other than a retirement
8 system or pension fund established under Article 2, 3, 4, 5, 6,
9 7, 15, or 18 of this Code, notwithstanding any other provision
10 of this Code to the contrary, but do not apply to any
11 self-managed plan established under this Code or to any
12 participant of the retirement plan established under Section
13 22-101; except that this Section applies to a person who
14 elected to establish alternative credits by electing in
15 writing after January 1, 2011, but before August 8, 2011,
16 under Section 7-145.1 of this Code. Notwithstanding anything
17 to the contrary in this Section, for purposes of this Section,
18 a person who is a Tier 1 regular employee as defined in Section
19 7-109.4 of this Code or who participated in a retirement
20 system under Article 15 prior to January 1, 2011 shall be
21 deemed a person who first became a member or participant prior
22 to January 1, 2011 under any retirement system or pension fund
23 subject to this Section. The changes made to this Section by
24 Public Act 98-596 are a clarification of existing law and are
25 intended to be retroactive to January 1, 2011 (the effective
26 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

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

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

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

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

26 (b) "Final average salary" means, except as otherwise

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

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average
15 annual salary for any 4 consecutive years within the last
16 10 years of service immediately preceding the date of
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State
24 of Illinois who retires on or after June 1, 2021 and for whom
25 the 2020-2021 school year is used in the calculation of the
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final
2 average salary:

3 (A) the amount otherwise calculated under the first
4 paragraph of this subsection; or

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

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

25 For the purposes of this Section, "consumer price index-u"
26 means the index published by the Bureau of Labor Statistics of

1 the United States Department of Labor that measures the
2 average change in prices of goods and services purchased by
3 all urban consumers, United States city average, all items,
4 1982-84 = 100. The new amount resulting from each annual
5 adjustment shall be determined by the Public Pension Division
6 of the Department of Insurance and made available to the
7 boards of the retirement systems and pension funds by November
8 1 of each year.

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

20 However, in no event shall the annual earnings, salary, or
21 wages for the purposes of this Article and Article 9 exceed any
22 limitation imposed on annual earnings, salary, or wages under
23 Section 1-117. Under no circumstances shall the maximum amount
24 of annual earnings, salary, or wages be greater than the
25 amount set forth in this subsection (b-10) as a result of
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay
2 any refund as a result of the application of this maximum
3 annual earnings, salary, and wage cap.

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

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

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

1 the lower retirement annuity provided in subsection (d) of
2 this Section.

3 (c-5) A person who first becomes a member or a participant
4 subject to this Section on or after July 6, 2017 (the effective
5 date of Public Act 100-23), notwithstanding any other
6 provision of this Code to the contrary, is entitled to a
7 retirement annuity under Article 8 or Article 11 upon written
8 application if he or she has attained age 65 and has at least
9 10 years of service credit and is otherwise eligible under the
10 requirements of Article 8 or Article 11 of this Code,
11 whichever is applicable.

12 (d) The retirement annuity of a member or participant who
13 is retiring after attaining age 62 (age 60, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section) with at least 10 years of service
19 credit shall be reduced by one-half of 1% for each full month
20 that the member's age is under age 67 (age 65, with respect to
21 service under Article 12 that is subject to this Section, for a
22 member or participant under Article 12 who first becomes a
23 member or participant under Article 12 on or after January 1,
24 2022 or who makes the election under item (i) of subsection
25 (d-15) of this Section).

26 (d-5) The retirement annuity payable under Article 8 or

1 Article 11 to an eligible person subject to subsection (c-5)
2 of this Section who is retiring at age 60 with at least 10
3 years of service credit shall be reduced by one-half of 1% for
4 each full month that the member's age is under age 65.

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

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

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

26 The election provided for in this subsection shall be made

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

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

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

17 (ii) to not agree to item (i) of this subsection
18 (d-15), in which case the member or participant shall not
19 be eligible for the reduced retirement age specified in
20 subsections (c) and (d) of this Section and shall not be
21 subject to the increase in employee contributions for
22 service annuities specified in subsection (b) of Section
23 12-150.

24 The election provided for in this subsection shall be made
25 between January 1, 2022 and April 1, 2022. A person subject to
26 this subsection who makes the required election shall remain

1 bound by that election. A person subject to this subsection
2 who fails for any reason to make the required election within
3 the time specified in this subsection shall be deemed to have
4 made the election under item (ii).

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

1 Beginning January 1, 2026, for persons to whom this
2 Section applies, each annual increase in a retirement annuity
3 or supplemental annuity shall be calculated at 3% of the
4 originally granted retirement annuity.

5 For the purposes of Section 1-103.1 of this Code, the
6 changes made to this subsection by this amendatory Act of the
7 104th General Assembly are applicable without regard to
8 whether the employee was in active service on or after the
9 effective date of this amendatory Act of the 104th General
10 Assembly.

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

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

21 (f) The initial survivor's or widow's annuity of an
22 otherwise eligible survivor or widow of a retired member or
23 participant who first became a member or participant on or
24 after January 1, 2011 shall be in the amount of 66 2/3% of the
25 retired member's or participant's retirement annuity at the
26 date of death. In the case of the death of a member or

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

22 (g) The benefits in Section 14-110 apply if the person is a
23 fire fighter in the fire protection service of a department, a
24 security employee of the Department of Corrections or the
25 Department of Juvenile Justice, or a security employee of the
26 Department of Innovation and Technology, as those terms are

1 defined in subsection (b) and subsection (c) of Section
2 14-110. A person who meets the requirements of this Section is
3 entitled to an annuity calculated under the provisions of
4 Section 14-110, in lieu of the regular or minimum retirement
5 annuity, only if the person has withdrawn from service with
6 not less than 20 years of eligible creditable service and has
7 attained age 60, regardless of whether the attainment of age
8 60 occurs while the person is still in service.

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

23 (h) If a person who first becomes a member or a participant
24 of a retirement system or pension fund subject to this Section
25 on or after January 1, 2011 is receiving a retirement annuity
26 or retirement pension under that system or fund and becomes a

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

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

1 contractual employment, the person's retirement annuity or
2 retirement pension payments shall resume and, if appropriate,
3 be recalculated under the applicable provisions of this Code.

4 (i) (Blank).

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

8 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
9 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
10 5-6-22; 103-529, eff. 8-11-23.)

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

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

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

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

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

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

26 This Section does not apply to a person who elects under

1 subsection (c-5) of Section 1-161 to receive the benefits
2 under Section 1-161.

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

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

23 (1) (Blank).

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

1 withdrawal".

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

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

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

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

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

13 (A) the amount otherwise calculated under the first
14 paragraph of this subsection; or

15 (B) an amount calculated by the Teachers' Retirement
16 System of the State of Illinois using the average of the
17 monthly (or annual) salary obtained by dividing the total
18 salary or earnings calculated under Article 16 applicable
19 to the member or participant during the 96 months (or 8
20 years) of service within the last 120 months (or 10 years)
21 of service in which the total salary or earnings
22 calculated under the Article was the highest by the number
23 of months (or years) of service in that period.

24 (b-5) Beginning on January 1, 2011, for all purposes under
25 this Code (including without limitation the calculation of
26 benefits and employee contributions), the annual earnings,

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

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

19 (b-10) Beginning on January 1, 2024, for all purposes
20 under this Code (including, without limitation, the
21 calculation of benefits and employee contributions), the
22 annual earnings, salary, or wages (based on the plan year) of a
23 member or participant under Article 9 to whom this Section
24 applies shall include an annual earnings, salary, or wage cap
25 that tracks the Social Security wage base. Maximum annual
26 earnings, wages, or salary shall be the annual contribution

1 and benefit base established for the applicable year by the
2 Commissioner of the Social Security Administration under the
3 federal Social Security Act.

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

14 Nothing in this subsection (b-10) shall cause or otherwise
15 result in any retroactive adjustment of any employee
16 contributions. Nothing in this subsection (b-10) shall cause
17 or otherwise result in any retroactive adjustment of
18 disability or other payments made between January 1, 2011 and
19 January 1, 2024.

20 (c) A member or participant is entitled to a retirement
21 annuity upon written application if he or she has attained age
22 67 (age 65, with respect to service under Article 12 that is
23 subject to this Section, for a member or participant under
24 Article 12 who first becomes a member or participant under
25 Article 12 on or after January 1, 2022 or who makes the
26 election under item (i) of subsection (d-15) of this Section)

1 and has at least 10 years of service credit and is otherwise
2 eligible under the requirements of the applicable Article.

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

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

22 (d) The retirement annuity of a member or participant who
23 is retiring after attaining age 62 (age 60, with respect to
24 service under Article 12 that is subject to this Section, for a
25 member or participant under Article 12 who first becomes a
26 member or participant under Article 12 on or after January 1,

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

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

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

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

1 11-170 of this Code (for service under Article 11); or

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

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

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

21 (i) to be eligible for the reduced retirement age
22 specified in subsections (c) and (d) of this Section, the
23 eligibility for which is conditioned upon the member or
24 participant agreeing to the increase in employee
25 contributions for service annuities specified in
26 subsection (b) of Section 12-150; or

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

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

15 (e) Any retirement annuity or supplemental annuity shall
16 be subject to annual increases on the January 1 occurring
17 either on or after the attainment of age 67 (age 65, with
18 respect to service under Article 12 that is subject to this
19 Section, for a member or participant under Article 12 who
20 first becomes a member or participant under Article 12 on or
21 after January 1, 2022 or who makes the election under item (i)
22 of subsection (d-15); and beginning on July 6, 2017 (the
23 effective date of Public Act 100-23), age 65 with respect to
24 service under Article 8 or Article 11 for eligible persons
25 who: (i) are subject to subsection (c-5) of this Section; or
26 (ii) made the election under item (i) of subsection (d-10) of

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

11 Beginning January 1, 2026, for persons to whom this
12 Section applies, each annual increase in a retirement annuity
13 or supplemental annuity shall be calculated at 3% of the
14 originally granted retirement annuity.

15 For the purposes of Section 1-103.1 of this Code, the
16 changes made to this subsection by this amendatory Act of the
17 104th General Assembly are applicable without regard to
18 whether the employee was in active service on or after the
19 effective date of this amendatory Act of the 104th General
20 Assembly.

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

24 (h) If a person who first becomes a member or a participant
25 of a retirement system or pension fund subject to this Section
26 on or after January 1, 2011 is receiving a retirement annuity

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

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

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

5 (i) (Blank).

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

9 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
10 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
11 5-13-22; 103-529, eff. 8-11-23.)

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

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

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

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

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

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

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

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

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

24 (1) (Blank).

25 (2) In Articles 8, 9, 10, 11, and 12, "highest average
26 annual salary for any 4 consecutive years within the last

1 10 years of service immediately preceding the date of
2 withdrawal".

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

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

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

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

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

14 (A) the amount otherwise calculated under the first
15 paragraph of this subsection; or

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

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

1 benefits and employee contributions), the annual earnings,
2 salary, or wages (based on the plan year) of a member or
3 participant to whom this Section applies shall not exceed
4 \$106,800; however, that amount shall annually thereafter be
5 increased by the lesser of (i) 3% of that amount, including all
6 previous adjustments, or (ii) one-half the annual unadjusted
7 percentage increase (but not less than zero) in the consumer
8 price index-u for the 12 months ending with the September
9 preceding each November 1, including all previous adjustments.

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

20 (b-10) Beginning on January 1, 2024, for all purposes
21 under this Code (including, without limitation, the
22 calculation of benefits and employee contributions), the
23 annual earnings, salary, or wages (based on the plan year) of a
24 member or participant under Article 9 to whom this Section
25 applies shall include an annual earnings, salary, or wage cap
26 that tracks the Social Security wage base. Maximum annual

1 earnings, wages, or salary shall be the annual contribution
2 and benefit base established for the applicable year by the
3 Commissioner of the Social Security Administration under the
4 federal Social Security Act.

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

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

21 (c) A member or participant is entitled to a retirement
22 annuity upon written application if he or she has attained age
23 67 (age 65, with respect to service under Article 12 that is
24 subject to this Section, for a member or participant under
25 Article 12 who first becomes a member or participant under
26 Article 12 on or after January 1, 2022 or who makes the

1 election under item (i) of subsection (d-15) of this Section)
2 and has at least 10 years of service credit and is otherwise
3 eligible under the requirements of the applicable Article.

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

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

23 (d) The retirement annuity of a member or participant who
24 is retiring after attaining age 62 (age 60, with respect to
25 service under Article 12 that is subject to this Section, for a
26 member or participant under Article 12 who first becomes a

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

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

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

21 (i) to be eligible for the reduced retirement age
22 provided in subsections (c-5) and (d-5) of this Section,
23 the eligibility for which is conditioned upon the member
24 or participant agreeing to the increases in employee
25 contributions for age and service annuities provided in
26 subsection (a-5) of Section 8-174 of this Code (for

1 service under Article 8) or subsection (a-5) of Section
2 11-170 of this Code (for service under Article 11); or

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

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

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

22 (i) to be eligible for the reduced retirement age
23 specified in subsections (c) and (d) of this Section, the
24 eligibility for which is conditioned upon the member or
25 participant agreeing to the increase in employee
26 contributions for service annuities specified in

1 subsection (b) of Section 12-150; or

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

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

16 (e) Any retirement annuity or supplemental annuity shall
17 be subject to annual increases on the January 1 occurring
18 either on or after the attainment of age 67 (age 65, with
19 respect to service under Article 12 that is subject to this
20 Section, for a member or participant under Article 12 who
21 first becomes a member or participant under Article 12 on or
22 after January 1, 2022 or who makes the election under item (i)
23 of subsection (d-15); and beginning on July 6, 2017 (the
24 effective date of Public Act 100-23), age 65 with respect to
25 service under Article 8 or Article 11 for eligible persons
26 who: (i) are subject to subsection (c-5) of this Section; or

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

12 Beginning January 1, 2026, for persons to whom this
13 Section applies, each annual increase in a retirement annuity
14 or supplemental annuity shall be calculated at 3% of the
15 originally granted retirement annuity.

16 For the purposes of Section 1-103.1 of this Code, the
17 changes made to this subsection by this amendatory Act of the
18 104th General Assembly are applicable without regard to
19 whether the employee was in active service on or after the
20 effective date of this amendatory Act of the 104th General
21 Assembly.

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

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

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

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

7 (g) The benefits in Section 14-110 apply only if the
8 person is a State policeman, a fire fighter in the fire
9 protection service of a department, a conservation police
10 officer, an investigator for the Secretary of State, an
11 investigator for the Office of the Attorney General, 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. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
12 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
13 8-11-23.)

14 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

15 (Text of Section WITHOUT the changes made by P.A. 98-599,
16 which has been held unconstitutional)

17 Sec. 2-119.1. Automatic increase in retirement annuity.

18 (a) A participant who retires after June 30, 1967, and who
19 has not received an initial increase under this Section before
20 the effective date of this amendatory Act of 1991, shall, in
21 January or July next following the first anniversary of
22 retirement, whichever occurs first, and in the same month of
23 each year thereafter, but in no event prior to age 60, have the
24 amount of the originally granted retirement annuity increased
25 as follows: for each year through 1971, 1 1/2%; for each year

1 from 1972 through 1979, 2%; and for 1980 and each year
2 thereafter, 3%. Annuitants who have received an initial
3 increase under this subsection prior to the effective date of
4 this amendatory Act of 1991 shall continue to receive their
5 annual increases in the same month as the initial increase.

6 (b) Beginning January 1, 1990, for eligible participants
7 who remain in service after attaining 20 years of creditable
8 service, the 3% increases provided under subsection (a) shall
9 begin to accrue on the January 1 next following the date upon
10 which the participant (1) attains age 55, or (2) attains 20
11 years of creditable service, whichever occurs later, and shall
12 continue to accrue while the participant remains in service;
13 such increases shall become payable on January 1 or July 1,
14 whichever occurs first, next following the first anniversary
15 of retirement. For any person who has service credit in the
16 System for the entire period from January 15, 1969 through
17 December 31, 1992, regardless of the date of termination of
18 service, the reference to age 55 in clause (1) of this
19 subsection (b) shall be deemed to mean age 50.

20 This subsection (b) does not apply to any person who first
21 becomes a member of the System after the effective date of this
22 amendatory Act of the 93rd General Assembly.

23 (b-5) Notwithstanding any other provision of this Article,
24 a participant who first becomes a participant on or after
25 January 1, 2011 (the effective date of Public Act 96-889)
26 shall, in January or July next following the first anniversary

1 of retirement, whichever occurs first, and in the same month
2 of each year thereafter, but in no event prior to age 67, have
3 the amount of the retirement annuity then being paid increased
4 by 3% or the annual unadjusted percentage increase in the
5 Consumer Price Index for All Urban Consumers as determined by
6 the Public Pension Division of the Department of Insurance
7 under subsection (a) of Section 2-108.1, whichever is less;
8 except that, beginning January 1, 2026, each annual increase
9 under this subsection shall be calculated at 3% of the amount
10 of the retirement annuity then being paid.

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this subsection by this amendatory Act of the
13 104th General Assembly are applicable without regard to
14 whether the employee was in active service on or after the
15 effective date of this amendatory Act of the 104th General
16 Assembly.

17 (c) The foregoing provisions relating to automatic
18 increases are not applicable to a participant who retires
19 before having made contributions (at the rate prescribed in
20 Section 2-126) for automatic increases for less than the
21 equivalent of one full year. However, in order to be eligible
22 for the automatic increases, such a participant may make
23 arrangements to pay to the system the amount required to bring
24 the total contributions for the automatic increase to the
25 equivalent of one year's contributions based upon his or her
26 last salary.

1 (d) A participant who terminated service prior to July 1,
2 1967, with at least 14 years of service is entitled to an
3 increase in retirement annuity beginning January, 1976, and to
4 additional increases in January of each year thereafter.

5 The initial increase shall be 1 1/2% of the originally
6 granted retirement annuity multiplied by the number of full
7 years that the annuitant was in receipt of such annuity prior
8 to January 1, 1972, plus 2% of the originally granted
9 retirement annuity for each year after that date. The
10 subsequent annual increases shall be at the rate of 2% of the
11 originally granted retirement annuity for each year through
12 1979 and at the rate of 3% for 1980 and thereafter.

13 (e) Beginning January 1, 1990, all automatic annual
14 increases payable under this Section shall be calculated as a
15 percentage of the total annuity payable at the time of the
16 increase, including previous increases granted under this
17 Article.

18 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

19 (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

20 Sec. 3-111.1. Increase in pension.

21 (a) Except as provided in subsection (e), the monthly
22 pension of a police officer who retires after July 1, 1971, and
23 prior to January 1, 1986, shall be increased, upon either the
24 first of the month following the first anniversary of the date
25 of retirement if the officer is 60 years of age or over at

1 retirement date, or upon the first day of the month following
2 attainment of age 60 if it occurs after the first anniversary
3 of retirement, by 3% of the originally granted pension and by
4 an additional 3% of the originally granted pension in January
5 of each year thereafter.

6 (b) The monthly pension of a police officer who retired
7 from service with 20 or more years of service, on or before
8 July 1, 1971, shall be increased in January of the year
9 following the year of attaining age 65 or in January of 1972,
10 if then over age 65, by 3% of the originally granted pension
11 for each year the police officer received pension payments. In
12 each January thereafter, he or she shall receive an additional
13 increase of 3% of the original pension.

14 (c) The monthly pension of a police officer who retires on
15 disability or is retired for disability shall be increased in
16 January of the year following the year of attaining age 60, by
17 3% of the original grant of pension for each year he or she
18 received pension payments. In each January thereafter, the
19 police officer shall receive an additional increase of 3% of
20 the original pension.

21 (d) The monthly pension of a police officer who retires
22 after January 1, 1986, shall be increased, upon either the
23 first of the month following the first anniversary of the date
24 of retirement if the officer is 55 years of age or over, or
25 upon the first day of the month following attainment of age 55
26 if it occurs after the first anniversary of retirement, by

1 1/12 of 3% of the originally granted pension for each full
2 month that has elapsed since the pension began, and by an
3 additional 3% of the originally granted pension in January of
4 each year thereafter.

5 The changes made to this subsection (d) by this amendatory
6 Act of the 91st General Assembly apply to all initial
7 increases that become payable under this subsection on or
8 after January 1, 1999. All initial increases that became
9 payable under this subsection on or after January 1, 1999 and
10 before the effective date of this amendatory Act shall be
11 recalculated and the additional amount accruing for that
12 period, if any, shall be payable to the pensioner in a lump
13 sum.

14 (e) Notwithstanding the provisions of subsection (a), upon
15 the first day of the month following (1) the first anniversary
16 of the date of retirement, or (2) the attainment of age 55, or
17 (3) July 1, 1987, whichever occurs latest, the monthly pension
18 of a police officer who retired on or after January 1, 1977 and
19 on or before January 1, 1986, and did not receive an increase
20 under subsection (a) before July 1, 1987, shall be increased
21 by 3% of the originally granted monthly pension for each full
22 year that has elapsed since the pension began, and by an
23 additional 3% of the originally granted pension in each
24 January thereafter. The increases provided under this
25 subsection are in lieu of the increases provided in subsection
26 (a).

1 (f) Notwithstanding the other provisions of this Section,
2 beginning with increases granted on or after July 1, 1993, the
3 second and all subsequent automatic annual increases granted
4 under subsection (a), (b), (d), or (e) of this Section shall be
5 calculated as 3% of the amount of pension payable at the time
6 of the increase, including any increases previously granted
7 under this Section, rather than 3% of the originally granted
8 pension amount. Section 1-103.1 does not apply to this
9 subsection (f).

10 (g) Notwithstanding any other provision of this Article,
11 the monthly pension of a person who first becomes a police
12 officer under this Article on or after January 1, 2011 shall be
13 increased on the January 1 occurring either on or after the
14 attainment of age 60 or the first anniversary of the pension
15 start date, whichever is later. Each annual increase shall be
16 calculated at 3% or one-half the annual unadjusted percentage
17 increase (but not less than zero) in the consumer price
18 index-u for the 12 months ending with the September preceding
19 each November 1, whichever is less, of the originally granted
20 pension; except that, beginning January 1, 2026, each annual
21 increase under this subsection shall be calculated at 3% of
22 the amount of the originally granted pension. If the annual
23 unadjusted percentage change in the consumer price index-u for
24 a 12-month period ending in September is zero or, when
25 compared with the preceding period, decreases, then the
26 pension shall not be increased.

1 For the purposes of this subsection (g), "consumer price
2 index-u" means the index published by the Bureau of Labor
3 Statistics of the United States Department of Labor that
4 measures the average change in prices of goods and services
5 purchased by all urban consumers, United States city average,
6 all items, 1982-84 = 100. The new amount resulting from each
7 annual adjustment shall be determined by the Public Pension
8 Division of the Department of Insurance and made available to
9 the boards of the pension funds.

10 For the purposes of Section 1-103.1 of this Code, the
11 changes made to this subsection by this amendatory Act of the
12 104th General Assembly are applicable without regard to
13 whether the employee was in active service on or after the
14 effective date of this amendatory Act of the 104th General
15 Assembly.

16 (Source: P.A. 96-1495, eff. 1-1-11.)

17 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

18 Sec. 4-109.1. Increase in pension.

19 (a) Except as provided in subsection (e), the monthly
20 pension of a firefighter who retires after July 1, 1971 and
21 prior to January 1, 1986, shall, upon either the first of the
22 month following the first anniversary of the date of
23 retirement if 60 years of age or over at retirement date, or
24 upon the first day of the month following attainment of age 60
25 if it occurs after the first anniversary of retirement, be

1 increased by 2% of the originally granted monthly pension and
2 by an additional 2% in each January thereafter. Effective
3 January 1976, the rate of the annual increase shall be 3% of
4 the originally granted monthly pension.

5 (b) The monthly pension of a firefighter who retired from
6 service with 20 or more years of service, on or before July 1,
7 1971, shall be increased, in January of the year following the
8 year of attaining age 65 or in January 1972, if then over age
9 65, by 2% of the originally granted monthly pension, for each
10 year the firefighter received pension payments. In each
11 January thereafter, he or she shall receive an additional
12 increase of 2% of the original monthly pension. Effective
13 January 1976, the rate of the annual increase shall be 3%.

14 (c) The monthly pension of a firefighter who is receiving
15 a disability pension under this Article shall be increased, in
16 January of the year following the year the firefighter attains
17 age 60, or in January 1974, if then over age 60, by 2% of the
18 originally granted monthly pension for each year he or she
19 received pension payments. In each January thereafter, the
20 firefighter shall receive an additional increase of 2% of the
21 original monthly pension. Effective January 1976, the rate of
22 the annual increase shall be 3%.

23 (c-1) On January 1, 1998, every child's disability benefit
24 payable on that date under Section 4-110 or 4-110.1 shall be
25 increased by an amount equal to 1/12 of 3% of the amount of the
26 benefit, multiplied by the number of months for which the

1 benefit has been payable. On each January 1 thereafter, every
2 child's disability benefit payable under Section 4-110 or
3 4-110.1 shall be increased by 3% of the amount of the benefit
4 then being paid, including any previous increases received
5 under this Article. These increases are not subject to any
6 limitation on the maximum benefit amount included in Section
7 4-110 or 4-110.1.

8 (c-2) On July 1, 2004, every pension payable to or on
9 behalf of a minor or disabled surviving child that is payable
10 on that date under Section 4-114 shall be increased by an
11 amount equal to 1/12 of 3% of the amount of the pension,
12 multiplied by the number of months for which the benefit has
13 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and
14 July 1, 2008, every pension payable to or on behalf of a minor
15 or disabled surviving child that is payable under Section
16 4-114 shall be increased by 3% of the amount of the pension
17 then being paid, including any previous increases received
18 under this Article. These increases are not subject to any
19 limitation on the maximum benefit amount included in Section
20 4-114.

21 (d) The monthly pension of a firefighter who retires after
22 January 1, 1986, shall, upon either the first of the month
23 following the first anniversary of the date of retirement if
24 55 years of age or over, or upon the first day of the month
25 following attainment of age 55 if it occurs after the first
26 anniversary of retirement, be increased by 1/12 of 3% of the

1 originally granted monthly pension for each full month that
2 has elapsed since the pension began, and by an additional 3% in
3 each January thereafter.

4 The changes made to this subsection (d) by this amendatory
5 Act of the 91st General Assembly apply to all initial
6 increases that become payable under this subsection on or
7 after January 1, 1999. All initial increases that became
8 payable under this subsection on or after January 1, 1999 and
9 before the effective date of this amendatory Act shall be
10 recalculated and the additional amount accruing for that
11 period, if any, shall be payable to the pensioner in a lump
12 sum.

13 (e) Notwithstanding the provisions of subsection (a), upon
14 the first day of the month following (1) the first anniversary
15 of the date of retirement, or (2) the attainment of age 55, or
16 (3) July 1, 1987, whichever occurs latest, the monthly pension
17 of a firefighter who retired on or after January 1, 1977 and on
18 or before January 1, 1986 and did not receive an increase under
19 subsection (a) before July 1, 1987, shall be increased by 3% of
20 the originally granted monthly pension for each full year that
21 has elapsed since the pension began, and by an additional 3% in
22 each January thereafter. The increases provided under this
23 subsection are in lieu of the increases provided in subsection
24 (a).

25 (f) In July 2009, the monthly pension of a firefighter who
26 retired before July 1, 1977 shall be recalculated and

1 increased to reflect the amount that the firefighter would
2 have received in July 2009 had the firefighter been receiving
3 a 3% compounded increase for each year he or she received
4 pension payments after January 1, 1986, plus any increases in
5 pension received for each year prior to January 1, 1986. In
6 each January thereafter, he or she shall receive an additional
7 increase of 3% of the amount of the pension then being paid.
8 The changes made to this Section by this amendatory Act of the
9 96th General Assembly apply without regard to whether the
10 firefighter was in service on or after its effective date.

11 (g) Notwithstanding any other provision of this Article,
12 the monthly pension of a person who first becomes a
13 firefighter under this Article on or after January 1, 2011
14 shall be increased on the January 1 occurring either on or
15 after the attainment of age 60 or the first anniversary of the
16 pension start date, whichever is later. Each annual increase
17 shall be calculated at 3% or 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, whichever is less, of the
21 originally granted pension; except that, beginning January 1,
22 2026, each annual increase under this subsection shall be
23 calculated at 3% of the amount of the originally granted
24 pension. If the annual unadjusted percentage change in the
25 consumer price index-u for a 12-month period ending in
26 September is zero or, when compared with the preceding period,

1 decreases, then the pension shall not be increased.

2 For the purposes of this subsection (g), "consumer price
3 index-u" means the index published by the Bureau of Labor
4 Statistics of the United States Department of Labor that
5 measures the average change in prices of goods and services
6 purchased by all urban consumers, United States city average,
7 all items, 1982-84 = 100. The new amount resulting from each
8 annual adjustment shall be determined by the Public Pension
9 Division of the Department of Insurance and made available to
10 the boards of the pension funds.

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this subsection by this amendatory Act of the
13 104th General Assembly are applicable without regard to
14 whether the employee was in active service on or after the
15 effective date of this amendatory Act of the 104th General
16 Assembly.

17 (Source: P.A. 96-775, eff. 8-28-09; 96-1495, eff. 1-1-11.)

18 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

19 Sec. 5-167.1. Automatic increase in annuity; retirement
20 from service after September 1, 1967.

21 (a) A policeman who retires from service after September
22 1, 1967 with at least 20 years of service credit shall, upon
23 either the first of the month following the first anniversary
24 of his date of retirement if he is age 55 or over on that
25 anniversary date, or upon the first of the month following his

1 attainment of age 55 if it occurs after the first anniversary
2 of his retirement date, have his then fixed and payable
3 monthly annuity increased by 3% and such first fixed annuity
4 as granted at retirement increased by an additional 3% in
5 January of each year thereafter.

6 Any policeman born before January 1, 1945 who qualifies
7 for a minimum annuity and retires after September 1, 1967 but
8 has not received the initial increase under this subsection
9 before January 1, 1996 is entitled to receive the initial
10 increase under this subsection on (1) January 1, 1996, (2) the
11 first anniversary of the date of retirement, or (3) attainment
12 of age 55, whichever occurs last. The changes to this Section
13 made by Public Act 89-12 apply beginning January 1, 1996 and
14 without regard to whether the policeman or annuitant
15 terminated service before the effective date of that Act.

16 Any policeman born before January 1, 1950 who qualifies
17 for a minimum annuity and retires after September 1, 1967 but
18 has not received the initial increase under this subsection
19 before January 1, 2000 is entitled to receive the initial
20 increase under this subsection on (1) January 1, 2000, (2) the
21 first anniversary of the date of retirement, or (3) attainment
22 of age 55, whichever occurs last. The changes to this Section
23 made by this amendatory Act of the 92nd General Assembly apply
24 without regard to whether the policeman or annuitant
25 terminated service before the effective date of this
26 amendatory Act.

1 Any policeman born before January 1, 1955 who qualifies
2 for a minimum annuity and retires after September 1, 1967 but
3 has not received the initial increase under this subsection
4 before January 1, 2005 is entitled to receive the initial
5 increase under this subsection on (1) January 1, 2005, (2) the
6 first anniversary of the date of retirement, or (3) attainment
7 of age 55, whichever occurs last. The changes to this Section
8 made by this amendatory Act of the 94th General Assembly apply
9 without regard to whether the policeman or annuitant
10 terminated service before the effective date of this
11 amendatory Act.

12 Any policeman born before January 1, 1966 who qualifies
13 for a minimum annuity and retires after September 1, 1967 but
14 has not received the initial increase under this subsection
15 before January 1, 2017 is entitled to receive an initial
16 increase under this subsection on (1) January 1, 2017, (2) the
17 first anniversary of the date of retirement, or (3) attainment
18 of age 55, whichever occurs last, in an amount equal to 3% for
19 each complete year following the date of retirement or
20 attainment of age 55, whichever occurs later. The changes to
21 this subsection made by this amendatory Act of the 99th
22 General Assembly apply without regard to whether the policeman
23 or annuitant terminated service before the effective date of
24 this amendatory Act.

25 Any policeman born on or after January 1, 1966 who
26 qualifies for a minimum annuity and retires after September 1,

1 1967 but has not received the initial increase under this
2 subsection before January 1, 2023 is entitled to receive the
3 initial increase under this subsection on (1) January 1, 2023,
4 (2) the first anniversary of the date of retirement, or (3)
5 attainment of age 55, whichever occurs last. The changes to
6 this Section made by this amendatory Act of the 103rd General
7 Assembly apply without regard to whether the policeman or
8 annuitant terminated service before the effective date of this
9 amendatory Act of the 103rd General Assembly.

10 (b) Subsection (a) of this Section is not applicable to an
11 employee receiving a term annuity.

12 (c) To help defray the cost of such increases in annuity,
13 there shall be deducted, beginning September 1, 1967, from
14 each payment of salary to a policeman, 1/2 of 1% of each salary
15 payment concurrently with and in addition to the salary
16 deductions otherwise made for annuity purposes.

17 The city, in addition to the contributions otherwise made
18 by it for annuity purposes under other provisions of this
19 Article, shall make matching contributions concurrently with
20 such salary deductions.

21 Each such 1/2 of 1% deduction from salary and each such
22 contribution by the city of 1/2 of 1% of salary shall be
23 credited to the Automatic Increase Reserve, to be used to
24 defray the cost of the annuity increase provided by this
25 Section. Any balance in such reserve as of the beginning of
26 each calendar year shall be credited with interest at the rate

1 of 3% per annum.

2 Such deductions from salary and city contributions shall
3 continue while the policeman is in service.

4 The salary deductions provided in this Section are not
5 subject to refund, except to the policeman himself, in any
6 case in which: (i) the policeman withdraws prior to
7 qualification for minimum annuity or Tier 2 monthly retirement
8 annuity and applies for refund, (ii) the policeman applies for
9 an annuity of a type that is not subject to annual increases
10 under this Section, or (iii) a term annuity becomes payable.
11 In such cases, the total of such salary deductions shall be
12 refunded to the policeman, without interest, and charged to
13 the Automatic Increase Reserve.

14 (d) Notwithstanding any other provision of this Article,
15 the Tier 2 monthly retirement annuity of a person who first
16 becomes a policeman under this Article on or after the
17 effective date of this amendatory Act of the 97th General
18 Assembly shall be increased on the January 1 occurring either
19 on or after (i) the attainment of age 60 or (ii) the first
20 anniversary of the annuity start date, whichever is later.
21 Each annual increase shall be calculated at 3% or one-half the
22 annual unadjusted percentage increase (but not less than zero)
23 in the consumer price index-u for the 12 months ending with the
24 September preceding each November 1, whichever is less, of the
25 originally granted retirement annuity; except that, beginning
26 January 1, 2026, each annual increase under this subsection

1 shall be calculated at 3% of the originally granted retirement
2 annuity. If the annual unadjusted percentage change in the
3 consumer price index-u for a 12-month period ending in
4 September is zero or, when compared with the preceding period,
5 decreases, then the annuity shall not be increased.

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

15 For the purposes of Section 1-103.1 of this Code, the
16 changes made to this subsection by this amendatory Act of the
17 104th General Assembly are applicable without regard to
18 whether the employee was in active service on or after the
19 effective date of this amendatory Act of the 104th General
20 Assembly.

21 (Source: P.A. 103-582, eff. 12-8-23.)

22 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

23 Sec. 6-164. Automatic annual increase; retirement after
24 September 1, 1959.

25 (a) A fireman qualifying for a minimum annuity who retires

1 from service after September 1, 1959 shall, upon either the
2 first of the month following the first anniversary of his date
3 of retirement if he is age 55 or over on that anniversary date,
4 or upon the first of the month following his attainment of age
5 55 if that occurs after the first anniversary of his
6 retirement date, have his then fixed and payable monthly
7 annuity increased by 1 1/2%, and such first fixed annuity as
8 granted at retirement increased by an additional 1 1/2% in
9 January of each year thereafter up to a maximum increase of
10 30%. Beginning July 1, 1982 for firemen born before January 1,
11 1930, and beginning January 1, 1990 for firemen born after
12 December 31, 1929 and before January 1, 1940, and beginning
13 January 1, 1996 for firemen born after December 31, 1939 but
14 before January 1, 1945, and beginning January 1, 2004, for
15 firemen born after December 31, 1944 but before January 1,
16 1955, and beginning January 1, 2017, for firemen born after
17 December 31, 1954, such increases shall be 3% and such firemen
18 shall not be subject to the 30% maximum increase.

19 Any fireman born before January 1, 1945 who qualifies for
20 a minimum annuity and retires after September 1, 1967 but has
21 not received the initial increase under this subsection before
22 January 1, 1996 is entitled to receive the initial increase
23 under this subsection on (1) January 1, 1996, (2) the first
24 anniversary of the date of retirement, or (3) attainment of
25 age 55, whichever occurs last. The changes to this Section
26 made by this amendatory Act of 1995 apply beginning January 1,

1 1996 and apply without regard to whether the fireman or
2 annuitant terminated service before the effective date of this
3 amendatory Act of 1995.

4 Any fireman born before January 1, 1955 who qualifies for
5 a minimum annuity and retires after September 1, 1967 but has
6 not received the initial increase under this subsection before
7 January 1, 2004 is entitled to receive the initial increase
8 under this subsection on (1) January 1, 2004, (2) the first
9 anniversary of the date of retirement, or (3) attainment of
10 age 55, whichever occurs last. The changes to this Section
11 made by this amendatory Act of the 93rd General Assembly apply
12 without regard to whether the fireman or annuitant terminated
13 service before the effective date of this amendatory Act.

14 Any fireman born after December 31, 1954 but before
15 January 1, 1966 who qualifies for a minimum annuity and
16 retires after September 1, 1967 is entitled to receive an
17 increase under this subsection on (1) January 1, 2017, (2) the
18 first anniversary of the date of retirement, or (3) attainment
19 of age 55, whichever occurs last, in an amount equal to an
20 increase of 3% of his then fixed and payable monthly annuity
21 upon the first of the month following the first anniversary of
22 his date of retirement if he is age 55 or over on that
23 anniversary date or upon the first of the month following his
24 attainment of age 55 if that date occurs after the first
25 anniversary of his retirement date and such first fixed
26 annuity as granted at retirement shall be increased by an

1 additional 3% in January of each year thereafter. In the case
2 of a fireman born after December 31, 1954 but before January 1,
3 1966 who received an increase in any year of 1.5%, that fireman
4 shall receive an increase for any such year so that the total
5 increase is equal to 3% for each year the fireman would have
6 been otherwise eligible had the fireman not received any
7 increase. The changes to this subsection made by this
8 amendatory Act of the 99th General Assembly apply without
9 regard to whether the fireman or annuitant terminated service
10 before the effective date of this amendatory Act. The changes
11 to this subsection made by this amendatory Act of the 100th
12 General Assembly are a declaration of existing law and shall
13 not be construed as a new enactment.

14 Any fireman who qualifies for a minimum annuity and
15 retires after September 1, 1967 is entitled to receive an
16 increase under this subsection on (1) January 1, 2020, (2) the
17 first anniversary of the date of retirement, or (3) attainment
18 of age 55, whichever occurs last, in an amount equal to an
19 increase of 3% of his or her then fixed and payable monthly
20 annuity upon the first of the month following the first
21 anniversary of his or her date of retirement if he or she is
22 age 55 or over on that anniversary date or upon the first of
23 the month following his or her attainment of age 55 if that
24 date occurs after the first anniversary of his or her
25 retirement date and such first fixed annuity as granted at
26 retirement shall be increased by an additional 3% in January

1 of each year thereafter. In the case of a fireman who received
2 an increase in any year of 1.5%, that fireman shall receive an
3 increase for any such year so that the total increase is equal
4 to 3% for each year the fireman would have been otherwise
5 eligible had the fireman not received any increase. The
6 changes to this subsection made by this amendatory Act of the
7 101st General Assembly apply without regard to whether the
8 fireman or annuitant terminated service before the effective
9 date of this amendatory Act of the 101st General Assembly.

10 (b) Subsection (a) of this Section is not applicable to an
11 employee receiving a term annuity.

12 (c) To help defray the cost of such increases in annuity,
13 there shall be deducted, beginning September 1, 1959, from
14 each payment of salary to a fireman, $1/8$ of 1% of each such
15 salary payment and an additional $1/8$ of 1% beginning on
16 September 1, 1961, and September 1, 1963, respectively,
17 concurrently with and in addition to the salary deductions
18 otherwise made for annuity purposes.

19 Each such additional $1/8$ of 1% deduction from salary which
20 shall, on September 1, 1963, result in a total increase of $3/8$
21 of 1% of salary, shall be credited to the Automatic Increase
22 Reserve, to be used, together with city contributions as
23 provided in this Article, to defray the cost of the annuity
24 increments specified in this Section. Any balance in such
25 reserve as of the beginning of each calendar year shall be
26 credited with interest at the rate of 3% per annum.

1 The salary deductions provided in this Section are not
2 subject to refund, except to the fireman himself in any case in
3 which: (i) the fireman withdraws prior to qualification for
4 minimum annuity or Tier 2 monthly retirement annuity and
5 applies for refund, (ii) the fireman applies for an annuity of
6 a type that is not subject to annual increases under this
7 Section, or (iii) a term annuity becomes payable. In such
8 cases, the total of such salary deductions shall be refunded
9 to the fireman, without interest, and charged to the
10 aforementioned reserve.

11 (d) Notwithstanding any other provision of this Article,
12 the Tier 2 monthly retirement annuity of a person who first
13 becomes a fireman under this Article on or after January 1,
14 2011 shall be increased on the January 1 occurring either on or
15 after (i) the attainment of age 60 or (ii) the first
16 anniversary of the annuity start date, whichever is later.
17 Each annual increase shall be calculated at 3% or one-half the
18 annual unadjusted percentage increase (but not less than zero)
19 in the consumer price index-u for the 12 months ending with the
20 September preceding each November 1, whichever is less, of the
21 originally granted retirement annuity; except that, beginning
22 January 1, 2026, each annual increase under this subsection
23 shall be calculated at 3% of the originally granted retirement
24 annuity. If the annual unadjusted percentage change in the
25 consumer price index-u for a 12-month period ending in
26 September is zero or, when compared with the preceding period,

1 decreases, then the annuity shall not be increased.

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

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this subsection by this amendatory Act of the
13 104th General Assembly are applicable without regard to
14 whether the employee was in active service on or after the
15 effective date of this amendatory Act of the 104th General
16 Assembly.

17 (Source: P.A. 100-23, eff. 7-6-17; 100-539, eff. 11-7-17;
18 101-673, eff. 4-5-21.)

19 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

20 Sec. 7-142. Retirement annuities; amount annuities
21 Amount.

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

25 1. For Tier 1 regular employees with 8 or more years of

1 service or for Tier 2 regular employees, an annuity
2 computed pursuant to subparagraphs a or b of this
3 subparagraph 1, whichever is the higher, and for employees
4 with less than 8 or 10 years of service, respectively, the
5 annuity computed pursuant to subparagraph a:

6 a. The monthly annuity which can be provided from
7 the total accumulated normal, municipality and prior
8 service credits, as of the attained age of the
9 employee on the date the annuity begins provided that
10 such annuity shall not exceed 75% of the final rate of
11 earnings of the employee.

12 b. (i) The monthly annuity amount determined as
13 follows by multiplying (a) $1\frac{2}{3}\%$ for annuitants with
14 not more than 15 years or (b) $1\frac{2}{3}\%$ for the first 15
15 years and 2% for each year in excess of 15 years for
16 annuitants with more than 15 years by the number of
17 years plus fractional years, prorated on a basis of
18 months, of creditable service and multiply the product
19 thereof by the employee's final rate of earnings.

20 (ii) For the sole purpose of computing the formula
21 (and not for the purposes of the limitations
22 hereinafter stated) \$125 shall be considered the final
23 rate of earnings in all cases where the final rate of
24 earnings is less than such amount.

25 (iii) The monthly annuity computed in accordance
26 with this subparagraph b, shall not exceed an amount

1 equal to 75% of the final rate of earnings.

2 (iv) For employees who have less than 35 years of
3 service, the annuity computed in accordance with this
4 subparagraph b (as reduced by application of
5 subparagraph (iii) above) shall be reduced by 0.25%
6 thereof (0.5% if service was terminated before January
7 1, 1988 or if the employee is a Tier 2 regular
8 employee) for each month or fraction thereof (1) that
9 the employee's age is less than 60 years for Tier 1
10 regular employees, (2) that the employee's age is less
11 than 67 years for Tier 2 regular employees, or (3) if
12 the employee has at least 30 years of service credit,
13 that the employee's service credit is less than 35
14 years, whichever is less, on the date the annuity
15 begins.

16 2. The annuity which can be provided from the total
17 accumulated additional credits as of the attained age of
18 the employee on the date the annuity begins.

19 (b) If payment of an annuity begins prior to the earliest
20 age at which the employee will become eligible for an old age
21 insurance benefit under the Federal Social Security Act, he
22 may elect that the annuity payments from this fund shall
23 exceed those payable after his attaining such age by an
24 amount, computed as determined by rules of the Board, but not
25 in excess of his estimated Social Security Benefit, determined
26 as of the effective date of the annuity, provided that in no

1 case shall the total annuity payments made by this fund exceed
2 in actuarial value the annuity which would have been payable
3 had no such election been made.

4 (c) Beginning January 1, 1984 and each January 1
5 thereafter, the retirement annuity of a Tier 1 regular
6 employee shall be increased by 3% each year, not compounded.
7 This increase shall be computed from the effective date of the
8 retirement annuity, the first increase being 0.25% of the
9 monthly amount times the number of months from the effective
10 date to January 1. This increase shall not be applicable to
11 annuitants who are not in service on or after September 8,
12 1971.

13 A retirement annuity of a Tier 2 regular employee shall
14 receive annual increases on the January 1 occurring either on
15 or after the attainment of age 67 or the first anniversary of
16 the annuity start date, whichever is later. Each annual
17 increase shall be calculated at the lesser of 3% or one-half
18 the annual unadjusted percentage increase (but not less than
19 zero) in the consumer price index-u for the 12 months ending
20 with the September preceding each November 1 of the originally
21 granted retirement annuity; except that, beginning January 1,
22 2026, each annual increase under this subsection shall be
23 calculated at 3% of the amount of the originally granted
24 retirement annuity. If the annual unadjusted percentage change
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1 is zero or there is a

1 decrease, then the annuity shall not be increased.

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this subsection by this amendatory Act of the
4 104th General Assembly are applicable without regard to
5 whether the employee was in active service on or after the
6 effective date of this amendatory Act of the 104th General
7 Assembly.

8 (d) Any elected county officer who was entitled to receive
9 a stipend from the State on or after July 1, 2009 and on or
10 before June 30, 2010 may establish earnings credit for the
11 amount of stipend not received, if the elected county official
12 applies in writing to the fund within 6 months after the
13 effective date of this amendatory Act of the 96th General
14 Assembly and pays to the fund an amount equal to (i) employee
15 contributions on the amount of stipend not received, (ii)
16 employer contributions determined by the Board equal to the
17 employer's normal cost of the benefit on the amount of stipend
18 not received, plus (iii) interest on items (i) and (ii) at the
19 actuarially assumed rate.

20 (Source: P.A. 102-210, eff. 1-1-22.)

21 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

22 Sec. 7-142.1. Sheriff's law enforcement employees.

23 (a) In lieu of the retirement annuity provided by
24 subparagraph 1 of paragraph (a) of Section 7-142:

25 Any sheriff's law enforcement employee who has 20 or more

1 years of service in that capacity and who terminates service
2 prior to January 1, 1988 shall be entitled at his option to
3 receive a monthly retirement annuity for his service as a
4 sheriff's law enforcement employee computed by multiplying 2%
5 for each year of such service up to 10 years, 2 1/4% for each
6 year of such service above 10 years and up to 20 years, and 2
7 1/2% for each year of such service above 20 years, by his
8 annual final rate of earnings and dividing by 12.

9 Any sheriff's law enforcement employee who has 20 or more
10 years of service in that capacity and who terminates service
11 on or after January 1, 1988 and before July 1, 2004 shall be
12 entitled at his option to receive a monthly retirement annuity
13 for his service as a sheriff's law enforcement employee
14 computed by multiplying 2.5% for each year of such service up
15 to 20 years, 2% for each year of such service above 20 years
16 and up to 30 years, and 1% for each year of such service above
17 30 years, by his annual final rate of earnings and dividing by
18 12.

19 Any sheriff's law enforcement employee who has 20 or more
20 years of service in that capacity and who terminates service
21 on or after July 1, 2004 shall be entitled at his or her option
22 to receive a monthly retirement annuity for service as a
23 sheriff's law enforcement employee computed by multiplying
24 2.5% for each year of such service by his annual final rate of
25 earnings and dividing by 12.

26 If a sheriff's law enforcement employee has service in any

1 other capacity, his retirement annuity for service as a
2 sheriff's law enforcement employee may be computed under this
3 Section and the retirement annuity for his other service under
4 Section 7-142.

5 In no case shall the total monthly retirement annuity for
6 persons who retire before July 1, 2004 exceed 75% of the
7 monthly final rate of earnings. In no case shall the total
8 monthly retirement annuity for persons who retire on or after
9 July 1, 2004 exceed 80% of the monthly final rate of earnings.

10 (b) Whenever continued group insurance coverage is elected
11 in accordance with the provisions of Section 367h of the
12 Illinois Insurance Code, as now or hereafter amended, the
13 total monthly premium for such continued group insurance
14 coverage or such portion thereof as is not paid by the
15 municipality shall, upon request of the person electing such
16 continued group insurance coverage, be deducted from any
17 monthly pension benefit otherwise payable to such person
18 pursuant to this Section, to be remitted by the Fund to the
19 insurance company or other entity providing the group
20 insurance coverage.

21 (c) A sheriff's law enforcement employee who began service
22 in that capacity prior to the effective date of this
23 amendatory Act of the 97th General Assembly and who has
24 service in any other capacity may convert up to 10 years of
25 that service into service as a sheriff's law enforcement
26 employee by paying to the Fund an amount equal to (1) the

1 additional employee contribution required under Section
2 7-173.1, plus (2) the additional employer contribution
3 required under Section 7-172, plus (3) interest on items (1)
4 and (2) at the prescribed rate from the date of the service to
5 the date of payment. Application must be received by the Board
6 while the employee is an active participant in the Fund.
7 Payment must be received while the member is an active
8 participant, except that one payment will be permitted after
9 termination of participation.

10 (d) The changes to subsections (a) and (b) of this Section
11 made by this amendatory Act of the 94th General Assembly apply
12 only to persons in service on or after July 1, 2004. In the
13 case of such a person who begins to receive a retirement
14 annuity before the effective date of this amendatory Act of
15 the 94th General Assembly, the annuity shall be recalculated
16 prospectively to reflect those changes, with the resulting
17 increase beginning to accrue on the first annuity payment date
18 following the effective date of this amendatory Act.

19 (e) Any elected county officer who was entitled to receive
20 a stipend from the State on or after July 1, 2009 and on or
21 before June 30, 2010 may establish earnings credit for the
22 amount of stipend not received, if the elected county official
23 applies in writing to the fund within 6 months after the
24 effective date of this amendatory Act of the 96th General
25 Assembly and pays to the fund an amount equal to (i) employee
26 contributions on the amount of stipend not received, (ii)

1 employer contributions determined by the Board equal to the
2 employer's normal cost of the benefit on the amount of stipend
3 not received, plus (iii) interest on items (i) and (ii) at the
4 actuarially assumed rate.

5 (f) Notwithstanding any other provision of this Article,
6 the provisions of this subsection (f) apply to a person who
7 first becomes a sheriff's law enforcement employee under this
8 Article on or after January 1, 2011.

9 A sheriff's law enforcement employee age 55 or more who
10 has 10 or more years of service in that capacity shall be
11 entitled at his option to receive a monthly retirement annuity
12 for his or her service as a sheriff's law enforcement employee
13 computed by multiplying 2.5% for each year of such service by
14 his or her final rate of earnings.

15 The retirement annuity of a sheriff's law enforcement
16 employee who is retiring after attaining age 50 with 10 or more
17 years of creditable service shall be reduced by one-half of 1%
18 for each month that the sheriff's law enforcement employee's
19 age is under age 55.

20 The maximum retirement annuity under this subsection (f)
21 shall be 75% of final rate of earnings.

22 For the purposes of this subsection (f), "final rate of
23 earnings" means the average monthly earnings obtained by
24 dividing the total salary of the sheriff's law enforcement
25 employee during the 96 consecutive months of service within
26 the last 120 months of service in which the total earnings was

1 the highest by the number of months of service in that period.

2 Notwithstanding any other provision of this Article,
3 beginning on January 1, 2011, for all purposes under this Code
4 (including without limitation the calculation of benefits and
5 employee contributions), the annual earnings of a sheriff's
6 law enforcement employee to whom this Section applies shall
7 not include overtime and shall not exceed \$106,800; however,
8 that amount shall annually thereafter be increased by the
9 lesser of (i) 3% of that amount, including all previous
10 adjustments, or (ii) one-half the annual unadjusted percentage
11 increase (but not less than zero) in the consumer price
12 index-u for the 12 months ending with the September preceding
13 each November 1, including all previous adjustments.

14 (g) Notwithstanding any other provision of this Article,
15 the monthly annuity of a person who first becomes a sheriff's
16 law enforcement employee under this Article on or after
17 January 1, 2011 shall be increased on the January 1 occurring
18 either on or after the attainment of age 60 or the first
19 anniversary of the annuity start date, whichever is later.
20 Each annual increase shall be calculated at 3% or one-half the
21 annual unadjusted percentage increase (but not less than zero)
22 in the consumer price index-u for the 12 months ending with the
23 September preceding each November 1, whichever is less, of the
24 originally granted retirement annuity; except that, beginning
25 January 1, 2026, each annual increase under this subsection
26 shall be calculated at 3% of the amount of the originally

1 granted retirement annuity. If the annual unadjusted
2 percentage change in the consumer price index-u for a 12-month
3 period ending in September is zero or, when compared with the
4 preceding period, decreases, then the annuity shall not be
5 increased.

6 For the purposes of Section 1-103.1 of this Code, the
7 changes made to this subsection by this amendatory Act of the
8 104th General Assembly are applicable without regard to
9 whether the employee was in active service on or after the
10 effective date of this amendatory Act of the 104th General
11 Assembly.

12 (h) Notwithstanding any other provision of this Article,
13 for a person who first becomes a sheriff's law enforcement
14 employee under this Article on or after January 1, 2011, the
15 annuity to which the surviving spouse, children, or parents
16 are entitled under this subsection (h) shall be in the amount
17 of 66 2/3% of the sheriff's law enforcement employee's earned
18 annuity at the date of death.

19 (i) Notwithstanding any other provision of this Article,
20 the monthly annuity of a survivor of a person who first becomes
21 a sheriff's law enforcement employee under this Article on or
22 after January 1, 2011 shall be increased on the January 1 after
23 attainment of age 60 by the recipient of the survivor's
24 annuity and each January 1 thereafter by 3% or one-half the
25 annual unadjusted percentage increase in the consumer price
26 index-u for the 12 months ending with the September preceding

1 each November 1, whichever is less, of the originally granted
2 pension. If the annual unadjusted percentage change in the
3 consumer price index-u for a 12-month period ending in
4 September is zero or, when compared with the preceding period,
5 decreases, then the annuity shall not be increased.

6 (j) For the purposes of this Section, "consumer price
7 index-u" means the index published by the Bureau of Labor
8 Statistics of the United States Department of Labor that
9 measures the average change in prices of goods and services
10 purchased by all urban consumers, United States city average,
11 all items, 1982-84 = 100. The new amount resulting from each
12 annual adjustment shall be determined by the Public Pension
13 Division of the Department of Insurance and made available to
14 the boards of the pension funds.

15 (Source: P.A. 100-148, eff. 8-18-17.)

16 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

17 Sec. 15-136. Retirement annuities; amount ~~annuities~~
18 ~~Amount~~. The provisions of this Section 15-136 apply only to
19 those participants who are participating in the traditional
20 benefit package or the portable benefit package and do not
21 apply to participants who are participating in the
22 self-managed plan.

23 (a) The amount of a participant's retirement annuity,
24 expressed in the form of a single-life annuity, shall be
25 determined by whichever of the following rules is applicable

1 and provides the largest annuity:

2 Rule 1: The retirement annuity shall be 1.67% of final
3 rate of earnings for each of the first 10 years of service,
4 1.90% for each of the next 10 years of service, 2.10% for each
5 year of service in excess of 20 but not exceeding 30, and 2.30%
6 for each year in excess of 30; or for persons who retire on or
7 after January 1, 1998, 2.2% of the final rate of earnings for
8 each year of service.

9 Rule 2: The retirement annuity shall be the sum of the
10 following, determined from amounts credited to the participant
11 in accordance with the actuarial tables and the effective rate
12 of interest in effect at the time the retirement annuity
13 begins:

14 (i) the normal annuity which can be provided on an
15 actuarially equivalent basis, by the accumulated normal
16 contributions as of the date the annuity begins;

17 (ii) an annuity from employer contributions of an
18 amount equal to that which can be provided on an
19 actuarially equivalent basis from the accumulated normal
20 contributions made by the participant under Section
21 15-113.6 and Section 15-113.7 plus 1.4 times all other
22 accumulated normal contributions made by the participant;
23 and

24 (iii) the annuity that can be provided on an
25 actuarially equivalent basis from the entire contribution
26 made by the participant under Section 15-113.3.

1 With respect to a police officer or firefighter who
2 retires on or after August 14, 1998, the accumulated normal
3 contributions taken into account under clauses (i) and (ii) of
4 this Rule 2 shall include the additional normal contributions
5 made by the police officer or firefighter under Section
6 15-157(a).

7 The amount of a retirement annuity calculated under this
8 Rule 2 shall be computed solely on the basis of the
9 participant's accumulated normal contributions, as specified
10 in this Rule and defined in Section 15-116. Neither an
11 employee or employer contribution for early retirement under
12 Section 15-136.2 nor any other employer contribution shall be
13 used in the calculation of the amount of a retirement annuity
14 under this Rule 2.

15 This amendatory Act of the 91st General Assembly is a
16 clarification of existing law and applies to every participant
17 and annuitant without regard to whether status as an employee
18 terminates before the effective date of this amendatory Act.

19 This Rule 2 does not apply to a person who first becomes an
20 employee under this Article on or after July 1, 2005.

21 Rule 3: The retirement annuity of a participant who is
22 employed at least one-half time during the period on which his
23 or her final rate of earnings is based, shall be equal to the
24 participant's years of service not to exceed 30, multiplied by
25 (1) \$96 if the participant's final rate of earnings is less
26 than \$3,500, (2) \$108 if the final rate of earnings is at least

1 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
2 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
3 the final rate of earnings is at least \$5,500 but less than
4 \$6,500, (5) \$144 if the final rate of earnings is at least
5 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
6 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
7 the final rate of earnings is at least \$8,500 but less than
8 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
9 more, except that the annuity for those persons having made an
10 election under Section 15-154(a-1) shall be calculated and
11 payable under the portable retirement benefit program pursuant
12 to the provisions of Section 15-136.4.

13 Rule 4: A participant who is at least age 50 and has 25 or
14 more years of service as a police officer or firefighter, and a
15 participant who is age 55 or over and has at least 20 but less
16 than 25 years of service as a police officer or firefighter,
17 shall be entitled to a retirement annuity of 2 1/4% of the
18 final rate of earnings for each of the first 10 years of
19 service as a police officer or firefighter, 2 1/2% for each of
20 the next 10 years of service as a police officer or
21 firefighter, and 2 3/4% for each year of service as a police
22 officer or firefighter in excess of 20. The retirement annuity
23 for all other service shall be computed under Rule 1. A Tier 2
24 member is eligible for a retirement annuity calculated under
25 Rule 4 only if that Tier 2 member meets the service
26 requirements for that benefit calculation as prescribed under

1 this Rule 4 in addition to the applicable age requirement
2 under subsection (a-10) of Section 15-135.

3 For purposes of this Rule 4, a participant's service as a
4 firefighter shall also include the following:

5 (i) service that is performed while the person is an
6 employee under subsection (h) of Section 15-107; and

7 (ii) in the case of an individual who was a
8 participating employee employed in the fire department of
9 the University of Illinois's Champaign-Urbana campus
10 immediately prior to the elimination of that fire
11 department and who immediately after the elimination of
12 that fire department transferred to another job with the
13 University of Illinois, service performed as an employee
14 of the University of Illinois in a position other than
15 police officer or firefighter, from the date of that
16 transfer until the employee's next termination of service
17 with the University of Illinois.

18 (b) For a Tier 1 member, the retirement annuity provided
19 under Rules 1 and 3 above shall be reduced by 1/2 of 1% for
20 each month the participant is under age 60 at the time of
21 retirement. However, this reduction shall not apply in the
22 following cases:

23 (1) For a disabled participant whose disability
24 benefits have been discontinued because he or she has
25 exhausted eligibility for disability benefits under clause
26 (6) of Section 15-152;

1 (2) For a participant who has at least the number of
2 years of service required to retire at any age under
3 subsection (a) of Section 15-135; or

4 (3) For that portion of a retirement annuity which has
5 been provided on account of service of the participant
6 during periods when he or she performed the duties of a
7 police officer or firefighter, if these duties were
8 performed for at least 5 years immediately preceding the
9 date the retirement annuity is to begin.

10 (b-5) The retirement annuity of a Tier 2 member who is
11 retiring under Rule 1 or 3 after attaining age 62 with at least
12 10 years of service credit shall be reduced by 1/2 of 1% for
13 each full month that the member's age is under age 67.

14 (c) The maximum retirement annuity provided under Rules 1,
15 2, 4, and 5 shall be the lesser of (1) the annual limit of
16 benefits as specified in Section 415 of the Internal Revenue
17 Code of 1986, as such Section may be amended from time to time
18 and as such benefit limits shall be adjusted by the
19 Commissioner of Internal Revenue, and (2) 80% of final rate of
20 earnings.

21 (d) A Tier 1 member whose status as an employee terminates
22 after August 14, 1969 shall receive automatic increases in his
23 or her retirement annuity as follows:

24 Effective January 1 immediately following the date the
25 retirement annuity begins, the annuitant shall receive an
26 increase in his or her monthly retirement annuity of 0.125% of

1 the monthly retirement annuity provided under Rule 1, Rule 2,
2 Rule 3, or Rule 4 contained in this Section, multiplied by the
3 number of full months which elapsed from the date the
4 retirement annuity payments began to January 1, 1972, plus
5 0.1667% of such annuity, multiplied by the number of full
6 months which elapsed from January 1, 1972, or the date the
7 retirement annuity payments began, whichever is later, to
8 January 1, 1978, plus 0.25% of such annuity multiplied by the
9 number of full months which elapsed from January 1, 1978, or
10 the date the retirement annuity payments began, whichever is
11 later, to the effective date of the increase.

12 The annuitant shall receive an increase in his or her
13 monthly retirement annuity on each January 1 thereafter during
14 the annuitant's life of 3% of the monthly annuity provided
15 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this
16 Section. The change made under this subsection by P.A. 81-970
17 is effective January 1, 1980 and applies to each annuitant
18 whose status as an employee terminates before or after that
19 date.

20 Beginning January 1, 1990, all automatic annual increases
21 payable under this Section shall be calculated as a percentage
22 of the total annuity payable at the time of the increase,
23 including all increases previously granted under this Article.

24 The change made in this subsection by P.A. 85-1008 is
25 effective January 26, 1988, and is applicable without regard
26 to whether status as an employee terminated before that date.

1 (d-5) A retirement annuity of a Tier 2 member shall
2 receive annual increases on the January 1 occurring either on
3 or after the attainment of age 67 or the first anniversary of
4 the annuity start date, whichever is later. Each annual
5 increase shall be calculated at 3% or one half the annual
6 unadjusted percentage increase (but not less than zero) in the
7 consumer price index-u for the 12 months ending with the
8 September preceding each November 1, whichever is less, of the
9 originally granted retirement annuity; except that, beginning
10 January 1, 2026, each annual increase under this subsection
11 shall be calculated at 3% of the amount of the originally
12 granted retirement annuity. If the annual unadjusted
13 percentage change in the consumer price index-u for the 12
14 months ending with the September preceding each November 1 is
15 zero or there is a decrease, then the annuity shall not be
16 increased.

17 For the purposes of Section 1-103.1 of this Code, the
18 changes made to this subsection by this amendatory Act of the
19 104th General Assembly are applicable without regard to
20 whether the employee was in active service on or after the
21 effective date of this amendatory Act of the 104th General
22 Assembly.

23 (e) If, on January 1, 1987, or the date the retirement
24 annuity payment period begins, whichever is later, the sum of
25 the retirement annuity provided under Rule 1 or Rule 2 of this
26 Section and the automatic annual increases provided under the

1 preceding subsection or Section 15-136.1, amounts to less than
2 the retirement annuity which would be provided by Rule 3, the
3 retirement annuity shall be increased as of January 1, 1987,
4 or the date the retirement annuity payment period begins,
5 whichever is later, to the amount which would be provided by
6 Rule 3 of this Section. Such increased amount shall be
7 considered as the retirement annuity in determining benefits
8 provided under other Sections of this Article. This paragraph
9 applies without regard to whether status as an employee
10 terminated before the effective date of this amendatory Act of
11 1987, provided that the annuitant was employed at least
12 one-half time during the period on which the final rate of
13 earnings was based.

14 (f) A participant is entitled to such additional annuity
15 as may be provided on an actuarially equivalent basis, by any
16 accumulated additional contributions to his or her credit.
17 However, the additional contributions made by the participant
18 toward the automatic increases in annuity provided under this
19 Section shall not be taken into account in determining the
20 amount of such additional annuity.

21 (g) If, (1) by law, a function of a governmental unit, as
22 defined by Section 20-107 of this Code, is transferred in
23 whole or in part to an employer, and (2) a participant
24 transfers employment from such governmental unit to such
25 employer within 6 months after the transfer of the function,
26 and (3) the sum of (A) the annuity payable to the participant

1 under Rule 1, 2, or 3 of this Section (B) all proportional
2 annuities payable to the participant by all other retirement
3 systems covered by Article 20, and (C) the initial primary
4 insurance amount to which the participant is entitled under
5 the Social Security Act, is less than the retirement annuity
6 which would have been payable if all of the participant's
7 pension credits validated under Section 20-109 had been
8 validated under this system, a supplemental annuity equal to
9 the difference in such amounts shall be payable to the
10 participant.

11 (h) On January 1, 1981, an annuitant who was receiving a
12 retirement annuity on or before January 1, 1971 shall have his
13 or her retirement annuity then being paid increased \$1 per
14 month for each year of creditable service. On January 1, 1982,
15 an annuitant whose retirement annuity began on or before
16 January 1, 1977, shall have his or her retirement annuity then
17 being paid increased \$1 per month for each year of creditable
18 service.

19 (i) On January 1, 1987, any annuitant whose retirement
20 annuity began on or before January 1, 1977, shall have the
21 monthly retirement annuity increased by an amount equal to 8¢
22 per year of creditable service times the number of years that
23 have elapsed since the annuity began.

24 (j) The changes made to this Section by this amendatory
25 Act of the 101st General Assembly apply retroactively to
26 January 1, 2011.

1 (Source: P.A. 101-610, eff. 1-1-20.)

2 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

3 Sec. 18-125.1. Automatic increase in retirement annuity. A
4 participant who retires from service after June 30, 1969,
5 shall, in January of the year next following the year in which
6 the first anniversary of retirement occurs, and in January of
7 each year thereafter, have the amount of his or her originally
8 granted retirement annuity increased as follows: for each year
9 up to and including 1971, 1 1/2%; for each year from 1972
10 through 1979 inclusive, 2%; and for 1980 and each year
11 thereafter, 3%.

12 Notwithstanding any other provision of this Article, a
13 retirement annuity for a participant who first serves as a
14 judge on or after January 1, 2011 (the effective date of Public
15 Act 96-889) shall be increased in January of the year next
16 following the year in which the first anniversary of
17 retirement occurs, but in no event prior to age 67, and in
18 January of each year thereafter, by an amount equal to 3% or
19 the annual percentage increase in the consumer price index-u
20 as determined by the Public Pension Division of the Department
21 of Insurance under subsection (b-5) of Section 18-125,
22 whichever is less, of the retirement annuity then being paid;
23 except that, beginning January 1, 2026, each annual increase
24 under this subsection shall be calculated at 3% of the amount
25 of the retirement annuity then being paid.

1 For the purposes of Section 1-103.1 of this Code, the
2 changes made to this Section by this amendatory Act of the
3 104th General Assembly are applicable without regard to
4 whether the employee was in active service on or after the
5 effective date of this amendatory Act of the 104th General
6 Assembly.

7 This Section is not applicable to a participant who
8 retires before he or she has made contributions at the rate
9 prescribed in Section 18-133 for automatic increases for not
10 less than the equivalent of one full year, unless such a
11 participant arranges to pay the system the amount required to
12 bring the total contributions for the automatic increase to
13 the equivalent of one year's contribution based upon his or
14 her last year's salary.

15 This Section is applicable to all participants in service
16 after June 30, 1969 unless a participant has elected, prior to
17 September 1, 1969, in a written direction filed with the board
18 not to be subject to the provisions of this Section. Any
19 participant in service on or after July 1, 1992 shall have the
20 option of electing prior to April 1, 1993, in a written
21 direction filed with the board, to be covered by the
22 provisions of the 1969 amendatory Act. Such participant shall
23 be required to make the aforesaid additional contributions
24 with compound interest at 4% per annum.

25 Any participant who has become eligible to receive the
26 maximum rate of annuity and who resumes service as a judge

1 after receiving a retirement annuity under this Article shall
2 have the amount of his or her retirement annuity increased by
3 3% of the originally granted annuity amount for each year of
4 such resumed service, beginning in January of the year next
5 following the date of such resumed service, upon subsequent
6 termination of such resumed service.

7 Beginning January 1, 1990, all automatic annual increases
8 payable under this Section shall be calculated as a percentage
9 of the total annuity payable at the time of the increase,
10 including previous increases granted under this Article.

11 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

12 Article 3A.

13 Section 3A-5. The Illinois Pension Code is amended by
14 changing Sections 1-160, 2-119, 2-119.01, 2-119.1, 3-111,
15 3-111.1, 4-109, 4-109.1, 5-167.1, 5-238, 6-164, 6-229, 7-142,
16 7-142.1, 14-110, 15-135, 15-136, 18-124, and 18-125.1 as
17 follows:

18 (40 ILCS 5/1-160)

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

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

21 (a) The provisions of this Section apply to a person who,
22 on or after January 1, 2011, first becomes a member or a
23 participant under any reciprocal retirement system or pension

1 fund established under this Code, other than a retirement
2 system or pension fund established under Article 2, 3, 4, 5, 6,
3 7, 15, or 18 of this Code, notwithstanding any other provision
4 of this Code to the contrary, but do not apply to any
5 self-managed plan established under this Code or to any
6 participant of the retirement plan established under Section
7 22-101; except that this Section applies to a person who
8 elected to establish alternative credits by electing in
9 writing after January 1, 2011, but before August 8, 2011,
10 under Section 7-145.1 of this Code. Notwithstanding anything
11 to the contrary in this Section, for purposes of this Section,
12 a person who is a Tier 1 regular employee as defined in Section
13 7-109.4 of this Code or who participated in a retirement
14 system under Article 15 prior to January 1, 2011 shall be
15 deemed a person who first became a member or participant prior
16 to January 1, 2011 under any retirement system or pension fund
17 subject to this Section. The changes made to this Section by
18 Public Act 98-596 are a clarification of existing law and are
19 intended to be retroactive to January 1, 2011 (the effective
20 date of Public Act 96-889), notwithstanding the provisions of
21 Section 1-103.1 of this Code.

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

1 under this Section and the applicable provisions of that
2 Article.

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 (a-5) In this Section, "affected member or participant"
21 means a member or participant to whom this Section applies and
22 who is an active member or participant on or after January 1,
23 2026; except that "affected member or participant" does not
24 include a member or participant under Article 22.

25 (b) "Final average salary" means, except as otherwise
26 provided in this subsection, the average monthly (or annual)

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

12 (1) (Blank).

13 (2) In Articles 8, 9, 10, 11, and 12, "highest average
14 annual salary for any 4 consecutive years within the last
15 10 years of service immediately preceding the date of
16 withdrawal".

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

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

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

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

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

1 average salary:

2 (A) the amount otherwise calculated under the first
3 paragraph of this subsection; or

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

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

24 For the purposes of this Section, "consumer price index-u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the

1 average change in prices of goods and services purchased by
2 all urban consumers, United States city average, all items,
3 1982-84 = 100. The new amount resulting from each annual
4 adjustment shall be determined by the Public Pension Division
5 of the Department of Insurance and made available to the
6 boards of the retirement systems and pension funds by November
7 1 of each year.

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

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

1 any refund as a result of the application of this maximum
2 annual earnings, salary, and wage cap.

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

9 (c) For a member or participant who is not an affected
10 member or participant, a ~~A~~ member or participant is entitled
11 to a retirement annuity upon written application if he or she
12 has attained age 67 (age 65, with respect to service under
13 Article 12 that is subject to this Section, for a member or
14 participant under Article 12 who first becomes a member or
15 participant under Article 12 on or after January 1, 2022 or who
16 makes the election under item (i) of subsection (d-15) of this
17 Section) and has at least 10 years of service credit and is
18 otherwise eligible under the requirements of the applicable
19 Article.

20 For an affected member or participant, the age and service
21 eligibility requirements for a retirement annuity are the age
22 and service eligibility requirements applicable to a member or
23 participant who first became a member or participant under the
24 applicable Article on December 31, 2010.

25 A member or participant who has attained age 62 (age 60,
26 with respect to service under Article 12 that is subject to

1 this Section, for a member or participant under Article 12 who
2 first becomes a member or participant under Article 12 on or
3 after January 1, 2022 or who makes the election under item (i)
4 of subsection (d-15) of this Section) and has at least 10 years
5 of service credit and is otherwise eligible under the
6 requirements of the applicable Article may elect to receive
7 the lower retirement annuity provided in subsection (d) of
8 this Section. This paragraph does not apply to an affected
9 member or participant.

10 (c-5) A person who first becomes a member or a participant
11 subject to this Section on or after July 6, 2017 (the effective
12 date of Public Act 100-23), notwithstanding any other
13 provision of this Code to the contrary, is entitled to a
14 retirement annuity under Article 8 or Article 11 upon written
15 application if he or she has attained age 65 and has at least
16 10 years of service credit and is otherwise eligible under the
17 requirements of Article 8 or Article 11 of this Code,
18 whichever is applicable.

19 This subsection does not apply to an affected member or
20 participant.

21 (d) The retirement annuity of a member or participant who
22 is retiring after attaining age 62 (age 60, with respect to
23 service under Article 12 that is subject to this Section, for a
24 member or participant under Article 12 who first becomes a
25 member or participant under Article 12 on or after January 1,
26 2022 or who makes the election under item (i) of subsection

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

9 This subsection does not apply to an affected member or
10 participant.

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

16 This subsection does not apply to an affected member or
17 participant.

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

23 (i) to be eligible for the reduced retirement age
24 provided in subsections (c-5) and (d-5) of this Section,
25 the eligibility for which is conditioned upon the member
26 or participant agreeing to the increases in employee

1 contributions for age and service annuities provided in
2 subsection (a-5) of Section 8-174 of this Code (for
3 service under Article 8) or subsection (a-5) of Section
4 11-170 of this Code (for service under Article 11); or

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

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

20 This subsection does not apply to an affected member or
21 participant.

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 This subsection does not apply to an affected member or
21 participant.

22 (e) For a member or participant who is not an affected
23 member or participant, any ~~Any~~ retirement annuity or
24 supplemental annuity shall be subject to annual increases on
25 the January 1 occurring either on or after the attainment of
26 age 67 (age 65, with respect to service under Article 12 that

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

20 For an affected member or participant, any retirement
21 annuity or supplemental annuity shall be subject to annual
22 increases on the January 1 occurring either on or after the
23 attainment of the retirement age under the Article applicable
24 to that member or participant or the first anniversary of the
25 annuity start date, whichever is later.

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

1 changes made to this Section by Public Act 102-263 are
2 applicable without regard to whether the employee was in
3 active service on or after August 6, 2021 (the effective date
4 of Public Act 102-263).

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

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

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

11 (g) The benefits in Section 14-110 apply if the person is a
12 fire fighter in the fire protection service of a department, a
13 security employee of the Department of Corrections or the
14 Department of Juvenile Justice, a security employee of the
15 Department of Innovation and Technology, a security employee
16 of the Department of Human Services, an investigator for the
17 Department of the Lottery, a State policeman, an investigator
18 for the Secretary of State, a conservation police officer, an
19 investigator for the Department of Revenue or the Illinois
20 Gaming Board, an investigator for the Office of the Attorney
21 General, a Commerce Commission police officer, an arson
22 investigator, or a State highway maintenance worker ~~a fire~~
23 ~~fighter in the fire protection service of a department, a~~
24 ~~security employee of the Department of Corrections or the~~
25 ~~Department of Juvenile Justice, or a security employee of the~~
26 ~~Department of Innovation and Technology, as those terms are~~

1 defined in subsection (b) and subsection (c) of Section
2 14-110. A person who meets the requirements of this Section is
3 entitled to an annuity calculated under the provisions of
4 Section 14-110, in lieu of the regular or minimum retirement
5 annuity, only if (i) the person has withdrawn from service
6 with not less than 25 ~~20~~ years of eligible creditable service
7 and has attained age 50 ~~60~~, regardless of whether the
8 attainment of age 50 ~~60~~ occurs while the person is still in
9 service, or (ii) the person has withdrawn from service with
10 not less than 20 years of eligible creditable service and has
11 attained age 55, regardless of whether the attainment of age
12 55 occurs while the person is still in service.

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

1 ~~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 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 (a-5) In this Section, "affected member or participant"
16 means a member or participant to whom this Section applies and
17 who is an active member or participant on or after January 1,
18 2026; except that "affected member or participant" does not
19 include a member or participant under Article 22.

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) For a member or participant who is not an affected
5 member or participant, a ~~A~~ member or participant is entitled
6 to a retirement annuity upon written application if he or she
7 has attained age 67 (age 65, with respect to service under
8 Article 12 that is subject to this Section, for a member or
9 participant under Article 12 who first becomes a member or
10 participant under Article 12 on or after January 1, 2022 or who
11 makes the election under item (i) of subsection (d-15) of this
12 Section) and has at least 10 years of service credit and is
13 otherwise eligible under the requirements of the applicable
14 Article.

15 For an affected member or participant, the age and service
16 eligibility requirements for a retirement annuity are the age
17 and service eligibility requirements applicable to a member or
18 participant who first became a member or participant under the
19 applicable Article on December 31, 2010.

20 A member or participant who has attained age 62 (age 60,
21 with respect to service under Article 12 that is subject to
22 this Section, for a member or participant under Article 12 who
23 first becomes a member or participant under Article 12 on or
24 after January 1, 2022 or who makes the election under item (i)
25 of subsection (d-15) of this Section) and has at least 10 years
26 of service credit and is otherwise eligible under the

1 requirements of the applicable Article may elect to receive
2 the lower retirement annuity provided in subsection (d) of
3 this Section. This paragraph does not apply to an affected
4 member or participant.

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

14 This subsection does not apply to an affected member or
15 participant.

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

1 member or participant under Article 12 on or after January 1,
2 2022 or who makes the election under item (i) of subsection
3 (d-15) of this Section).

4 This subsection does not apply to an affected member or
5 participant.

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

11 This subsection does not apply to an affected member or
12 participant.

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

18 (i) to be eligible for the reduced retirement age
19 provided in subsections (c-5) and (d-5) of this Section,
20 the eligibility for which is conditioned upon the member
21 or participant agreeing to the increases in employee
22 contributions for age and service annuities provided in
23 subsection (a-5) of Section 8-174 of this Code (for
24 service under Article 8) or subsection (a-5) of Section
25 11-170 of this Code (for service under Article 11); or

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall
2 continue to be subject to the retirement age provisions in
3 subsections (c) and (d) of this Section and the employee
4 contributions for age and service annuity as provided in
5 subsection (a) of Section 8-174 of this Code (for service
6 under Article 8) or subsection (a) of Section 11-170 of
7 this Code (for service under Article 11).

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

15 This subsection does not apply to an affected member or
16 participant.

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

21 (i) to be eligible for the reduced retirement age
22 specified in subsections (c) and (d) of this Section, the
23 eligibility for which is conditioned upon the member or
24 participant agreeing to the increase in employee
25 contributions for service annuities specified in
26 subsection (b) of Section 12-150; or

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

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

15 This subsection does not apply to an affected member or
16 participant.

17 (e) For a member or participant who is not an affected
18 member or participant, any ~~Any~~ retirement annuity or
19 supplemental annuity shall be subject to annual increases on
20 the January 1 occurring either on or after the attainment of
21 age 67 (age 65, with respect to service under Article 12 that
22 is subject to this Section, for a member or participant under
23 Article 12 who first becomes a member or participant under
24 Article 12 on or after January 1, 2022 or who makes the
25 election under item (i) of subsection (d-15); and beginning on
26 July 6, 2017 (the effective date of Public Act 100-23), age 65

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

15 For an affected member or participant, any retirement
16 annuity or supplemental annuity shall be subject to annual
17 increases on the January 1 occurring either on or after the
18 attainment of the retirement age under the Article applicable
19 to that member or participant or the first anniversary of the
20 annuity start date, whichever is later.

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 fire fighter in the fire protection service of a
8 department, a security employee of the Department of
9 Corrections or the Department of Juvenile Justice, a security
10 employee of the Department of Innovation and Technology, a
11 security employee of the Department of Human Services, an
12 investigator for the Department of the Lottery, a State
13 policeman, an investigator for the Secretary of State, a
14 conservation police officer, an investigator for the
15 Department of Revenue or the Illinois Gaming Board, an
16 investigator for the Office of the Attorney General, a
17 Commerce Commission police officer, an arson investigator, or
18 a State highway maintenance worker ~~a State policeman, a fire~~
19 ~~fighter in the fire protection service of a department, a~~
20 ~~conservation police officer, an investigator for the Secretary~~
21 ~~of State, an arson investigator, a Commerce Commission police~~
22 ~~officer, investigator for the Department of Revenue or the~~
23 ~~Illinois Gaming Board, a security employee of the Department~~
24 ~~of Corrections or the Department of Juvenile Justice, or a~~
25 ~~security employee of the Department of Innovation and~~
26 ~~Technology, as those terms are defined in subsection (b) and~~

1 subsection (c) of Section 14-110. A person who meets the
2 requirements of this Section is entitled to an annuity
3 calculated under the provisions of Section 14-110, in lieu of
4 the regular or minimum retirement annuity, only if (i) the
5 person has withdrawn from service with not less than 25 ~~20~~
6 years of eligible creditable service and has attained age 50
7 ~~60~~, regardless of whether the attainment of age 50 ~~60~~ occurs
8 while the person is still in service, or (ii) the person has
9 withdrawn from service with not less than 20 years of eligible
10 creditable service and has attained age 55, regardless of
11 whether the attainment of age 55 occurs while the person is
12 still in service.

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

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

20 (i) (Blank).

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

24 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
26 5-13-22; 103-529, eff. 8-11-23.)

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

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

3 (a) The provisions of this Section apply to a person who,
4 on or after January 1, 2011, first becomes a member or a
5 participant under any reciprocal retirement system or pension
6 fund established under this Code, other than a retirement
7 system or pension fund established under Article 2, 3, 4, 5, 6,
8 7, 15, or 18 of this Code, notwithstanding any other provision
9 of this Code to the contrary, but do not apply to any
10 self-managed plan established under this Code or to any
11 participant of the retirement plan established under Section
12 22-101; except that this Section applies to a person who
13 elected to establish alternative credits by electing in
14 writing after January 1, 2011, but before August 8, 2011,
15 under Section 7-145.1 of this Code. Notwithstanding anything
16 to the contrary in this Section, for purposes of this Section,
17 a person who is a Tier 1 regular employee as defined in Section
18 7-109.4 of this Code or who participated in a retirement
19 system under Article 15 prior to January 1, 2011 shall be
20 deemed a person who first became a member or participant prior
21 to January 1, 2011 under any retirement system or pension fund
22 subject to this Section. The changes made to this Section by
23 Public Act 98-596 are a clarification of existing law and are
24 intended to be retroactive to January 1, 2011 (the effective
25 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

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

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

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

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

26 (a-5) In this Section, "affected member or participant"

1 means a member or participant to whom this Section applies and
2 who is an active member or participant on or after January 1,
3 2026; except that "affected member or participant" does not
4 include a member or participant under Article 22.

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

18 (1) (Blank).

19 (2) In Articles 8, 9, 10, 11, and 12, "highest average
20 annual salary for any 4 consecutive years within the last
21 10 years of service immediately preceding the date of
22 withdrawal".

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

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

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

26 (6) In Section 22-207, "wages or salary received by

1 him at the date of retirement or discharge".

2 A member of the Teachers' Retirement System of the State
3 of Illinois who retires on or after June 1, 2021 and for whom
4 the 2020-2021 school year is used in the calculation of the
5 member's final average salary shall use the higher of the
6 following for the purpose of determining the member's final
7 average salary:

8 (A) the amount otherwise calculated under the first
9 paragraph of this subsection; or

10 (B) an amount calculated by the Teachers' Retirement
11 System of the State of Illinois using the average of the
12 monthly (or annual) salary obtained by dividing the total
13 salary or earnings calculated under Article 16 applicable
14 to the member or participant during the 96 months (or 8
15 years) of service within the last 120 months (or 10 years)
16 of service in which the total salary or earnings
17 calculated under the Article was the highest by the number
18 of months (or years) of service in that period.

19 (b-5) Beginning on January 1, 2011, for all purposes under
20 this Code (including without limitation the calculation of
21 benefits and employee contributions), the annual earnings,
22 salary, or wages (based on the plan year) of a member or
23 participant to whom this Section applies shall not exceed
24 \$106,800; however, that amount shall annually thereafter be
25 increased by the lesser of (i) 3% of that amount, including all
26 previous adjustments, or (ii) one-half the annual unadjusted

1 percentage increase (but not less than zero) in the consumer
2 price index-u for the 12 months ending with the September
3 preceding each November 1, including all previous adjustments.

4 For the purposes of this Section, "consumer price index-u"
5 means the index published by the Bureau of Labor Statistics of
6 the United States Department of Labor that measures the
7 average change in prices of goods and services purchased by
8 all urban consumers, United States city average, all items,
9 1982-84 = 100. The new amount resulting from each annual
10 adjustment shall be determined by the Public Pension Division
11 of the Department of Insurance and made available to the
12 boards of the retirement systems and pension funds by November
13 1 of each year.

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

25 However, in no event shall the annual earnings, salary, or
26 wages for the purposes of this Article and Article 9 exceed any

1 limitation imposed on annual earnings, salary, or wages under
2 Section 1-117. Under no circumstances shall the maximum amount
3 of annual earnings, salary, or wages be greater than the
4 amount set forth in this subsection (b-10) as a result of
5 reciprocal service or any provisions regarding reciprocal
6 services, nor shall the Fund under Article 9 be required to pay
7 any refund as a result of the application of this maximum
8 annual earnings, salary, and wage cap.

9 Nothing in this subsection (b-10) shall cause or otherwise
10 result in any retroactive adjustment of any employee
11 contributions. Nothing in this subsection (b-10) shall cause
12 or otherwise result in any retroactive adjustment of
13 disability or other payments made between January 1, 2011 and
14 January 1, 2024.

15 (c) For a member or participant who is not an affected
16 member or participant, a ~~A~~ member or participant is entitled
17 to a retirement annuity upon written application if he or she
18 has attained age 67 (age 65, with respect to service under
19 Article 12 that is subject to this Section, for a member or
20 participant under Article 12 who first becomes a member or
21 participant under Article 12 on or after January 1, 2022 or who
22 makes the election under item (i) of subsection (d-15) of this
23 Section) and has at least 10 years of service credit and is
24 otherwise eligible under the requirements of the applicable
25 Article.

26 For an affected member or participant, the age and service

1 eligibility requirements for a retirement annuity are the age
2 and service eligibility requirements applicable to a member or
3 participant who first became a member or participant under the
4 applicable Article on December 31, 2010.

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

15 This subsection does not apply to an affected member or
16 participant.

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

26 This subsection does not apply to an affected member or

1 participant.

2 (d) The retirement annuity of a member or participant who
3 is retiring after attaining age 62 (age 60, with respect to
4 service under Article 12 that is subject to this Section, for a
5 member or participant under Article 12 who first becomes a
6 member or participant under Article 12 on or after January 1,
7 2022 or who makes the election under item (i) of subsection
8 (d-15) of this Section) with at least 10 years of service
9 credit shall be reduced by one-half of 1% for each full month
10 that the member's age is under age 67 (age 65, with respect to
11 service under Article 12 that is subject to this Section, for a
12 member or participant under Article 12 who first becomes a
13 member or participant under Article 12 on or after January 1,
14 2022 or who makes the election under item (i) of subsection
15 (d-15) of this Section). This paragraph does not apply to an
16 affected member or participant.

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

22 This subsection does not apply to an affected member or
23 participant.

24 (d-10) Each person who first became a member or
25 participant under Article 8 or Article 11 of this Code on or
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election
2 either:

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

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

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

26 This subsection does not apply to an affected member or

1 participant.

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

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

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

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

26 This subsection does not apply to an affected member or

1 participant.

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

26 For an affected member or participant, any retirement

1 annuity or supplemental annuity shall be subject to annual
2 increases on the January 1 occurring either on or after the
3 attainment of the retirement age under the Article applicable
4 to that member or participant or the first anniversary of the
5 annuity start date, whichever is later.

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

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

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

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

17 (g) The benefits in Section 14-110 apply only if the
18 person is a fire fighter in the fire protection service of a
19 department, a security employee of the Department of
20 Corrections or the Department of Juvenile Justice, a security
21 employee of the Department of Innovation and Technology, a
22 security employee of the Department of Human Services, an
23 investigator for the Department of the Lottery, a State
24 policeman, an investigator for the Secretary of State, a
25 conservation police officer, an investigator for the
26 Department of Revenue or the Illinois Gaming Board, an

1 investigator for the Office of the Attorney General, a
2 Commerce Commission police officer, an arson investigator, or
3 a State highway maintenance worker ~~a State policeman, a fire~~
4 ~~fighter in the fire protection service of a department, a~~
5 ~~conservation police officer, an investigator for the Secretary~~
6 ~~of State, an investigator for the Office of the Attorney~~
7 ~~General, an arson investigator, a Commerce Commission police~~
8 ~~officer, investigator for the Department of Revenue or the~~
9 ~~Illinois Gaming Board, a security employee of the Department~~
10 ~~of Corrections or the Department of Juvenile Justice, or a~~
11 ~~security employee of the Department of Innovation and~~
12 ~~Technology,~~ as those terms are defined in subsection (b) and
13 subsection (c) of Section 14-110. A person who meets the
14 requirements of this Section is entitled to an annuity
15 calculated under the provisions of Section 14-110, in lieu of
16 the regular or minimum retirement annuity, only if (i) the
17 person has withdrawn from service with not less than 25 ~~20~~
18 years of eligible creditable service and has attained age 50
19 ~~60~~, regardless of whether the attainment of age 50 ~~60~~ occurs
20 while the person is still in service, or (ii) the person has
21 withdrawn from service with not less than 20 years of eligible
22 creditable service and has attained age 55, regardless of
23 whether the attainment of age 55 occurs while the person is
24 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 5/2-119) (from Ch. 108 1/2, par. 2-119)

14 (Text of Section WITHOUT the changes made by P.A. 98-599,
15 which has been held unconstitutional)

16 Sec. 2-119. Retirement annuity - conditions for
17 eligibility.

18 (a) A participant whose service as a member is terminated,
19 regardless of age or cause, is entitled to a retirement
20 annuity beginning on the date specified by the participant in
21 a written application subject to the following conditions:

22 1. The date the annuity begins does not precede the
23 date of final termination of service, or is not more than
24 30 days before the receipt of the application by the board
25 in the case of annuities based on disability or one year

1 before the receipt of the application in the case of
2 annuities based on attained age;

3 2. The participant meets one of the following
4 eligibility requirements:

5 For a participant who first becomes a participant of
6 this System before January 1, 2011 (the effective date of
7 Public Act 96-889) or a participant who first became a
8 participant of this System on or after January 1, 2011 and
9 was in service on or after January 1, 2026:

10 (A) He or she has attained age 55 and has at least
11 8 years of service credit;

12 (B) He or she has attained age 62 and terminated
13 service after July 1, 1971 with at least 4 years of
14 service credit; or

15 (C) He or she has completed 8 years of service and
16 has become permanently disabled and as a consequence,
17 is unable to perform the duties of his or her office.

18 For a participant who first becomes a participant of
19 this System on or after January 1, 2011 (the effective
20 date of Public Act 96-889) and who is not in service on or
21 after January 1, 2026, he or she has attained age 67 and
22 has at least 8 years of service credit.

23 (a-5) A participant who first becomes a participant of
24 this System on or after January 1, 2011 (the effective date of
25 Public Act 96-889) who is not in service on or after January 1,
26 2026, has attained age 62, and has at least 8 years of service

1 credit may elect to receive the lower retirement annuity
2 provided in paragraph (d) ~~(e)~~ of Section 2-119.01 of this
3 Code.

4 (b) A participant shall be considered permanently disabled
5 only if: (1) disability occurs while in service and is of such
6 a nature as to prevent him or her from reasonably performing
7 the duties of his or her office at the time; and (2) the board
8 has received a written certificate by at least 2 licensed
9 physicians appointed by the board stating that the member is
10 disabled and that the disability is likely to be permanent.

11 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

12 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

13 Sec. 2-119.01. Retirement annuities; amount ~~annuities~~
14 ~~Amount~~.

15 (a) For a participant in service after June 30, 1977 who
16 has not made contributions to this System after January 1,
17 1982, the annual retirement annuity is 3% for each of the first
18 8 years of service, plus 4% for each of the next 4 years of
19 service, plus 5% for each year of service in excess of 12
20 years, based on the participant's highest salary for annuity
21 purposes. The maximum retirement annuity payable shall be 80%
22 of the participant's highest salary for annuity purposes.

23 (b) For a participant in service after June 30, 1977 who
24 has made contributions to this System on or after January 1,
25 1982, the annual retirement annuity is 3% for each of the first

1 4 years of service, plus 3 1/2% for each of the next 2 years of
2 service, plus 4% for each of the next 2 years of service, plus
3 4 1/2% for each of the next 4 years of service, plus 5% for
4 each year of service in excess of 12 years, of the
5 participant's highest salary for annuity purposes. The maximum
6 retirement annuity payable shall be 85% of the participant's
7 highest salary for annuity purposes.

8 (c) Notwithstanding any other provision of this Article,
9 for a participant who first becomes a participant on or after
10 January 1, 2011 (the effective date of Public Act 96-889), the
11 annual retirement annuity is 3% of the participant's highest
12 salary for annuity purposes for each year of service. The
13 maximum retirement annuity payable shall be 60% of the
14 participant's highest salary for annuity purposes.

15 (d) Notwithstanding any other provision of this Article,
16 for a participant who first becomes a participant on or after
17 January 1, 2011 (the effective date of Public Act 96-889) and
18 who is retiring after attaining age 62 with at least 8 years of
19 service credit, the retirement annuity shall be reduced by
20 one-half of 1% for each month that the member's age is under
21 age 67. This subsection does not apply to a participant who is
22 in service on or after January 1, 2026.

23 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

25 (Text of Section WITHOUT the changes made by P.A. 98-599,

1 which has been held unconstitutional)

2 Sec. 2-119.1. Automatic increase in retirement annuity.

3 (a) A participant who retires after June 30, 1967, and who
4 has not received an initial increase under this Section before
5 the effective date of this amendatory Act of 1991, shall, in
6 January or July next following the first anniversary of
7 retirement, whichever occurs first, and in the same month of
8 each year thereafter, but in no event prior to age 60, have the
9 amount of the originally granted retirement annuity increased
10 as follows: for each year through 1971, 1 1/2%; for each year
11 from 1972 through 1979, 2%; and for 1980 and each year
12 thereafter, 3%. Annuitants who have received an initial
13 increase under this subsection prior to the effective date of
14 this amendatory Act of 1991 shall continue to receive their
15 annual increases in the same month as the initial increase.

16 (b) Beginning January 1, 1990, for eligible participants
17 who remain in service after attaining 20 years of creditable
18 service, the 3% increases provided under subsection (a) shall
19 begin to accrue on the January 1 next following the date upon
20 which the participant (1) attains age 55, or (2) attains 20
21 years of creditable service, whichever occurs later, and shall
22 continue to accrue while the participant remains in service;
23 such increases shall become payable on January 1 or July 1,
24 whichever occurs first, next following the first anniversary
25 of retirement. For any person who has service credit in the
26 System for the entire period from January 15, 1969 through

1 December 31, 1992, regardless of the date of termination of
2 service, the reference to age 55 in clause (1) of this
3 subsection (b) shall be deemed to mean age 50.

4 This subsection (b) does not apply to any person who first
5 becomes a member of the System after the effective date of this
6 amendatory Act of the 93rd General Assembly.

7 (b-5) Notwithstanding any other provision of this Article,
8 a participant who first becomes a participant on or after
9 January 1, 2011 (the effective date of Public Act 96-889)
10 shall, in January or July next following the first anniversary
11 of retirement, whichever occurs first, and in the same month
12 of each year thereafter, but in no event prior to age 67 (age
13 62 if the participant was in service on or after January 1,
14 2026 and has at least 4 years of service credit or age 55 if
15 the participant was in service on or after January 1, 2026 and
16 has at least 8 years of service credit), have the amount of the
17 retirement annuity then being paid increased by 3% or the
18 annual unadjusted percentage increase in the Consumer Price
19 Index for All Urban Consumers as determined by the Public
20 Pension Division of the Department of Insurance under
21 subsection (a) of Section 2-108.1, whichever is less.

22 (c) The foregoing provisions relating to automatic
23 increases are not applicable to a participant who retires
24 before having made contributions (at the rate prescribed in
25 Section 2-126) for automatic increases for less than the
26 equivalent of one full year. However, in order to be eligible

1 for the automatic increases, such a participant may make
2 arrangements to pay to the system the amount required to bring
3 the total contributions for the automatic increase to the
4 equivalent of one year's contributions based upon his or her
5 last salary.

6 (d) A participant who terminated service prior to July 1,
7 1967, with at least 14 years of service is entitled to an
8 increase in retirement annuity beginning January, 1976, and to
9 additional increases in January of each year thereafter.

10 The initial increase shall be 1 1/2% of the originally
11 granted retirement annuity multiplied by the number of full
12 years that the annuitant was in receipt of such annuity prior
13 to January 1, 1972, plus 2% of the originally granted
14 retirement annuity for each year after that date. The
15 subsequent annual increases shall be at the rate of 2% of the
16 originally granted retirement annuity for each year through
17 1979 and at the rate of 3% for 1980 and thereafter.

18 (e) Beginning January 1, 1990, all automatic annual
19 increases payable under this Section shall be calculated as a
20 percentage of the total annuity payable at the time of the
21 increase, including previous increases granted under this
22 Article.

23 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)
25 Sec. 3-111. Pension.

1 (a) A police officer age 50 or more with 20 or more years
2 of creditable service, who is not a participant in the
3 self-managed plan under Section 3-109.3 and who is no longer
4 in service as a police officer, shall receive a pension of 1/2
5 of the salary attached to the rank held by the officer on the
6 police force for one year immediately prior to retirement or,
7 beginning July 1, 1987 for persons terminating service on or
8 after that date, the salary attached to the rank held on the
9 last day of service or for one year prior to the last day,
10 whichever is greater. The pension shall be increased by 2.5%
11 of such salary for each additional year of service over 20
12 years of service through 30 years of service, to a maximum of
13 75% of such salary.

14 The changes made to this subsection (a) by this amendatory
15 Act of the 91st General Assembly apply to all pensions that
16 become payable under this subsection on or after January 1,
17 1999. All pensions payable under this subsection that began on
18 or after January 1, 1999 and before the effective date of this
19 amendatory Act shall be recalculated, and the amount of the
20 increase accruing for that period shall be payable to the
21 pensioner in a lump sum.

22 (a-5) No pension in effect on or granted after June 30,
23 1973 shall be less than \$200 per month. Beginning July 1, 1987,
24 the minimum retirement pension for a police officer having at
25 least 20 years of creditable service shall be \$400 per month,
26 without regard to whether or not retirement occurred prior to

1 that date. If the minimum pension established in Section
2 3-113.1 is greater than the minimum provided in this
3 subsection, the Section 3-113.1 minimum controls.

4 (b) A police officer mandatorily retired from service due
5 to age by operation of law, having at least 8 but less than 20
6 years of creditable service, shall receive a pension equal to
7 2 1/2% of the salary attached to the rank he or she held on the
8 police force for one year immediately prior to retirement or,
9 beginning July 1, 1987 for persons terminating service on or
10 after that date, the salary attached to the rank held on the
11 last day of service or for one year prior to the last day,
12 whichever is greater, for each year of creditable service.

13 A police officer who retires or is separated from service
14 having at least 8 years but less than 20 years of creditable
15 service, who is not mandatorily retired due to age by
16 operation of law, and who does not apply for a refund of
17 contributions at his or her last separation from police
18 service, shall receive a pension upon attaining age 60 equal
19 to 2.5% of the salary attached to the rank held by the police
20 officer on the police force for one year immediately prior to
21 retirement or, beginning July 1, 1987 for persons terminating
22 service on or after that date, the salary attached to the rank
23 held on the last day of service or for one year prior to the
24 last day, whichever is greater, for each year of creditable
25 service.

26 (c) A police officer no longer in service who has at least

1 one but less than 8 years of creditable service in a police
2 pension fund but meets the requirements of this subsection (c)
3 shall be eligible to receive a pension from that fund equal to
4 2.5% of the salary attached to the rank held on the last day of
5 service under that fund or for one year prior to that last day,
6 whichever is greater, for each year of creditable service in
7 that fund. The pension shall begin no earlier than upon
8 attainment of age 60 (or upon mandatory retirement from the
9 fund by operation of law due to age, if that occurs before age
10 60) and in no event before the effective date of this
11 amendatory Act of 1997.

12 In order to be eligible for a pension under this
13 subsection (c), the police officer must have at least 8 years
14 of creditable service in a second police pension fund under
15 this Article and be receiving a pension under subsection (a)
16 or (b) of this Section from that second fund. The police
17 officer need not be in service on or after the effective date
18 of this amendatory Act of 1997.

19 (d) Notwithstanding any other provision of this Article,
20 the provisions of this subsection (d) apply to a person who is
21 not a participant in the self-managed plan under Section
22 3-109.3 and who first becomes a police officer under this
23 Article on or after January 1, 2011.

24 A police officer age 55 or more who has 10 or more years of
25 service in that capacity shall be entitled at his option to
26 receive a monthly pension for his service as a police officer

1 computed by multiplying 2.5% for each year of such service by
2 his or her final average salary; except that, for a police
3 officer who is in service on or after January 1, 2026, the age
4 and service eligibility requirements for a monthly pension for
5 service as a police officer are the age and service
6 eligibility requirements applicable to a police officer who
7 first became a police officer on December 31, 2010.

8 The pension of a police officer who is retiring after
9 attaining age 50 with 10 or more years of creditable service
10 shall be reduced by one-half of 1% for each month that the
11 police officer's age is under age 55. This paragraph does not
12 apply to a police officer who is in service on or after January
13 1, 2026.

14 The maximum pension under this subsection (d) shall be 75%
15 of final average salary.

16 For the purposes of this subsection (d), "final average
17 salary" means the greater of: (i) the average monthly salary
18 obtained by dividing the total salary of the police officer
19 during the 48 consecutive months of service within the last 60
20 months of service in which the total salary was the highest by
21 the number of months of service in that period; or (ii) the
22 average monthly salary obtained by dividing the total salary
23 of the police officer during the 96 consecutive months of
24 service within the last 120 months of service in which the
25 total salary was the highest by the number of months of service
26 in that period.

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

12 Nothing in this amendatory Act of the 101st General
13 Assembly shall cause or otherwise result in any retroactive
14 adjustment of any employee contributions.

15 (Source: P.A. 101-610, eff. 1-1-20.)

16 (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

17 Sec. 3-111.1. Increase in pension.

18 (a) Except as provided in subsection (e), the monthly
19 pension of a police officer who retires after July 1, 1971, and
20 prior to January 1, 1986, shall be increased, upon either the
21 first of the month following the first anniversary of the date
22 of retirement if the officer is 60 years of age or over at
23 retirement date, or upon the first day of the month following
24 attainment of age 60 if it occurs after the first anniversary
25 of retirement, by 3% of the originally granted pension and by

1 an additional 3% of the originally granted pension in January
2 of each year thereafter.

3 (b) The monthly pension of a police officer who retired
4 from service with 20 or more years of service, on or before
5 July 1, 1971, shall be increased in January of the year
6 following the year of attaining age 65 or in January of 1972,
7 if then over age 65, by 3% of the originally granted pension
8 for each year the police officer received pension payments. In
9 each January thereafter, he or she shall receive an additional
10 increase of 3% of the original pension.

11 (c) The monthly pension of a police officer who retires on
12 disability or is retired for disability shall be increased in
13 January of the year following the year of attaining age 60, by
14 3% of the original grant of pension for each year he or she
15 received pension payments. In each January thereafter, the
16 police officer shall receive an additional increase of 3% of
17 the original pension.

18 (d) The monthly pension of a police officer who retires
19 after January 1, 1986, shall be increased, upon either the
20 first of the month following the first anniversary of the date
21 of retirement if the officer is 55 years of age or over, or
22 upon the first day of the month following attainment of age 55
23 if it occurs after the first anniversary of retirement, by
24 1/12 of 3% of the originally granted pension for each full
25 month that has elapsed since the pension began, and by an
26 additional 3% of the originally granted pension in January of

1 each year thereafter.

2 The changes made to this subsection (d) by this amendatory
3 Act of the 91st General Assembly apply to all initial
4 increases that become payable under this subsection on or
5 after January 1, 1999. All initial increases that became
6 payable under this subsection on or after January 1, 1999 and
7 before the effective date of this amendatory Act shall be
8 recalculated and the additional amount accruing for that
9 period, if any, shall be payable to the pensioner in a lump
10 sum.

11 (e) Notwithstanding the provisions of subsection (a), upon
12 the first day of the month following (1) the first anniversary
13 of the date of retirement, or (2) the attainment of age 55, or
14 (3) July 1, 1987, whichever occurs latest, the monthly pension
15 of a police officer who retired on or after January 1, 1977 and
16 on or before January 1, 1986, and did not receive an increase
17 under subsection (a) before July 1, 1987, shall be increased
18 by 3% of the originally granted monthly pension for each full
19 year that has elapsed since the pension began, and by an
20 additional 3% of the originally granted pension in each
21 January thereafter. The increases provided under this
22 subsection are in lieu of the increases provided in subsection
23 (a).

24 (f) Notwithstanding the other provisions of this Section,
25 beginning with increases granted on or after July 1, 1993, the
26 second and all subsequent automatic annual increases granted

1 under subsection (a), (b), (d), or (e) of this Section shall be
2 calculated as 3% of the amount of pension payable at the time
3 of the increase, including any increases previously granted
4 under this Section, rather than 3% of the originally granted
5 pension amount. Section 1-103.1 does not apply to this
6 subsection (f).

7 (g) Notwithstanding any other provision of this Article,
8 the monthly pension of a person who first becomes a police
9 officer under this Article on or after January 1, 2011 shall be
10 increased on the January 1 occurring either on or after the
11 attainment of the retirement age applicable to that police
12 officer under this Article ~~age 60~~ or the first anniversary of
13 the pension start date, whichever is later. Each annual
14 increase shall be calculated at 3% or one-half the annual
15 unadjusted percentage increase (but not less than zero) in the
16 consumer price index-u for the 12 months ending with the
17 September preceding each November 1, whichever is less, of the
18 originally granted pension. If the annual unadjusted
19 percentage change in the consumer price index-u for a 12-month
20 period ending in September is zero or, when compared with the
21 preceding period, decreases, then the pension shall not be
22 increased.

23 For the purposes of this subsection (g), "consumer price
24 index-u" means the index published by the Bureau of Labor
25 Statistics of the United States Department of Labor that
26 measures the average change in prices of goods and services

1 purchased by all urban consumers, United States city average,
2 all items, 1982-84 = 100. The new amount resulting from each
3 annual adjustment shall be determined by the Public Pension
4 Division of the Department of Insurance and made available to
5 the boards of the pension funds.

6 (Source: P.A. 96-1495, eff. 1-1-11.)

7 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

8 Sec. 4-109. Pension.

9 (a) A firefighter age 50 or more with 20 or more years of
10 creditable service, who is no longer in service as a
11 firefighter, shall receive a monthly pension of 1/2 the
12 monthly salary attached to the rank held by him or her in the
13 fire service at the date of retirement.

14 The monthly pension shall be increased by 1/12 of 2.5% of
15 such monthly salary for each additional month over 20 years of
16 service through 30 years of service, to a maximum of 75% of
17 such monthly salary.

18 The changes made to this subsection (a) by this amendatory
19 Act of the 91st General Assembly apply to all pensions that
20 become payable under this subsection on or after January 1,
21 1999. All pensions payable under this subsection that began on
22 or after January 1, 1999 and before the effective date of this
23 amendatory Act shall be recalculated, and the amount of the
24 increase accruing for that period shall be payable to the
25 pensioner in a lump sum.

1 (b) A firefighter who retires or is separated from service
2 having at least 10 but less than 20 years of creditable
3 service, who is not entitled to receive a disability pension,
4 and who did not apply for a refund of contributions at his or
5 her last separation from service shall receive a monthly
6 pension upon attainment of age 60 based on the monthly salary
7 attached to his or her rank in the fire service on the date of
8 retirement or separation from service according to the
9 following schedule:

10 For 10 years of service, 15% of salary;

11 For 11 years of service, 17.6% of salary;

12 For 12 years of service, 20.4% of salary;

13 For 13 years of service, 23.4% of salary;

14 For 14 years of service, 26.6% of salary;

15 For 15 years of service, 30% of salary;

16 For 16 years of service, 33.6% of salary;

17 For 17 years of service, 37.4% of salary;

18 For 18 years of service, 41.4% of salary;

19 For 19 years of service, 45.6% of salary.

20 (c) Notwithstanding any other provision of this Article,
21 the provisions of this subsection (c) apply to a person who
22 first becomes a firefighter under this Article on or after
23 January 1, 2011.

24 A firefighter age 55 or more who has 10 or more years of
25 service in that capacity shall be entitled at his option to
26 receive a monthly pension for his service as a firefighter

1 computed by multiplying 2.5% for each year of such service by
2 his or her final average salary; except that, for a
3 firefighter who is in service on or after January 1, 2026, the
4 age and service eligibility requirements for a monthly pension
5 for service as a firefighter are the age and service
6 eligibility requirements applicable to a firefighter who first
7 became a firefighter on December 31, 2010.

8 The pension of a firefighter who is retiring after
9 attaining age 50 with 10 or more years of creditable service
10 shall be reduced by one-half of 1% for each month that the
11 firefighter's age is under age 55. This paragraph does not
12 apply to a firefighter who is in service on or after January 1,
13 2026.

14 The maximum pension under this subsection (c) shall be 75%
15 of final average salary.

16 For the purposes of this subsection (c), "final average
17 salary" means the greater of: (i) the average monthly salary
18 obtained by dividing the total salary of the firefighter
19 during the 48 consecutive months of service within the last 60
20 months of service in which the total salary was the highest by
21 the number of months of service in that period; or (ii) the
22 average monthly salary obtained by dividing the total salary
23 of the firefighter during the 96 consecutive months of service
24 within the last 120 months of service in which the total salary
25 was the highest by the number of months of service in that
26 period.

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

12 Nothing in this amendatory Act of the 101st General
13 Assembly shall cause or otherwise result in any retroactive
14 adjustment of any employee contributions.

15 (Source: P.A. 101-610, eff. 1-1-20.)

16 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

17 Sec. 4-109.1. Increase in pension.

18 (a) Except as provided in subsection (e), the monthly
19 pension of a firefighter who retires after July 1, 1971 and
20 prior to January 1, 1986, shall, upon either the first of the
21 month following the first anniversary of the date of
22 retirement if 60 years of age or over at retirement date, or
23 upon the first day of the month following attainment of age 60
24 if it occurs after the first anniversary of retirement, be
25 increased by 2% of the originally granted monthly pension and

1 by an additional 2% in each January thereafter. Effective
2 January 1976, the rate of the annual increase shall be 3% of
3 the originally granted monthly pension.

4 (b) The monthly pension of a firefighter who retired from
5 service with 20 or more years of service, on or before July 1,
6 1971, shall be increased, in January of the year following the
7 year of attaining age 65 or in January 1972, if then over age
8 65, by 2% of the originally granted monthly pension, for each
9 year the firefighter received pension payments. In each
10 January thereafter, he or she shall receive an additional
11 increase of 2% of the original monthly pension. Effective
12 January 1976, the rate of the annual increase shall be 3%.

13 (c) The monthly pension of a firefighter who is receiving
14 a disability pension under this Article shall be increased, in
15 January of the year following the year the firefighter attains
16 age 60, or in January 1974, if then over age 60, by 2% of the
17 originally granted monthly pension for each year he or she
18 received pension payments. In each January thereafter, the
19 firefighter shall receive an additional increase of 2% of the
20 original monthly pension. Effective January 1976, the rate of
21 the annual increase shall be 3%.

22 (c-1) On January 1, 1998, every child's disability benefit
23 payable on that date under Section 4-110 or 4-110.1 shall be
24 increased by an amount equal to 1/12 of 3% of the amount of the
25 benefit, multiplied by the number of months for which the
26 benefit has been payable. On each January 1 thereafter, every

1 child's disability benefit payable under Section 4-110 or
2 4-110.1 shall be increased by 3% of the amount of the benefit
3 then being paid, including any previous increases received
4 under this Article. These increases are not subject to any
5 limitation on the maximum benefit amount included in Section
6 4-110 or 4-110.1.

7 (c-2) On July 1, 2004, every pension payable to or on
8 behalf of a minor or disabled surviving child that is payable
9 on that date under Section 4-114 shall be increased by an
10 amount equal to 1/12 of 3% of the amount of the pension,
11 multiplied by the number of months for which the benefit has
12 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and
13 July 1, 2008, every pension payable to or on behalf of a minor
14 or disabled surviving child that is payable under Section
15 4-114 shall be increased by 3% of the amount of the pension
16 then being paid, including any previous increases received
17 under this Article. These increases are not subject to any
18 limitation on the maximum benefit amount included in Section
19 4-114.

20 (d) The monthly pension of a firefighter who retires after
21 January 1, 1986, shall, upon either the first of the month
22 following the first anniversary of the date of retirement if
23 55 years of age or over, or upon the first day of the month
24 following attainment of age 55 if it occurs after the first
25 anniversary of retirement, be increased by 1/12 of 3% of the
26 originally granted monthly pension for each full month that

1 has elapsed since the pension began, and by an additional 3% in
2 each January thereafter.

3 The changes made to this subsection (d) by this amendatory
4 Act of the 91st General Assembly apply to all initial
5 increases that become payable under this subsection on or
6 after January 1, 1999. All initial increases that became
7 payable under this subsection on or after January 1, 1999 and
8 before the effective date of this amendatory Act shall be
9 recalculated and the additional amount accruing for that
10 period, if any, shall be payable to the pensioner in a lump
11 sum.

12 (e) Notwithstanding the provisions of subsection (a), upon
13 the first day of the month following (1) the first anniversary
14 of the date of retirement, or (2) the attainment of age 55, or
15 (3) July 1, 1987, whichever occurs latest, the monthly pension
16 of a firefighter who retired on or after January 1, 1977 and on
17 or before January 1, 1986 and did not receive an increase under
18 subsection (a) before July 1, 1987, shall be increased by 3% of
19 the originally granted monthly pension for each full year that
20 has elapsed since the pension began, and by an additional 3% in
21 each January thereafter. The increases provided under this
22 subsection are in lieu of the increases provided in subsection
23 (a).

24 (f) In July 2009, the monthly pension of a firefighter who
25 retired before July 1, 1977 shall be recalculated and
26 increased to reflect the amount that the firefighter would

1 have received in July 2009 had the firefighter been receiving
2 a 3% compounded increase for each year he or she received
3 pension payments after January 1, 1986, plus any increases in
4 pension received for each year prior to January 1, 1986. In
5 each January thereafter, he or she shall receive an additional
6 increase of 3% of the amount of the pension then being paid.
7 The changes made to this Section by this amendatory Act of the
8 96th General Assembly apply without regard to whether the
9 firefighter was in service on or after its effective date.

10 (g) Notwithstanding any other provision of this Article,
11 the monthly pension of a person who first becomes a
12 firefighter under this Article on or after January 1, 2011
13 shall be increased on the January 1 occurring either on or
14 after the attainment of the retirement age applicable to that
15 firefighter under this Article ~~age 60~~ or the first anniversary
16 of the pension start date, whichever is later. Each annual
17 increase shall be calculated at 3% or one-half the annual
18 unadjusted percentage increase (but not less than zero) in the
19 consumer price index-u for the 12 months ending with the
20 September preceding each November 1, whichever is less, of the
21 originally granted pension. If the annual unadjusted
22 percentage change in the consumer price index-u for a 12-month
23 period ending in September is zero or, when compared with the
24 preceding period, decreases, then the pension shall not be
25 increased.

26 For the purposes of this subsection (g), "consumer price

1 index-u" means the index published by the Bureau of Labor
2 Statistics of the United States Department of Labor that
3 measures the average change in prices of goods and services
4 purchased by all urban consumers, United States city average,
5 all items, 1982-84 = 100. The new amount resulting from each
6 annual adjustment shall be determined by the Public Pension
7 Division of the Department of Insurance and made available to
8 the boards of the pension funds.

9 (Source: P.A. 96-775, eff. 8-28-09; 96-1495, eff. 1-1-11.)

10 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

11 Sec. 5-167.1. Automatic increase in annuity; retirement
12 from service after September 1, 1967.

13 (a) A policeman who retires from service after September
14 1, 1967 with at least 20 years of service credit shall, upon
15 either the first of the month following the first anniversary
16 of his date of retirement if he is age 55 or over on that
17 anniversary date, or upon the first of the month following his
18 attainment of age 55 if it occurs after the first anniversary
19 of his retirement date, have his then fixed and payable
20 monthly annuity increased by 3% and such first fixed annuity
21 as granted at retirement increased by an additional 3% in
22 January of each year thereafter.

23 Any policeman born before January 1, 1945 who qualifies
24 for a minimum annuity and retires after September 1, 1967 but
25 has not received the initial increase under this subsection

1 before January 1, 1996 is entitled to receive the initial
2 increase under this subsection on (1) January 1, 1996, (2) the
3 first anniversary of the date of retirement, or (3) attainment
4 of age 55, whichever occurs last. The changes to this Section
5 made by Public Act 89-12 apply beginning January 1, 1996 and
6 without regard to whether the policeman or annuitant
7 terminated service before the effective date of that Act.

8 Any policeman born before January 1, 1950 who qualifies
9 for a minimum annuity and retires after September 1, 1967 but
10 has not received the initial increase under this subsection
11 before January 1, 2000 is entitled to receive the initial
12 increase under this subsection on (1) January 1, 2000, (2) the
13 first anniversary of the date of retirement, or (3) attainment
14 of age 55, whichever occurs last. The changes to this Section
15 made by this amendatory Act of the 92nd General Assembly apply
16 without regard to whether the policeman or annuitant
17 terminated service before the effective date of this
18 amendatory Act.

19 Any policeman born before January 1, 1955 who qualifies
20 for a minimum annuity and retires after September 1, 1967 but
21 has not received the initial increase under this subsection
22 before January 1, 2005 is entitled to receive the initial
23 increase under this subsection on (1) January 1, 2005, (2) the
24 first anniversary of the date of retirement, or (3) attainment
25 of age 55, whichever occurs last. The changes to this Section
26 made by this amendatory Act of the 94th General Assembly apply

1 without regard to whether the policeman or annuitant
2 terminated service before the effective date of this
3 amendatory Act.

4 Any policeman born before January 1, 1966 who qualifies
5 for a minimum annuity and retires after September 1, 1967 but
6 has not received the initial increase under this subsection
7 before January 1, 2017 is entitled to receive an initial
8 increase under this subsection on (1) January 1, 2017, (2) the
9 first anniversary of the date of retirement, or (3) attainment
10 of age 55, whichever occurs last, in an amount equal to 3% for
11 each complete year following the date of retirement or
12 attainment of age 55, whichever occurs later. The changes to
13 this subsection made by this amendatory Act of the 99th
14 General Assembly apply without regard to whether the policeman
15 or annuitant terminated service before the effective date of
16 this amendatory Act.

17 Any policeman born on or after January 1, 1966 who
18 qualifies for a minimum annuity and retires after September 1,
19 1967 but has not received the initial increase under this
20 subsection before January 1, 2023 is entitled to receive the
21 initial increase under this subsection on (1) January 1, 2023,
22 (2) the first anniversary of the date of retirement, or (3)
23 attainment of age 55, whichever occurs last. The changes to
24 this Section made by this amendatory Act of the 103rd General
25 Assembly apply without regard to whether the policeman or
26 annuitant terminated service before the effective date of this

1 amendatory Act of the 103rd General Assembly.

2 (b) Subsection (a) of this Section is not applicable to an
3 employee receiving a term annuity.

4 (c) To help defray the cost of such increases in annuity,
5 there shall be deducted, beginning September 1, 1967, from
6 each payment of salary to a policeman, 1/2 of 1% of each salary
7 payment concurrently with and in addition to the salary
8 deductions otherwise made for annuity purposes.

9 The city, in addition to the contributions otherwise made
10 by it for annuity purposes under other provisions of this
11 Article, shall make matching contributions concurrently with
12 such salary deductions.

13 Each such 1/2 of 1% deduction from salary and each such
14 contribution by the city of 1/2 of 1% of salary shall be
15 credited to the Automatic Increase Reserve, to be used to
16 defray the cost of the annuity increase provided by this
17 Section. Any balance in such reserve as of the beginning of
18 each calendar year shall be credited with interest at the rate
19 of 3% per annum.

20 Such deductions from salary and city contributions shall
21 continue while the policeman is in service.

22 The salary deductions provided in this Section are not
23 subject to refund, except to the policeman himself, in any
24 case in which: (i) the policeman withdraws prior to
25 qualification for minimum annuity or Tier 2 monthly retirement
26 annuity and applies for refund, (ii) the policeman applies for

1 an annuity of a type that is not subject to annual increases
2 under this Section, or (iii) a term annuity becomes payable.
3 In such cases, the total of such salary deductions shall be
4 refunded to the policeman, without interest, and charged to
5 the Automatic Increase Reserve.

6 (d) Notwithstanding any other provision of this Article,
7 the Tier 2 monthly retirement annuity of a person who first
8 becomes a policeman under this Article on or after the
9 effective date of this amendatory Act of the 97th General
10 Assembly shall be increased on the January 1 occurring either
11 on or after (i) the attainment of the retirement age
12 applicable to that policeman under this Article ~~age 60~~ or (ii)
13 the first anniversary of the annuity start date, whichever is
14 later. Each annual increase shall be calculated at 3% or
15 one-half the annual unadjusted percentage increase (but not
16 less than zero) in the consumer price index-u for the 12 months
17 ending with the September preceding each November 1, whichever
18 is less, of the originally granted retirement annuity. If the
19 annual unadjusted percentage change in the consumer price
20 index-u for a 12-month period ending in September is zero or,
21 when compared with the preceding period, decreases, then the
22 annuity shall not be increased.

23 For the purposes of this subsection (d), "consumer price
24 index-u" means the index published by the Bureau of Labor
25 Statistics of the United States Department of Labor that
26 measures the average change in prices of goods and services

1 purchased by all urban consumers, United States city average,
2 all items, 1982-84 = 100. The new amount resulting from each
3 annual adjustment shall be determined by the Public Pension
4 Division of the Department of Insurance and made available to
5 the boards of the pension funds by November 1 of each year.

6 (Source: P.A. 103-582, eff. 12-8-23.)

7 (40 ILCS 5/5-238)

8 Sec. 5-238. Provisions applicable to new hires; Tier 2.

9 (a) Notwithstanding any other provision of this Article,
10 the provisions of this Section apply to a person who first
11 becomes a policeman under this Article on or after January 1,
12 2011, and to certain qualified survivors of such a policeman.
13 Such persons, and the benefits and restrictions that apply
14 specifically to them under this Article, may be referred to as
15 "Tier 2".

16 (b) A policeman who has withdrawn from service, has
17 attained age 50 or more, and has 10 or more years of service in
18 that capacity shall be entitled, upon proper application being
19 received by the Fund, to receive a Tier 2 monthly retirement
20 annuity for his service as a police officer; except that, for a
21 policeman who is in service on or after January 1, 2026, the
22 age and service eligibility requirements for a Tier 2 monthly
23 retirement annuity for service as a police officer are the age
24 and service eligibility requirements applicable to a policeman
25 who first became a policeman on December 31, 2010. The Tier 2

1 monthly retirement annuity shall be computed by multiplying
2 2.5% for each year of such service by his or her final average
3 salary, subject to an annuity reduction factor of one-half of
4 1% for each month that the police officer's age at retirement
5 is under age 55. The annuity reduction factor does not apply to
6 a policeman who is in service on or after January 1, 2026. The
7 Tier 2 monthly retirement annuity is in lieu of any age and
8 service annuity or other form of retirement annuity under this
9 Article.

10 The maximum retirement annuity under this subsection (b)
11 shall be 75% of final average salary.

12 For the purposes of this subsection (b), "final average
13 salary" means the average monthly salary obtained by dividing
14 the total salary of the policeman during the 96 consecutive
15 months of service within the last 120 months of service in
16 which the total salary was the highest by the number of months
17 of service in that period.

18 Beginning on January 1, 2011, for all purposes under this
19 Code (including without limitation the calculation of benefits
20 and employee contributions), the annual salary based on the
21 plan year of a member or participant to whom this Section
22 applies shall not exceed \$106,800; however, that amount shall
23 annually thereafter be increased by the lesser of (i) 3% of
24 that amount, including all previous adjustments, or (ii)
25 one-half the annual unadjusted percentage increase (but not
26 less than zero) in the consumer price index-u for the 12 months

1 ending with the September preceding each November 1, including
2 all previous adjustments.

3 (c) Notwithstanding any other provision of this Article,
4 for a person who first becomes a policeman under this Article
5 on or after January 1, 2011, eligibility for and the amount of
6 the annuity to which the qualified surviving spouse, children,
7 and parents are entitled under this subsection (c) shall be
8 determined as follows:

9 (1) The surviving spouse of a deceased policeman to
10 whom this Section applies shall be deemed qualified to
11 receive a Tier 2 surviving spouse's annuity under this
12 paragraph (1) if: (i) the deceased policeman meets the
13 requirements specified under subdivision (A), (B), (C), or
14 (D) of this paragraph (1); and (ii) the surviving spouse
15 would not otherwise be excluded from receiving a widow's
16 annuity under the eligibility requirements for a widow's
17 annuity set forth in Section 5-146. The Tier 2 surviving
18 spouse's annuity is in lieu of the widow's annuity
19 determined under any other Section of this Article and is
20 subject to the requirements of Section 5-147.1.

21 As used in this subsection (c), "earned annuity" means
22 a Tier 2 monthly retirement annuity determined under
23 subsection (b) of this Section, including any increases
24 the policeman had received pursuant to Section 5-167.1.

25 (A) If the deceased policeman was receiving an
26 earned annuity at the date of his or her death, the

1 Tier 2 surviving spouse's annuity under this paragraph
2 (1) shall be in the amount of 66 2/3% of the
3 policeman's earned annuity at the date of death.

4 (B) If the deceased policeman was not receiving an
5 earned annuity but had at least 10 years of service at
6 the time of death, the Tier 2 surviving spouse's
7 annuity under this paragraph (1) shall be the greater
8 of: (i) 30% of the annual maximum salary attached to
9 the classified civil service position of a first class
10 patrolman at the time of his death; or (ii) 66 2/3% of
11 the Tier 2 monthly retirement annuity that the
12 deceased policeman would have been eligible to receive
13 under subsection (b) of this Section, based upon the
14 actual service accrued through the day before the
15 policeman's death, but determined as though the
16 policeman was at least age 55 on the day before his or
17 her death and retired on that day.

18 (C) If the deceased policeman was an active
19 policeman with at least 1 1/2 but less than 10 years of
20 service at the time of death, the Tier 2 surviving
21 spouse's annuity under this paragraph (1) shall be in
22 the amount of 30% of the annual maximum salary
23 attached to the classified civil service position of a
24 first class patrolman at the time of his death.

25 (D) If the performance of an act or acts of duty
26 results directly in the death of a policeman subject

1 to this Section, or prevents him from subsequently
2 resuming active service in the police department, and
3 if the policeman's Tier 2 surviving spouse would
4 otherwise meet the eligibility requirements for a
5 compensation annuity or supplemental annuity granted
6 under Section 5-144, then in addition to the Tier 2
7 surviving spouse's annuity provided under subdivision
8 (A), (B), or (C) of this paragraph (1), whichever
9 applies, the Tier 2 surviving spouse shall be
10 qualified to receive compensation annuity or
11 supplemental annuity, as would be provided under
12 Section 5-144, in order to bring the total benefit up
13 to the applicable 75% salary limitation provided in
14 that Section, but subject to the Tier 2 salary cap
15 provided under subsection (b) of this Section; except
16 that no such annuity shall be paid to the surviving
17 spouse of a policeman who dies while in receipt of
18 disability benefits when the policeman's death was
19 caused by an intervening illness or injury unrelated
20 to the illness or injury that had prevented him from
21 subsequently resuming active service in the police
22 department.

23 (E) Notwithstanding any other provision of this
24 Article, the monthly Tier 2 surviving spouse's annuity
25 under subdivision (A) or (B) of this paragraph (1)
26 shall be increased on the January 1 next occurring

1 after (i) attainment of age 60 by the recipient of the
2 Tier 2 surviving spouse's annuity or (ii) the first
3 anniversary of the Tier 2 surviving spouse's annuity
4 start date, whichever is later, and on each January 1
5 thereafter, by 3% or one-half the annual unadjusted
6 percentage increase (but not less than zero) in the
7 consumer price index-u for the 12 months ending with
8 the September preceding each November 1, whichever is
9 less, of the originally granted Tier 2 surviving
10 spouse's annuity. If the unadjusted percentage change
11 in the consumer price index-u for a 12-month period
12 ending in September is zero or, when compared with the
13 preceding period, decreases, then the annuity shall
14 not be increased.

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

25 (F) Notwithstanding the other provisions of this
26 paragraph (1), for a qualified surviving spouse who is

1 entitled to a Tier 2 surviving spouse's annuity under
2 subdivision (A), (B), (C), or (D) of this paragraph
3 (1), that Tier 2 surviving spouse's annuity shall not
4 be less than the amount of the minimum widow's annuity
5 established from time to time under Section 5-167.4.

6 (2) Surviving children of a deceased policeman subject
7 to this Section who would otherwise meet the eligibility
8 requirements for a child's annuity set forth in Sections
9 5-151 and 5-152 shall be deemed qualified to receive a
10 Tier 2 child's annuity under this subsection (c), which
11 shall be in lieu of, but in the same amount and paid in the
12 same manner as, the child's annuity provided under those
13 Sections; except that any salary used for computing a Tier
14 2 child's annuity shall be subject to the Tier 2 salary cap
15 provided under subsection (b) of this Section. For
16 purposes of determining any pro rata reduction in child's
17 annuities under this subsection (c), references in Section
18 5-152 to the combined annuities of the family shall be
19 deemed to refer to the combined Tier 2 surviving spouse's
20 annuity, if any, and the Tier 2 child's annuities payable
21 under this subsection (c).

22 (3) Surviving parents of a deceased policeman subject
23 to this Section who would otherwise meet the eligibility
24 requirements for a parent's annuity set forth in Section
25 5-152 shall be deemed qualified to receive a Tier 2
26 parent's annuity under this subsection (c), which shall be

1 in lieu of, but in the same amount and paid in the same
2 manner as, the parent's annuity provided under Section
3 5-152.1; except that any salary used for computing a Tier
4 2 parent's annuity shall be subject to the Tier 2 salary
5 cap provided under subsection (b) of this Section. For the
6 purposes of this Section, a reference to "annuity" in
7 Section 5-152.1 includes: (i) in the context of a widow, a
8 Tier 2 surviving spouse's annuity and (ii) in the context
9 of a child, a Tier 2 child's annuity.

10 (d) The General Assembly finds and declares that the
11 provisions of this Section, as enacted by Public Act 96-1495,
12 require clarification relating to necessary eligibility
13 standards and the manner of determining and paying the
14 intended Tier 2 benefits and contributions in order to enable
15 the Fund to unambiguously implement and administer benefits
16 for Tier 2 members. The changes to this Section and the
17 conforming changes to Sections 5-153, 5-155, 5-163, 5-167.1
18 (except for the changes to subsection (a) of that Section),
19 5-169, and 5-170 made by this amendatory Act of the 99th
20 General Assembly are enacted to clarify the provisions of this
21 Section as enacted by Public Act 96-1495, and are hereby
22 declared to represent and be consistent with the original and
23 continuing intent of this Section and Public Act 96-1495.

24 (e) The changes to Sections 5-153, 5-155, 5-163, 5-167.1
25 (except for the changes to subsection (a) of that Section),
26 5-169, and 5-170 made by this amendatory Act of the 99th

1 General Assembly are intended to be retroactive to January 1,
2 2011 (the effective date of Public Act 96-1495) and, for the
3 purposes of Section 1-103.1 of this Code, they apply without
4 regard to whether the relevant policeman was in service on or
5 after the effective date of this amendatory Act of the 99th
6 General Assembly.

7 (Source: P.A. 99-905, eff. 11-29-16.)

8 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

9 Sec. 6-164. Automatic annual increase; retirement after
10 September 1, 1959.

11 (a) A fireman qualifying for a minimum annuity who retires
12 from service after September 1, 1959 shall, upon either the
13 first of the month following the first anniversary of his date
14 of retirement if he is age 55 or over on that anniversary date,
15 or upon the first of the month following his attainment of age
16 55 if that occurs after the first anniversary of his
17 retirement date, have his then fixed and payable monthly
18 annuity increased by 1 1/2%, and such first fixed annuity as
19 granted at retirement increased by an additional 1 1/2% in
20 January of each year thereafter up to a maximum increase of
21 30%. Beginning July 1, 1982 for firemen born before January 1,
22 1930, and beginning January 1, 1990 for firemen born after
23 December 31, 1929 and before January 1, 1940, and beginning
24 January 1, 1996 for firemen born after December 31, 1939 but
25 before January 1, 1945, and beginning January 1, 2004, for

1 firemen born after December 31, 1944 but before January 1,
2 1955, and beginning January 1, 2017, for firemen born after
3 December 31, 1954, such increases shall be 3% and such firemen
4 shall not be subject to the 30% maximum increase.

5 Any fireman born before January 1, 1945 who qualifies for
6 a minimum annuity and retires after September 1, 1967 but has
7 not received the initial increase under this subsection before
8 January 1, 1996 is entitled to receive the initial increase
9 under this subsection on (1) January 1, 1996, (2) the first
10 anniversary of the date of retirement, or (3) attainment of
11 age 55, whichever occurs last. The changes to this Section
12 made by this amendatory Act of 1995 apply beginning January 1,
13 1996 and apply without regard to whether the fireman or
14 annuitant terminated service before the effective date of this
15 amendatory Act of 1995.

16 Any fireman born before January 1, 1955 who qualifies for
17 a minimum annuity and retires after September 1, 1967 but has
18 not received the initial increase under this subsection before
19 January 1, 2004 is entitled to receive the initial increase
20 under this subsection on (1) January 1, 2004, (2) the first
21 anniversary of the date of retirement, or (3) attainment of
22 age 55, whichever occurs last. The changes to this Section
23 made by this amendatory Act of the 93rd General Assembly apply
24 without regard to whether the fireman or annuitant terminated
25 service before the effective date of this amendatory Act.

26 Any fireman born after December 31, 1954 but before

1 January 1, 1966 who qualifies for a minimum annuity and
2 retires after September 1, 1967 is entitled to receive an
3 increase under this subsection on (1) January 1, 2017, (2) the
4 first anniversary of the date of retirement, or (3) attainment
5 of age 55, whichever occurs last, in an amount equal to an
6 increase of 3% of his then fixed and payable monthly annuity
7 upon the first of the month following the first anniversary of
8 his date of retirement if he is age 55 or over on that
9 anniversary date or upon the first of the month following his
10 attainment of age 55 if that date occurs after the first
11 anniversary of his retirement date and such first fixed
12 annuity as granted at retirement shall be increased by an
13 additional 3% in January of each year thereafter. In the case
14 of a fireman born after December 31, 1954 but before January 1,
15 1966 who received an increase in any year of 1.5%, that fireman
16 shall receive an increase for any such year so that the total
17 increase is equal to 3% for each year the fireman would have
18 been otherwise eligible had the fireman not received any
19 increase. The changes to this subsection made by this
20 amendatory Act of the 99th General Assembly apply without
21 regard to whether the fireman or annuitant terminated service
22 before the effective date of this amendatory Act. The changes
23 to this subsection made by this amendatory Act of the 100th
24 General Assembly are a declaration of existing law and shall
25 not be construed as a new enactment.

26 Any fireman who qualifies for a minimum annuity and

1 retires after September 1, 1967 is entitled to receive an
2 increase under this subsection on (1) January 1, 2020, (2) the
3 first anniversary of the date of retirement, or (3) attainment
4 of age 55, whichever occurs last, in an amount equal to an
5 increase of 3% of his or her then fixed and payable monthly
6 annuity upon the first of the month following the first
7 anniversary of his or her date of retirement if he or she is
8 age 55 or over on that anniversary date or upon the first of
9 the month following his or her attainment of age 55 if that
10 date occurs after the first anniversary of his or her
11 retirement date and such first fixed annuity as granted at
12 retirement shall be increased by an additional 3% in January
13 of each year thereafter. In the case of a fireman who received
14 an increase in any year of 1.5%, that fireman shall receive an
15 increase for any such year so that the total increase is equal
16 to 3% for each year the fireman would have been otherwise
17 eligible had the fireman not received any increase. The
18 changes to this subsection made by this amendatory Act of the
19 101st General Assembly apply without regard to whether the
20 fireman or annuitant terminated service before the effective
21 date of this amendatory Act of the 101st General Assembly.

22 (b) Subsection (a) of this Section is not applicable to an
23 employee receiving a term annuity.

24 (c) To help defray the cost of such increases in annuity,
25 there shall be deducted, beginning September 1, 1959, from
26 each payment of salary to a fireman, 1/8 of 1% of each such

1 salary payment and an additional 1/8 of 1% beginning on
2 September 1, 1961, and September 1, 1963, respectively,
3 concurrently with and in addition to the salary deductions
4 otherwise made for annuity purposes.

5 Each such additional 1/8 of 1% deduction from salary which
6 shall, on September 1, 1963, result in a total increase of 3/8
7 of 1% of salary, shall be credited to the Automatic Increase
8 Reserve, to be used, together with city contributions as
9 provided in this Article, to defray the cost of the annuity
10 increments specified in this Section. Any balance in such
11 reserve as of the beginning of each calendar year shall be
12 credited with interest at the rate of 3% per annum.

13 The salary deductions provided in this Section are not
14 subject to refund, except to the fireman himself in any case in
15 which: (i) the fireman withdraws prior to qualification for
16 minimum annuity or Tier 2 monthly retirement annuity and
17 applies for refund, (ii) the fireman applies for an annuity of
18 a type that is not subject to annual increases under this
19 Section, or (iii) a term annuity becomes payable. In such
20 cases, the total of such salary deductions shall be refunded
21 to the fireman, without interest, and charged to the
22 aforementioned reserve.

23 (d) Notwithstanding any other provision of this Article,
24 the Tier 2 monthly retirement annuity of a person who first
25 becomes a fireman under this Article on or after January 1,
26 2011 shall be increased on the January 1 occurring either on or

1 after (i) the attainment of the retirement age applicable to
2 that fireman under this Article ~~age 60~~ or (ii) the first
3 anniversary of the annuity start date, whichever is later.
4 Each annual increase shall be calculated at 3% or one-half the
5 annual unadjusted percentage increase (but not less than zero)
6 in the consumer price index-u for the 12 months ending with the
7 September preceding each November 1, whichever is less, of the
8 originally granted retirement annuity. If the annual
9 unadjusted percentage change in the consumer price index-u for
10 a 12-month period ending in September is zero or, when
11 compared with the preceding period, decreases, then the
12 annuity shall not be increased.

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

22 (Source: P.A. 100-23, eff. 7-6-17; 100-539, eff. 11-7-17;
23 101-673, eff. 4-5-21.)

24 (40 ILCS 5/6-229)

25 Sec. 6-229. Provisions applicable to new hires; Tier 2.

1 (a) Notwithstanding any other provision of this Article,
2 the provisions of this Section apply to a person who first
3 becomes a fireman under this Article on or after January 1,
4 2011, and to certain qualified survivors of such a fireman.
5 Such persons, and the benefits and restrictions that apply
6 specifically to them under this Article, may be referred to as
7 "Tier 2".

8 (b) A fireman who has withdrawn from service, has attained
9 age 50 or more, and has 10 or more years of service in that
10 capacity shall be entitled, upon proper application being
11 received by the Fund, to receive a Tier 2 monthly retirement
12 annuity for his service as a fireman; except that, for a
13 fireman who is in service on or after January 1, 2026, the age
14 and service eligibility requirements for a Tier 2 monthly
15 retirement annuity for service as a fireman are the age and
16 service eligibility requirements applicable to a fireman who
17 first became a fireman on December 31, 2010. The Tier 2 monthly
18 retirement annuity shall be computed by multiplying 2.5% for
19 each year of such service by his or her final average salary,
20 subject to an annuity reduction factor of one-half of 1% for
21 each month that the fireman's age at retirement is under age
22 55. The annuity reduction factor does not apply to a policeman
23 who is in service on or after January 1, 2026. The Tier 2
24 monthly retirement annuity is in lieu of any age and service
25 annuity or other form of retirement annuity under this
26 Article.

1 The maximum retirement annuity under this subsection (b)
2 shall be 75% of final average salary.

3 For the purposes of this subsection (b), "final average
4 salary" means the greater of (1) the average monthly salary
5 obtained by dividing the total salary of the fireman during
6 the 96 consecutive months of service within the last 120
7 months of service in which the total salary was the highest by
8 the number of months of service in that period or (2) the
9 average monthly salary obtained by dividing the total salary
10 of the fireman during the 48 consecutive months of service
11 within the last 60 months of service in which the total salary
12 was the highest by the number of months of service in that
13 period.

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

25 (b-5) For the purposes of this Section, "consumer price
26 index-u" means the index published by the Bureau of Labor

1 Statistics of the United States Department of Labor that
2 measures the average change in prices of goods and services
3 purchased by all urban consumers, United States city average,
4 all items, 1982-84 = 100. The new amount resulting from each
5 annual adjustment shall be determined by the Public Pension
6 Division of the Department of Insurance and made available to
7 the boards of the retirement systems and pension funds by
8 November 1 of each year.

9 (c) Notwithstanding any other provision of this Article,
10 for a person who first becomes a fireman under this Article on
11 or after January 1, 2011, eligibility for and the amount of the
12 annuity to which the qualified surviving spouse, children, and
13 parents of the fireman are entitled under this subsection (c)
14 shall be determined as follows:

15 (1) The surviving spouse of a deceased fireman to whom
16 this Section applies shall be deemed qualified to receive
17 a Tier 2 surviving spouse's annuity under this paragraph
18 (1) if: (i) the deceased fireman meets the requirements
19 specified under subdivision (A), (B), (C), or (D) of this
20 paragraph (1); and (ii) the surviving spouse would not
21 otherwise be excluded from receiving a widow's annuity
22 under the eligibility requirements for a widow's annuity
23 set forth in Section 6-142. The Tier 2 surviving spouse's
24 annuity is in lieu of the widow's annuity determined under
25 any other Section of this Article and is subject to the
26 requirements of Section 6-143.2.

1 As used in this subsection (c), "earned pension" means
2 a Tier 2 monthly retirement annuity determined under
3 subsection (b) of this Section, including any increases
4 the fireman had received pursuant to Section 6-164.

5 (A) If the deceased fireman was receiving an
6 earned pension at the date of his or her death, the
7 Tier 2 surviving spouse's annuity under this paragraph
8 (1) shall be in the amount of 66 2/3% of the fireman's
9 earned pension at the date of death.

10 (B) If the deceased fireman was not receiving an
11 earned pension but had at least 10 years of service at
12 the time of death, the Tier 2 surviving spouse's
13 annuity under this paragraph (1) shall be the greater
14 of: (i) 30% of the salary attached to the rank of first
15 class firefighter in the classified career service at
16 the time of the fireman's death; or (ii) 66 2/3% of the
17 Tier 2 monthly retirement annuity that the deceased
18 fireman would have been eligible to receive under
19 subsection (b) of this Section, based upon the actual
20 service accrued through the day before the fireman's
21 death, but determined as though the fireman was at
22 least age 55 on the day before his or her death and
23 retired on that day.

24 (C) If the deceased fireman was an active fireman
25 with at least 1 1/2 but less than 10 years of service
26 at the time of death, the Tier 2 surviving spouse's

1 annuity under this paragraph (1) shall be in the
2 amount of 30% of the salary attached to the rank of
3 first class firefighter in the classified career
4 service at the time of the fireman's death.

5 (D) Notwithstanding subdivisions (A), (B), and (C)
6 of this paragraph (1), if the performance of an act or
7 acts of duty results directly in the death of a fireman
8 subject to this Section, or prevents him from
9 subsequently resuming active service in the fire
10 department, then a surviving spouse who would
11 otherwise meet the eligibility requirements for a
12 death in the line of duty widow's annuity granted
13 under Section 6-140 shall be deemed to be qualified
14 for a Tier 2 surviving spouse's annuity under this
15 subdivision (D); except that no such annuity shall be
16 paid to the surviving spouse of a fireman who dies
17 while in receipt of disability benefits when the
18 fireman's death was caused by an intervening illness
19 or injury unrelated to the illness or injury that had
20 prevented him from subsequently resuming active
21 service in the fire department. The Tier 2 surviving
22 spouse's annuity calculated under this subdivision (D)
23 shall be in lieu of, but in the same amount and paid in
24 the same manner as, the widow's annuity provided under
25 Section 6-140; except that the salary used for
26 computing a Tier 2 surviving spouse's annuity under

1 this subdivision (D) shall be subject to the Tier 2
2 salary cap provided under subsection (b) of this
3 Section.

4 (E) Notwithstanding any other provision of this
5 Article, the monthly Tier 2 surviving spouse's annuity
6 under subdivision (A) or (B) of this paragraph (1)
7 shall be increased on the January 1 next occurring
8 after (i) attainment of age 60 by the recipient of the
9 Tier 2 surviving spouse's annuity or (ii) the first
10 anniversary of the Tier 2 surviving spouse's annuity
11 start date, whichever is later, and on each January 1
12 thereafter, by 3% or one-half the annual unadjusted
13 percentage increase in the consumer price index-u for
14 the 12 months ending with September preceding each
15 November 1, whichever is less, of the originally
16 granted Tier 2 surviving spouse's annuity. If the
17 annual unadjusted percentage change in the consumer
18 price index-u for a 12-month period ending in
19 September is zero or, when compared with the preceding
20 period, decreases, then the annuity shall not be
21 increased.

22 (F) Notwithstanding the other provisions of this
23 paragraph (1), for a qualified surviving spouse who is
24 entitled to a Tier 2 surviving spouse's annuity under
25 subdivision (A), (B), (C), or (D) of this paragraph
26 (1), that Tier 2 surviving spouse's annuity shall not

1 be less than the amount of the minimum widow's annuity
2 established from time to time under Section 6-128.4.

3 (2) Surviving children of a deceased fireman subject
4 to this Section who would otherwise meet the eligibility
5 requirements for a child's annuity set forth in Sections
6 6-147 and 6-148 shall be deemed qualified to receive a
7 Tier 2 child's annuity under this subsection (c), which
8 shall be in lieu of, but in the same amount and paid in the
9 same manner as, the child's annuity provided under those
10 Sections; except that any salary used for computing a Tier
11 2 child's annuity shall be subject to the Tier 2 salary cap
12 provided under subsection (b) of this Section. For
13 purposes of determining any pro rata reduction in child's
14 annuities under this subsection (c), references in Section
15 6-148 to the combined annuities of the family shall be
16 deemed to refer to the combined Tier 2 surviving spouse's
17 annuity, if any, and the Tier 2 child's annuities payable
18 under this subsection (c).

19 (3) Surviving parents of a deceased fireman subject to
20 this Section who would otherwise meet the eligibility
21 requirements for a parent's annuity set forth in Section
22 6-149 shall be deemed qualified to receive a Tier 2
23 parent's annuity under this subsection (c), which shall be
24 in lieu of, but in the same amount and paid in the same
25 manner as, the parent's annuity provided under Section
26 6-149; except that any salary used for computing a Tier 2

1 parent's annuity shall be subject to the Tier 2 salary cap
2 provided under subsection (b) of this Section. For the
3 purposes of this Section, a reference to "annuity" in
4 Section 6-149 includes: (i) in the context of a widow, a
5 Tier 2 surviving spouse's annuity and (ii) in the context
6 of a child, a Tier 2 child's annuity.

7 (d) The General Assembly finds and declares that the
8 provisions of this Section, as enacted by Public Act 96-1495,
9 require clarification relating to necessary eligibility
10 standards and the manner of determining and paying the
11 intended Tier 2 benefits and contributions in order to enable
12 the Fund to unambiguously implement and administer benefits
13 for Tier 2 members. The changes to this Section and the
14 conforming changes to Sections 6-150, 6-158, 6-164 (except for
15 the changes to subsection (a) of that Section), 6-166, and
16 6-167 made by this amendatory Act of the 99th General Assembly
17 are enacted to clarify the provisions of this Section as
18 enacted by Public Act 96-1495, and are hereby declared to
19 represent and be consistent with the original and continuing
20 intent of this Section and Public Act 96-1495.

21 (e) The changes to Sections 6-150, 6-158, 6-164 (except
22 for the changes to subsection (a) of that Section), 6-166, and
23 6-167 made by this amendatory Act of the 99th General Assembly
24 are intended to be retroactive to January 1, 2011 (the
25 effective date of Public Act 96-1495) and, for the purposes of
26 Section 1-103.1 of this Code, they apply without regard to

1 whether the relevant fireman was in service on or after the
2 effective date of this amendatory Act of the 99th General
3 Assembly.

4 (Source: P.A. 103-579, eff. 12-8-23.)

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

6 Sec. 7-142. Retirement annuities; amount ~~annuities~~
7 ~~Amount.~~

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

11 1. For Tier 1 regular employees with 8 or more years of
12 service or for Tier 2 regular employees, an annuity
13 computed pursuant to subparagraphs a or b of this
14 subparagraph 1, whichever is the higher, and for employees
15 with less than 8 or 10 years of service, respectively, the
16 annuity computed pursuant to subparagraph a:

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

23 b. (i) The monthly annuity amount determined as
24 follows by multiplying (a) 1 2/3% for annuitants with
25 not more than 15 years or (b) 1 2/3% for the first 15

1 years and 2% for each year in excess of 15 years for
2 annuitants with more than 15 years by the number of
3 years plus fractional years, prorated on a basis of
4 months, of creditable service and multiply the product
5 thereof by the employee's final rate of earnings.

6 (ii) For the sole purpose of computing the formula
7 (and not for the purposes of the limitations
8 hereinafter stated) \$125 shall be considered the final
9 rate of earnings in all cases where the final rate of
10 earnings is less than such amount.

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

14 (iv) For employees who have less than 35 years of
15 service, the annuity computed in accordance with this
16 subparagraph b (as reduced by application of
17 subparagraph (iii) above) shall be reduced by 0.25%
18 thereof (0.5% if service was terminated before January
19 1, 1988 or if the employee is a Tier 2 regular
20 employee) for each month or fraction thereof (1) that
21 the employee's age is less than 60 years for Tier 1
22 regular employees, (2) that the employee's age is less
23 than 67 years for Tier 2 regular employees, or (3) if
24 the employee has at least 30 years of service credit,
25 that the employee's service credit is less than 35
26 years, whichever is less, on the date the annuity

1 begins.

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

5 (b) If payment of an annuity begins prior to the earliest
6 age at which the employee will become eligible for an old age
7 insurance benefit under the Federal Social Security Act, he
8 may elect that the annuity payments from this fund shall
9 exceed those payable after his attaining such age by an
10 amount, computed as determined by rules of the Board, but not
11 in excess of his estimated Social Security Benefit, determined
12 as of the effective date of the annuity, provided that in no
13 case shall the total annuity payments made by this fund exceed
14 in actuarial value the annuity which would have been payable
15 had no such election been made.

16 (c) Beginning January 1, 1984 and each January 1
17 thereafter, the retirement annuity of a Tier 1 regular
18 employee shall be increased by 3% each year, not compounded.
19 This increase shall be computed from the effective date of the
20 retirement annuity, the first increase being 0.25% of the
21 monthly amount times the number of months from the effective
22 date to January 1. This increase shall not be applicable to
23 annuitants who are not in service on or after September 8,
24 1971.

25 A retirement annuity of a Tier 2 regular employee shall
26 receive annual increases on the January 1 occurring either on

1 or after the attainment of the retirement age applicable to
2 that Tier 2 regular employee under this Article ~~age 67~~ or the
3 first anniversary of the annuity start date, whichever is
4 later. Each annual increase shall be calculated at the lesser
5 of 3% or one-half the annual unadjusted percentage increase
6 (but not less than zero) in the consumer price index-u for the
7 12 months ending with the September preceding each November 1
8 of the originally granted retirement annuity. If the annual
9 unadjusted percentage change in the consumer price index-u for
10 the 12 months ending with the September preceding each
11 November 1 is zero or there is a decrease, then the annuity
12 shall not be increased.

13 (d) Any elected county officer who was entitled to receive
14 a stipend from the State on or after July 1, 2009 and on or
15 before June 30, 2010 may establish earnings credit for the
16 amount of stipend not received, if the elected county official
17 applies in writing to the fund within 6 months after the
18 effective date of this amendatory Act of the 96th General
19 Assembly and pays to the fund an amount equal to (i) employee
20 contributions on the amount of stipend not received, (ii)
21 employer contributions determined by the Board equal to the
22 employer's normal cost of the benefit on the amount of stipend
23 not received, plus (iii) interest on items (i) and (ii) at the
24 actuarially assumed rate.

25 (Source: P.A. 102-210, eff. 1-1-22.)

1 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

2 Sec. 7-142.1. Sheriff's law enforcement employees.

3 (a) In lieu of the retirement annuity provided by
4 subparagraph 1 of paragraph (a) of Section 7-142:

5 Any sheriff's law enforcement employee who has 20 or more
6 years of service in that capacity and who terminates service
7 prior to January 1, 1988 shall be entitled at his option to
8 receive a monthly retirement annuity for his service as a
9 sheriff's law enforcement employee computed by multiplying 2%
10 for each year of such service up to 10 years, 2 1/4% for each
11 year of such service above 10 years and up to 20 years, and 2
12 1/2% for each year of such service above 20 years, by his
13 annual final rate of earnings and dividing by 12.

14 Any sheriff's law enforcement employee who has 20 or more
15 years of service in that capacity and who terminates service
16 on or after January 1, 1988 and before July 1, 2004 shall be
17 entitled at his option to receive a monthly retirement annuity
18 for his service as a sheriff's law enforcement employee
19 computed by multiplying 2.5% for each year of such service up
20 to 20 years, 2% for each year of such service above 20 years
21 and up to 30 years, and 1% for each year of such service above
22 30 years, by his annual final rate of earnings and dividing by
23 12.

24 Any sheriff's law enforcement employee who has 20 or more
25 years of service in that capacity and who terminates service
26 on or after July 1, 2004 shall be entitled at his or her option

1 to receive a monthly retirement annuity for service as a
2 sheriff's law enforcement employee computed by multiplying
3 2.5% for each year of such service by his annual final rate of
4 earnings and dividing by 12.

5 If a sheriff's law enforcement employee has service in any
6 other capacity, his retirement annuity for service as a
7 sheriff's law enforcement employee may be computed under this
8 Section and the retirement annuity for his other service under
9 Section 7-142.

10 In no case shall the total monthly retirement annuity for
11 persons who retire before July 1, 2004 exceed 75% of the
12 monthly final rate of earnings. In no case shall the total
13 monthly retirement annuity for persons who retire on or after
14 July 1, 2004 exceed 80% of the monthly final rate of earnings.

15 (b) Whenever continued group insurance coverage is elected
16 in accordance with the provisions of Section 367h of the
17 Illinois Insurance Code, as now or hereafter amended, the
18 total monthly premium for such continued group insurance
19 coverage or such portion thereof as is not paid by the
20 municipality shall, upon request of the person electing such
21 continued group insurance coverage, be deducted from any
22 monthly pension benefit otherwise payable to such person
23 pursuant to this Section, to be remitted by the Fund to the
24 insurance company or other entity providing the group
25 insurance coverage.

26 (c) A sheriff's law enforcement employee who began service

1 in that capacity prior to the effective date of this
2 amendatory Act of the 97th General Assembly and who has
3 service in any other capacity may convert up to 10 years of
4 that service into service as a sheriff's law enforcement
5 employee by paying to the Fund an amount equal to (1) the
6 additional employee contribution required under Section
7 7-173.1, plus (2) the additional employer contribution
8 required under Section 7-172, plus (3) interest on items (1)
9 and (2) at the prescribed rate from the date of the service to
10 the date of payment. Application must be received by the Board
11 while the employee is an active participant in the Fund.
12 Payment must be received while the member is an active
13 participant, except that one payment will be permitted after
14 termination of participation.

15 (d) The changes to subsections (a) and (b) of this Section
16 made by this amendatory Act of the 94th General Assembly apply
17 only to persons in service on or after July 1, 2004. In the
18 case of such a person who begins to receive a retirement
19 annuity before the effective date of this amendatory Act of
20 the 94th General Assembly, the annuity shall be recalculated
21 prospectively to reflect those changes, with the resulting
22 increase beginning to accrue on the first annuity payment date
23 following the effective date of this amendatory Act.

24 (e) Any elected county officer who was entitled to receive
25 a stipend from the State on or after July 1, 2009 and on or
26 before June 30, 2010 may establish earnings credit for the

1 amount of stipend not received, if the elected county official
2 applies in writing to the fund within 6 months after the
3 effective date of this amendatory Act of the 96th General
4 Assembly and pays to the fund an amount equal to (i) employee
5 contributions on the amount of stipend not received, (ii)
6 employer contributions determined by the Board equal to the
7 employer's normal cost of the benefit on the amount of stipend
8 not received, plus (iii) interest on items (i) and (ii) at the
9 actuarially assumed rate.

10 (f) Notwithstanding any other provision of this Article,
11 the provisions of this subsection (f) apply to a person who
12 first becomes a sheriff's law enforcement employee under this
13 Article on or after January 1, 2011.

14 A sheriff's law enforcement employee age 55 or more who
15 has 10 or more years of service in that capacity shall be
16 entitled at his option to receive a monthly retirement annuity
17 for his or her service as a sheriff's law enforcement employee
18 computed by multiplying 2.5% for each year of such service by
19 his or her final rate of earnings.

20 The retirement annuity of a sheriff's law enforcement
21 employee who is retiring after attaining age 50 with 10 or more
22 years of creditable service shall be reduced by one-half of 1%
23 for each month that the sheriff's law enforcement employee's
24 age is under age 55. This paragraph does not apply to a
25 sheriff's law enforcement employee who is an active sheriff's
26 law enforcement employee on or after January 1, 2026.

1 The maximum retirement annuity under this subsection (f)
2 shall be 75% of final rate of earnings.

3 For the purposes of this subsection (f), "final rate of
4 earnings" means the average monthly earnings obtained by
5 dividing the total salary of the sheriff's law enforcement
6 employee during the 96 consecutive months of service within
7 the last 120 months of service in which the total earnings was
8 the highest by the number of months of service in that period.

9 Notwithstanding any other provision of this Article,
10 beginning on January 1, 2011, for all purposes under this Code
11 (including without limitation the calculation of benefits and
12 employee contributions), the annual earnings of a sheriff's
13 law enforcement employee to whom this Section applies shall
14 not include overtime and shall not exceed \$106,800; however,
15 that amount shall annually thereafter be increased by the
16 lesser of (i) 3% of that amount, including all previous
17 adjustments, or (ii) one-half the annual unadjusted percentage
18 increase (but not less than zero) in the consumer price
19 index-u for the 12 months ending with the September preceding
20 each November 1, including all previous adjustments.

21 (g) Notwithstanding any other provision of this Article,
22 the monthly annuity of a person who first becomes a sheriff's
23 law enforcement employee under this Article on or after
24 January 1, 2011 shall be increased on the January 1 occurring
25 either on or after the attainment of the retirement age
26 applicable to that sheriff's law enforcement employee under

1 this Article ~~age 60~~ or the first anniversary of the annuity
2 start date, whichever is later. Each annual increase shall be
3 calculated at 3% or one-half the annual unadjusted percentage
4 increase (but not less than zero) in the consumer price
5 index-u for the 12 months ending with the September preceding
6 each November 1, whichever is less, of the originally granted
7 retirement annuity. If the annual unadjusted percentage change
8 in the consumer price index-u for a 12-month period ending in
9 September is zero or, when compared with the preceding period,
10 decreases, then the annuity shall not be increased.

11 (h) Notwithstanding any other provision of this Article,
12 for a person who first becomes a sheriff's law enforcement
13 employee under this Article on or after January 1, 2011, the
14 annuity to which the surviving spouse, children, or parents
15 are entitled under this subsection (h) shall be in the amount
16 of 66 2/3% of the sheriff's law enforcement employee's earned
17 annuity at the date of death.

18 (i) Notwithstanding any other provision of this Article,
19 the monthly annuity of a survivor of a person who first becomes
20 a sheriff's law enforcement employee under this Article on or
21 after January 1, 2011 shall be increased on the January 1 after
22 attainment of age 60 by the recipient of the survivor's
23 annuity and each January 1 thereafter by 3% or one-half the
24 annual unadjusted percentage increase in the consumer price
25 index-u for the 12 months ending with the September preceding
26 each November 1, whichever is less, of the originally granted

1 pension. If the annual unadjusted percentage change in the
2 consumer price index-u for a 12-month period ending in
3 September is zero or, when compared with the preceding period,
4 decreases, then the annuity shall not be increased.

5 (j) For the purposes of this Section, "consumer price
6 index-u" means the index published by the Bureau of Labor
7 Statistics of the United States Department of Labor that
8 measures the average change in prices of goods and services
9 purchased by all urban consumers, United States city average,
10 all items, 1982-84 = 100. The new amount resulting from each
11 annual adjustment shall be determined by the Public Pension
12 Division of the Department of Insurance and made available to
13 the boards of the pension funds.

14 (Source: P.A. 100-148, eff. 8-18-17.)

15 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

16 (Text of Section from P.A. 102-813 and 103-34)

17 Sec. 14-110. Alternative retirement annuity.

18 (a) Any member who has withdrawn from service with not
19 less than 20 years of eligible creditable service and has
20 attained age 55, and any member who has withdrawn from service
21 with not less than 25 years of eligible creditable service and
22 has attained age 50, regardless of whether the attainment of
23 either of the specified ages occurs while the member is still
24 in service, shall be entitled to receive at the option of the
25 member, in lieu of the regular or minimum retirement annuity,

1 a retirement annuity computed as follows:

2 (i) for periods of service as a noncovered employee:
3 if retirement occurs on or after January 1, 2001, 3% of
4 final average compensation for each year of creditable
5 service; if retirement occurs before January 1, 2001, 2
6 1/4% of final average compensation for each of the first
7 10 years of creditable service, 2 1/2% for each year above
8 10 years to and including 20 years of creditable service,
9 and 2 3/4% for each year of creditable service above 20
10 years; and

11 (ii) for periods of eligible creditable service as a
12 covered employee: if retirement occurs on or after January
13 1, 2001, 2.5% of final average compensation for each year
14 of creditable service; if retirement occurs before January
15 1, 2001, 1.67% of final average compensation for each of
16 the first 10 years of such service, 1.90% for each of the
17 next 10 years of such service, 2.10% for each year of such
18 service in excess of 20 but not exceeding 30, and 2.30% for
19 each year in excess of 30.

20 Such annuity shall be subject to a maximum of 75% of final
21 average compensation if retirement occurs before January 1,
22 2001 or to a maximum of 80% of final average compensation if
23 retirement occurs on or after January 1, 2001.

24 These rates shall not be applicable to any service
25 performed by a member as a covered employee which is not
26 eligible creditable service. Service as a covered employee

1 which is not eligible creditable service shall be subject to
2 the rates and provisions of Section 14-108.

3 (b) For the purpose of this Section, "eligible creditable
4 service" means creditable service resulting from service in
5 one or more of the following positions:

6 (1) State policeman;

7 (2) fire fighter in the fire protection service of a
8 department;

9 (3) air pilot;

10 (4) special agent;

11 (5) investigator for the Secretary of State;

12 (6) conservation police officer;

13 (7) investigator for the Department of Revenue or the
14 Illinois Gaming Board;

15 (8) security employee of the Department of Human
16 Services;

17 (9) Central Management Services security police
18 officer;

19 (10) security employee of the Department of
20 Corrections or the Department of Juvenile Justice;

21 (11) dangerous drugs investigator;

22 (12) investigator for the Illinois State Police;

23 (13) investigator for the Office of the Attorney
24 General;

25 (14) controlled substance inspector;

26 (15) investigator for the Office of the State's

- 1 Attorneys Appellate Prosecutor;
- 2 (16) Commerce Commission police officer;
- 3 (17) arson investigator;
- 4 (18) State highway maintenance worker;
- 5 (19) security employee of the Department of Innovation
6 and Technology; ~~or~~
- 7 (20) transferred employee; or
- 8 (21) investigator for the Department of the Lottery.

9 A person employed in one of the positions specified in
10 this subsection is entitled to eligible creditable service for
11 service credit earned under this Article while undergoing the
12 basic police training course approved by the Illinois Law
13 Enforcement Training Standards Board, if completion of that
14 training is required of persons serving in that position. For
15 the purposes of this Code, service during the required basic
16 police training course shall be deemed performance of the
17 duties of the specified position, even though the person is
18 not a sworn peace officer at the time of the training.

19 A person under paragraph (20) is entitled to eligible
20 creditable service for service credit earned under this
21 Article on and after his or her transfer by Executive Order No.
22 2003-10, Executive Order No. 2004-2, or Executive Order No.
23 2016-1.

24 (c) For the purposes of this Section:

25 (1) The term "State policeman" includes any title or
26 position in the Illinois State Police that is held by an

1 individual employed under the Illinois State Police Act.

2 (2) The term "fire fighter in the fire protection
3 service of a department" includes all officers in such
4 fire protection service including fire chiefs and
5 assistant fire chiefs.

6 (3) The term "air pilot" includes any employee whose
7 official job description on file in the Department of
8 Central Management Services, or in the department by which
9 he is employed if that department is not covered by the
10 Personnel Code, states that his principal duty is the
11 operation of aircraft, and who possesses a pilot's
12 license; however, the change in this definition made by
13 Public Act 83-842 shall not operate to exclude any
14 noncovered employee who was an "air pilot" for the
15 purposes of this Section on January 1, 1984.

16 (4) The term "special agent" means any person who by
17 reason of employment by the Division of Narcotic Control,
18 the Bureau of Investigation or, after July 1, 1977, the
19 Division of Criminal Investigation, the Division of
20 Internal Investigation, the Division of Operations, the
21 Division of Patrol, or any other Division or
22 organizational entity in the Illinois State Police is
23 vested by law with duties to maintain public order,
24 investigate violations of the criminal law of this State,
25 enforce the laws of this State, make arrests and recover
26 property. The term "special agent" includes any title or

1 position in the Illinois State Police that is held by an
2 individual employed under the Illinois State Police Act.

3 (5) The term "investigator for the Secretary of State"
4 means any person employed by the Office of the Secretary
5 of State and vested with such investigative duties as
6 render him ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D) and 218(1)(1) of that Act.

9 A person who became employed as an investigator for
10 the Secretary of State between January 1, 1967 and
11 December 31, 1975, and who has served as such until
12 attainment of age 60, either continuously or with a single
13 break in service of not more than 3 years duration, which
14 break terminated before January 1, 1976, shall be entitled
15 to have his retirement annuity calculated in accordance
16 with subsection (a), notwithstanding that he has less than
17 20 years of credit for such service.

18 (6) The term "Conservation Police Officer" means any
19 person employed by the Division of Law Enforcement of the
20 Department of Natural Resources and vested with such law
21 enforcement duties as render him ineligible for coverage
22 under the Social Security Act by reason of Sections
23 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
24 term "Conservation Police Officer" includes the positions
25 of Chief Conservation Police Administrator and Assistant
26 Conservation Police Administrator.

1 (7) The term "investigator for the Department of
2 Revenue" means any person employed by the Department of
3 Revenue and vested with such investigative duties as
4 render him ineligible for coverage under the Social
5 Security Act by reason of Sections 218(d)(5)(A),
6 218(d)(8)(D) and 218(1)(1) of that Act.

7 The term "investigator for the Illinois Gaming Board"
8 means any person employed as such by the Illinois Gaming
9 Board and vested with such peace officer duties as render
10 the person ineligible for coverage under the Social
11 Security Act by reason of Sections 218(d)(5)(A),
12 218(d)(8)(D), and 218(1)(1) of that Act.

13 (8) The term "security employee of the Department of
14 Human Services" means any person employed by the
15 Department of Human Services who (i) is employed at the
16 Chester Mental Health Center and has daily contact with
17 the residents thereof, (ii) is employed within a security
18 unit at a facility operated by the Department and has
19 daily contact with the residents of the security unit,
20 (iii) is employed at a facility operated by the Department
21 that includes a security unit and is regularly scheduled
22 to work at least 50% of his or her working hours within
23 that security unit, or (iv) is a mental health police
24 officer. "Mental health police officer" means any person
25 employed by the Department of Human Services in a position
26 pertaining to the Department's mental health and

1 developmental disabilities functions who is vested with
2 such law enforcement duties as render the person
3 ineligible for coverage under the Social Security Act by
4 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
5 218(1)(1) of that Act. "Security unit" means that portion
6 of a facility that is devoted to the care, containment,
7 and treatment of persons committed to the Department of
8 Human Services as sexually violent persons, persons unfit
9 to stand trial, or persons not guilty by reason of
10 insanity. With respect to past employment, references to
11 the Department of Human Services include its predecessor,
12 the Department of Mental Health and Developmental
13 Disabilities.

14 The changes made to this subdivision (c)(8) by Public
15 Act 92-14 apply to persons who retire on or after January
16 1, 2001, notwithstanding Section 1-103.1.

17 (9) "Central Management Services security police
18 officer" means any person employed by the Department of
19 Central Management Services who is vested with such law
20 enforcement duties as render him ineligible for coverage
21 under the Social Security Act by reason of Sections
22 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

23 (10) For a member who first became an employee under
24 this Article before July 1, 2005, the term "security
25 employee of the Department of Corrections or the
26 Department of Juvenile Justice" means any employee of the

1 Department of Corrections or the Department of Juvenile
2 Justice or the former Department of Personnel, and any
3 member or employee of the Prisoner Review Board, who has
4 daily contact with inmates or youth by working within a
5 correctional facility or Juvenile facility operated by the
6 Department of Juvenile Justice or who is a parole officer
7 or an employee who has direct contact with committed
8 persons in the performance of his or her job duties. For a
9 member who first becomes an employee under this Article on
10 or after July 1, 2005, the term means an employee of the
11 Department of Corrections or the Department of Juvenile
12 Justice who is any of the following: (i) officially
13 headquartered at a correctional facility or Juvenile
14 facility operated by the Department of Juvenile Justice,
15 (ii) a parole officer, (iii) a member of the apprehension
16 unit, (iv) a member of the intelligence unit, (v) a member
17 of the sort team, or (vi) an investigator.

18 (11) The term "dangerous drugs investigator" means any
19 person who is employed as such by the Department of Human
20 Services.

21 (12) The term "investigator for the Illinois State
22 Police" means a person employed by the Illinois State
23 Police who is vested under Section 4 of the Narcotic
24 Control Division Abolition Act with such law enforcement
25 powers as render him ineligible for coverage under the
26 Social Security Act by reason of Sections 218(d)(5)(A),

1 218(d)(8)(D) and 218(1)(1) of that Act.

2 (13) "Investigator for the Office of the Attorney
3 General" means any person who is employed as such by the
4 Office of the Attorney General and is vested with such
5 investigative duties as render him ineligible for coverage
6 under the Social Security Act by reason of Sections
7 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
8 the period before January 1, 1989, the term includes all
9 persons who were employed as investigators by the Office
10 of the Attorney General, without regard to social security
11 status.

12 (14) "Controlled substance inspector" means any person
13 who is employed as such by the Department of Professional
14 Regulation and is vested with such law enforcement duties
15 as render him ineligible for coverage under the Social
16 Security Act by reason of Sections 218(d)(5)(A),
17 218(d)(8)(D) and 218(1)(1) of that Act. The term
18 "controlled substance inspector" includes the Program
19 Executive of Enforcement and the Assistant Program
20 Executive of Enforcement.

21 (15) The term "investigator for the Office of the
22 State's Attorneys Appellate Prosecutor" means a person
23 employed in that capacity on a full-time basis under the
24 authority of Section 7.06 of the State's Attorneys
25 Appellate Prosecutor's Act.

26 (16) "Commerce Commission police officer" means any

1 person employed by the Illinois Commerce Commission who is
2 vested with such law enforcement duties as render him
3 ineligible for coverage under the Social Security Act by
4 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
5 218(1)(1) of that Act.

6 (17) "Arson investigator" means any person who is
7 employed as such by the Office of the State Fire Marshal
8 and is vested with such law enforcement duties as render
9 the person ineligible for coverage under the Social
10 Security Act by reason of Sections 218(d)(5)(A),
11 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
12 employed as an arson investigator on January 1, 1995 and
13 is no longer in service but not yet receiving a retirement
14 annuity may convert his or her creditable service for
15 employment as an arson investigator into eligible
16 creditable service by paying to the System the difference
17 between the employee contributions actually paid for that
18 service and the amounts that would have been contributed
19 if the applicant were contributing at the rate applicable
20 to persons with the same social security status earning
21 eligible creditable service on the date of application.

22 (18) The term "State highway maintenance worker" means
23 a person who is either of the following:

24 (i) A person employed on a full-time basis by the
25 Illinois Department of Transportation in the position
26 of highway maintainer, highway maintenance lead

1 worker, highway maintenance lead/lead worker, heavy
2 construction equipment operator, power shovel
3 operator, or bridge mechanic; and whose principal
4 responsibility is to perform, on the roadway, the
5 actual maintenance necessary to keep the highways that
6 form a part of the State highway system in serviceable
7 condition for vehicular traffic.

8 (ii) A person employed on a full-time basis by the
9 Illinois State Toll Highway Authority in the position
10 of equipment operator/laborer H-4, equipment
11 operator/laborer H-6, welder H-4, welder H-6,
12 mechanical/electrical H-4, mechanical/electrical H-6,
13 water/sewer H-4, water/sewer H-6, sign maker/hanger
14 H-4, sign maker/hanger H-6, roadway lighting H-4,
15 roadway lighting H-6, structural H-4, structural H-6,
16 painter H-4, or painter H-6; and whose principal
17 responsibility is to perform, on the roadway, the
18 actual maintenance necessary to keep the Authority's
19 tollways in serviceable condition for vehicular
20 traffic.

21 (19) The term "security employee of the Department of
22 Innovation and Technology" means a person who was a
23 security employee of the Department of Corrections or the
24 Department of Juvenile Justice, was transferred to the
25 Department of Innovation and Technology pursuant to
26 Executive Order 2016-01, and continues to perform similar

1 job functions under that Department.

2 (20) "Transferred employee" means an employee who was
3 transferred to the Department of Central Management
4 Services by Executive Order No. 2003-10 or Executive Order
5 No. 2004-2 or transferred to the Department of Innovation
6 and Technology by Executive Order No. 2016-1, or both, and
7 was entitled to eligible creditable service for services
8 immediately preceding the transfer.

9 (21) "Investigator for the Department of the Lottery"
10 means any person who is employed by the Department of the
11 Lottery and is vested with such investigative duties which
12 render him or her ineligible for coverage under the Social
13 Security Act by reason of Sections 218(d)(5)(A),
14 218(d)(8)(D), and 218(1)(1) of that Act. An investigator
15 for the Department of the Lottery who qualifies under this
16 Section shall earn eligible creditable service and be
17 required to make contributions at the rate specified in
18 paragraph (3) of subsection (a) of Section 14-133 for all
19 periods of service as an investigator for the Department
20 of the Lottery.

21 (d) A security employee of the Department of Corrections
22 or the Department of Juvenile Justice, a security employee of
23 the Department of Human Services who is not a mental health
24 police officer, and a security employee of the Department of
25 Innovation and Technology shall not be eligible for the
26 alternative retirement annuity provided by this Section unless

1 he or she meets the following minimum age and service
2 requirements at the time of retirement:

3 (i) 25 years of eligible creditable service and age
4 55; or

5 (ii) beginning January 1, 1987, 25 years of eligible
6 creditable service and age 54, or 24 years of eligible
7 creditable service and age 55; or

8 (iii) beginning January 1, 1988, 25 years of eligible
9 creditable service and age 53, or 23 years of eligible
10 creditable service and age 55; or

11 (iv) beginning January 1, 1989, 25 years of eligible
12 creditable service and age 52, or 22 years of eligible
13 creditable service and age 55; or

14 (v) beginning January 1, 1990, 25 years of eligible
15 creditable service and age 51, or 21 years of eligible
16 creditable service and age 55; or

17 (vi) beginning January 1, 1991, 25 years of eligible
18 creditable service and age 50, or 20 years of eligible
19 creditable service and age 55.

20 Persons who have service credit under Article 16 of this
21 Code for service as a security employee of the Department of
22 Corrections or the Department of Juvenile Justice, or the
23 Department of Human Services in a position requiring
24 certification as a teacher may count such service toward
25 establishing their eligibility under the service requirements
26 of this Section; but such service may be used only for

1 establishing such eligibility, and not for the purpose of
2 increasing or calculating any benefit.

3 (e) If a member enters military service while working in a
4 position in which eligible creditable service may be earned,
5 and returns to State service in the same or another such
6 position, and fulfills in all other respects the conditions
7 prescribed in this Article for credit for military service,
8 such military service shall be credited as eligible creditable
9 service for the purposes of the retirement annuity prescribed
10 in this Section.

11 (f) For purposes of calculating retirement annuities under
12 this Section, periods of service rendered after December 31,
13 1968 and before October 1, 1975 as a covered employee in the
14 position of special agent, conservation police officer, mental
15 health police officer, or investigator for the Secretary of
16 State, shall be deemed to have been service as a noncovered
17 employee, provided that the employee pays to the System prior
18 to retirement an amount equal to (1) the difference between
19 the employee contributions that would have been required for
20 such service as a noncovered employee, and the amount of
21 employee contributions actually paid, plus (2) if payment is
22 made after July 31, 1987, regular interest on the amount
23 specified in item (1) from the date of service to the date of
24 payment.

25 For purposes of calculating retirement annuities under
26 this Section, periods of service rendered after December 31,

1 1968 and before January 1, 1982 as a covered employee in the
2 position of investigator for the Department of Revenue shall
3 be deemed to have been service as a noncovered employee,
4 provided that the employee pays to the System prior to
5 retirement an amount equal to (1) the difference between the
6 employee contributions that would have been required for such
7 service as a noncovered employee, and the amount of employee
8 contributions actually paid, plus (2) if payment is made after
9 January 1, 1990, regular interest on the amount specified in
10 item (1) from the date of service to the date of payment.

11 (g) A State policeman may elect, not later than January 1,
12 1990, to establish eligible creditable service for up to 10
13 years of his service as a policeman under Article 3, by filing
14 a written election with the Board, accompanied by payment of
15 an amount to be determined by the Board, equal to (i) the
16 difference between the amount of employee and employer
17 contributions transferred to the System under Section 3-110.5,
18 and the amounts that would have been contributed had such
19 contributions been made at the rates applicable to State
20 policemen, plus (ii) interest thereon at the effective rate
21 for each year, compounded annually, from the date of service
22 to the date of payment.

23 Subject to the limitation in subsection (i), a State
24 policeman may elect, not later than July 1, 1993, to establish
25 eligible creditable service for up to 10 years of his service
26 as a member of the County Police Department under Article 9, by

1 filing a written election with the Board, accompanied by
2 payment of an amount to be determined by the Board, equal to
3 (i) the difference between the amount of employee and employer
4 contributions transferred to the System under Section 9-121.10
5 and the amounts that would have been contributed had those
6 contributions been made at the rates applicable to State
7 policemen, plus (ii) interest thereon at the effective rate
8 for each year, compounded annually, from the date of service
9 to the date of payment.

10 (h) Subject to the limitation in subsection (i), a State
11 policeman or investigator for the Secretary of State may elect
12 to establish eligible creditable service for up to 12 years of
13 his service as a policeman under Article 5, by filing a written
14 election with the Board on or before January 31, 1992, and
15 paying to the System by January 31, 1994 an amount to be
16 determined by the Board, equal to (i) the difference between
17 the amount of employee and employer contributions transferred
18 to the System under Section 5-236, and the amounts that would
19 have been contributed had such contributions been made at the
20 rates applicable to State policemen, plus (ii) interest
21 thereon at the effective rate for each year, compounded
22 annually, from the date of service to the date of payment.

23 Subject to the limitation in subsection (i), a State
24 policeman, conservation police officer, or investigator for
25 the Secretary of State may elect to establish eligible
26 creditable service for up to 10 years of service as a sheriff's

1 law enforcement employee under Article 7, by filing a written
2 election with the Board on or before January 31, 1993, and
3 paying to the System by January 31, 1994 an amount to be
4 determined by the Board, equal to (i) the difference between
5 the amount of employee and employer contributions transferred
6 to the System under Section 7-139.7, and the amounts that
7 would have been contributed had such contributions been made
8 at the rates applicable to State policemen, plus (ii) interest
9 thereon at the effective rate for each year, compounded
10 annually, from the date of service to the date of payment.

11 Subject to the limitation in subsection (i), a State
12 policeman, conservation police officer, or investigator for
13 the Secretary of State may elect to establish eligible
14 creditable service for up to 5 years of service as a police
15 officer under Article 3, a policeman under Article 5, a
16 sheriff's law enforcement employee under Article 7, a member
17 of the county police department under Article 9, or a police
18 officer under Article 15 by filing a written election with the
19 Board and paying to the System an amount to be determined by
20 the Board, equal to (i) the difference between the amount of
21 employee and employer contributions transferred to the System
22 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
23 and the amounts that would have been contributed had such
24 contributions been made at the rates applicable to State
25 policemen, plus (ii) interest thereon at the effective rate
26 for each year, compounded annually, from the date of service

1 to the date of payment.

2 Subject to the limitation in subsection (i), an
3 investigator for the Office of the Attorney General, or an
4 investigator for the Department of Revenue, may elect to
5 establish eligible creditable service for up to 5 years of
6 service as a police officer under Article 3, a policeman under
7 Article 5, a sheriff's law enforcement employee under Article
8 7, or a member of the county police department under Article 9
9 by filing a written election with the Board within 6 months
10 after August 25, 2009 (the effective date of Public Act
11 96-745) and paying to the System an amount to be determined by
12 the Board, equal to (i) the difference between the amount of
13 employee and employer contributions transferred to the System
14 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
15 amounts that would have been contributed had such
16 contributions been made at the rates applicable to State
17 policemen, plus (ii) interest thereon at the actuarially
18 assumed rate for each year, compounded annually, from the date
19 of service to the date of payment.

20 Subject to the limitation in subsection (i), a State
21 policeman, conservation police officer, investigator for the
22 Office of the Attorney General, an investigator for the
23 Department of Revenue, or investigator for the Secretary of
24 State may elect to establish eligible creditable service for
25 up to 5 years of service as a person employed by a
26 participating municipality to perform police duties, or law

1 enforcement officer employed on a full-time basis by a forest
2 preserve district under Article 7, a county corrections
3 officer, or a court services officer under Article 9, by
4 filing a written election with the Board within 6 months after
5 August 25, 2009 (the effective date of Public Act 96-745) and
6 paying to the System an amount to be determined by the Board,
7 equal to (i) the difference between the amount of employee and
8 employer contributions transferred to the System under
9 Sections 7-139.8 and 9-121.10 and the amounts that would have
10 been contributed had such contributions been made at the rates
11 applicable to State policemen, plus (ii) interest thereon at
12 the actuarially assumed rate for each year, compounded
13 annually, from the date of service to the date of payment.

14 Subject to the limitation in subsection (i), a State
15 policeman, arson investigator, or Commerce Commission police
16 officer may elect to establish eligible creditable service for
17 up to 5 years of service as a person employed by a
18 participating municipality to perform police duties under
19 Article 7, a county corrections officer, a court services
20 officer under Article 9, or a firefighter under Article 4 by
21 filing a written election with the Board within 6 months after
22 July 30, 2021 (the effective date of Public Act 102-210) and
23 paying to the System an amount to be determined by the Board
24 equal to (i) the difference between the amount of employee and
25 employer contributions transferred to the System under
26 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that

1 would have been contributed had such contributions been made
2 at the rates applicable to State policemen, plus (ii) interest
3 thereon at the actuarially assumed rate for each year,
4 compounded annually, from the date of service to the date of
5 payment.

6 Subject to the limitation in subsection (i), a
7 conservation police officer may elect to establish eligible
8 creditable service for up to 5 years of service as a person
9 employed by a participating municipality to perform police
10 duties under Article 7, a county corrections officer, or a
11 court services officer under Article 9 by filing a written
12 election with the Board within 6 months after July 30, 2021
13 (the effective date of Public Act 102-210) and paying to the
14 System an amount to be determined by the Board equal to (i) the
15 difference between the amount of employee and employer
16 contributions transferred to the System under Sections 7-139.8
17 and 9-121.10 and the amounts that would have been contributed
18 had such contributions been made at the rates applicable to
19 State policemen, plus (ii) interest thereon at the actuarially
20 assumed rate for each year, compounded annually, from the date
21 of service to the date of payment.

22 Notwithstanding the limitation in subsection (i), a State
23 policeman or conservation police officer may elect to convert
24 service credit earned under this Article to eligible
25 creditable service, as defined by this Section, by filing a
26 written election with the board within 6 months after July 30,

1 2021 (the effective date of Public Act 102-210) and paying to
2 the System an amount to be determined by the Board equal to (i)
3 the difference between the amount of employee contributions
4 originally paid for that service and the amounts that would
5 have been contributed had such contributions been made at the
6 rates applicable to State policemen, plus (ii) the difference
7 between the employer's normal cost of the credit prior to the
8 conversion authorized by Public Act 102-210 and the employer's
9 normal cost of the credit converted in accordance with Public
10 Act 102-210, plus (iii) interest thereon at the actuarially
11 assumed rate for each year, compounded annually, from the date
12 of service to the date of payment.

13 (i) The total amount of eligible creditable service
14 established by any person under subsections (g), (h), (j),
15 (k), (l), (l-5), ~~and~~ (o), and (r) of this Section shall not
16 exceed 12 years.

17 (j) Subject to the limitation in subsection (i), an
18 investigator for the Office of the State's Attorneys Appellate
19 Prosecutor or a controlled substance inspector may elect to
20 establish eligible creditable service for up to 10 years of
21 his service as a policeman under Article 3 or a sheriff's law
22 enforcement employee under Article 7, by filing a written
23 election with the Board, accompanied by payment of an amount
24 to be determined by the Board, equal to (1) the difference
25 between the amount of employee and employer contributions
26 transferred to the System under Section 3-110.6 or 7-139.8,

1 and the amounts that would have been contributed had such
2 contributions been made at the rates applicable to State
3 policemen, plus (2) interest thereon at the effective rate for
4 each year, compounded annually, from the date of service to
5 the date of payment.

6 (k) Subject to the limitation in subsection (i) of this
7 Section, an alternative formula employee may elect to
8 establish eligible creditable service for periods spent as a
9 full-time law enforcement officer or full-time corrections
10 officer employed by the federal government or by a state or
11 local government located outside of Illinois, for which credit
12 is not held in any other public employee pension fund or
13 retirement system. To obtain this credit, the applicant must
14 file a written application with the Board by March 31, 1998,
15 accompanied by evidence of eligibility acceptable to the Board
16 and payment of an amount to be determined by the Board, equal
17 to (1) employee contributions for the credit being
18 established, based upon the applicant's salary on the first
19 day as an alternative formula employee after the employment
20 for which credit is being established and the rates then
21 applicable to alternative formula employees, plus (2) an
22 amount determined by the Board to be the employer's normal
23 cost of the benefits accrued for the credit being established,
24 plus (3) regular interest on the amounts in items (1) and (2)
25 from the first day as an alternative formula employee after
26 the employment for which credit is being established to the

1 date of payment.

2 (1) Subject to the limitation in subsection (i), a
3 security employee of the Department of Corrections may elect,
4 not later than July 1, 1998, to establish eligible creditable
5 service for up to 10 years of his or her service as a policeman
6 under Article 3, by filing a written election with the Board,
7 accompanied by payment of an amount to be determined by the
8 Board, equal to (i) the difference between the amount of
9 employee and employer contributions transferred to the System
10 under Section 3-110.5, and the amounts that would have been
11 contributed had such contributions been made at the rates
12 applicable to security employees of the Department of
13 Corrections, plus (ii) interest thereon at the effective rate
14 for each year, compounded annually, from the date of service
15 to the date of payment.

16 (1-5) Subject to the limitation in subsection (i) of this
17 Section, a State policeman may elect to establish eligible
18 creditable service for up to 5 years of service as a full-time
19 law enforcement officer employed by the federal government or
20 by a state or local government located outside of Illinois for
21 which credit is not held in any other public employee pension
22 fund or retirement system. To obtain this credit, the
23 applicant must file a written application with the Board no
24 later than 3 years after January 1, 2020 (the effective date of
25 Public Act 101-610), accompanied by evidence of eligibility
26 acceptable to the Board and payment of an amount to be

1 determined by the Board, equal to (1) employee contributions
2 for the credit being established, based upon the applicant's
3 salary on the first day as an alternative formula employee
4 after the employment for which credit is being established and
5 the rates then applicable to alternative formula employees,
6 plus (2) an amount determined by the Board to be the employer's
7 normal cost of the benefits accrued for the credit being
8 established, plus (3) regular interest on the amounts in items
9 (1) and (2) from the first day as an alternative formula
10 employee after the employment for which credit is being
11 established to the date of payment.

12 (m) The amendatory changes to this Section made by Public
13 Act 94-696 apply only to: (1) security employees of the
14 Department of Juvenile Justice employed by the Department of
15 Corrections before June 1, 2006 (the effective date of Public
16 Act 94-696) and transferred to the Department of Juvenile
17 Justice by Public Act 94-696; and (2) persons employed by the
18 Department of Juvenile Justice on or after June 1, 2006 (the
19 effective date of Public Act 94-696) who are required by
20 subsection (b) of Section 3-2.5-15 of the Unified Code of
21 Corrections to have any bachelor's or advanced degree from an
22 accredited college or university or, in the case of persons
23 who provide vocational training, who are required to have
24 adequate knowledge in the skill for which they are providing
25 the vocational training.

26 Beginning with the pay period that immediately follows the

1 effective date of this amendatory Act of the 104th General
2 Assembly, the bachelor's or advanced degree requirement of
3 subsection (b) of Section 3-2.5-15 of the Unified Code of
4 Corrections shall no longer determine the eligibility to earn
5 eligible creditable service for a person employed by the
6 Department of Juvenile Justice.

7 An employee may elect to convert into eligible creditable
8 service his or her creditable service earned with the
9 Department of Juvenile Justice while employed in a position
10 that required the employee to do any one or more of the
11 following: (1) participate or assist in the rehabilitative and
12 vocational training of delinquent youths; (2) supervise the
13 daily activities and assume direct and continuing
14 responsibility for the youth's security, welfare, and
15 development; or (3) participate in the personal rehabilitation
16 of delinquent youth by training, supervising, and assisting
17 lower-level personnel. To convert that creditable service to
18 eligible creditable service, the employee must pay to the
19 System the difference between the employee contributions
20 actually paid for that service and the amounts that would have
21 been contributed if the applicant were contributing at the
22 rate applicable to persons with the same Social Security
23 status earning eligible creditable service on the date of
24 application.

25 (n) A person employed in a position under subsection (b)
26 of this Section who has purchased service credit under

1 subsection (j) of Section 14-104 or subsection (b) of Section
2 14-105 in any other capacity under this Article may convert up
3 to 5 years of that service credit into service credit covered
4 under this Section by paying to the Fund an amount equal to (1)
5 the additional employee contribution required under Section
6 14-133, plus (2) the additional employer contribution required
7 under Section 14-131, plus (3) interest on items (1) and (2) at
8 the actuarially assumed rate from the date of the service to
9 the date of payment.

10 (o) Subject to the limitation in subsection (i), a
11 conservation police officer, investigator for the Secretary of
12 State, Commerce Commission police officer, investigator for
13 the Department of Revenue or the Illinois Gaming Board, or
14 arson investigator subject to subsection (g) of Section 1-160
15 may elect to convert up to 8 years of service credit
16 established before January 1, 2020 (the effective date of
17 Public Act 101-610) as a conservation police officer,
18 investigator for the Secretary of State, Commerce Commission
19 police officer, investigator for the Department of Revenue or
20 the Illinois Gaming Board, or arson investigator under this
21 Article into eligible creditable service by filing a written
22 election with the Board no later than one year after January 1,
23 2020 (the effective date of Public Act 101-610), accompanied
24 by payment of an amount to be determined by the Board equal to
25 (i) the difference between the amount of the employee
26 contributions actually paid for that service and the amount of

1 the employee contributions that would have been paid had the
2 employee contributions been made as a noncovered employee
3 serving in a position in which eligible creditable service, as
4 defined in this Section, may be earned, plus (ii) interest
5 thereon at the effective rate for each year, compounded
6 annually, from the date of service to the date of payment.

7 (g) A security employee of the Department of Human
8 Services who is subject to subsection (g) of Section 1-160 may
9 elect to convert up to 13 years of service credit established
10 before the effective date of this amendatory Act of the 104th
11 General Assembly as a security employee of the Department of
12 Human Services to eligible creditable service by filing a
13 written election with the Board no later than one year after
14 the effective date of this amendatory Act of the 104th General
15 Assembly, accompanied by payment of an amount, to be
16 determined by the Board, equal to (i) the difference between
17 the amount of the employee contributions actually paid for
18 that service and the amount of the employee contributions that
19 would have been paid had the employee contributions been made
20 as a covered employee serving in a position in which eligible
21 creditable service, as defined in this Section, may be earned,
22 plus (ii) interest thereon at the effective rate for each
23 year, compounded annually, from the date of service to the
24 date of payment.

25 (r) Subject to the limitation in subsection (i), a State
26 highway maintenance worker subject to subsection (g) of

1 Section 1-160 may elect to convert up to 8 years of service
2 credit established before the effective date of this
3 amendatory Act of the 104th General Assembly as a State
4 highway maintenance work under this Article into eligible
5 creditable service by filing a written election with the Board
6 no later than one year after the effective date of this
7 amendatory Act of the 104th General Assembly, accompanied by
8 payment of an amount to be determined by the Board equal to (i)
9 the difference between the amount of the employee
10 contributions actually paid for that service and the amount of
11 the employee contributions that would have been paid had the
12 employee contributions been made as a noncovered employee
13 serving in a position in which eligible creditable service, as
14 defined in this Section, may be earned, plus (ii) interest
15 thereon at the effective rate for each year, compounded
16 annually, from the date of service to the date of payment.

17 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
18 102-813, eff. 5-13-22; 103-34, eff. 1-1-24.)

19 (Text of Section from P.A. 102-856 and 103-34)

20 Sec. 14-110. Alternative retirement annuity.

21 (a) Any member who has withdrawn from service with not
22 less than 20 years of eligible creditable service and has
23 attained age 55, and any member who has withdrawn from service
24 with not less than 25 years of eligible creditable service and
25 has attained age 50, regardless of whether the attainment of

1 either of the specified ages occurs while the member is still
2 in service, shall be entitled to receive at the option of the
3 member, in lieu of the regular or minimum retirement annuity,
4 a retirement annuity computed as follows:

5 (i) for periods of service as a noncovered employee:
6 if retirement occurs on or after January 1, 2001, 3% of
7 final average compensation for each year of creditable
8 service; if retirement occurs before January 1, 2001, 2
9 1/4% of final average compensation for each of the first
10 10 years of creditable service, 2 1/2% for each year above
11 10 years to and including 20 years of creditable service,
12 and 2 3/4% for each year of creditable service above 20
13 years; and

14 (ii) for periods of eligible creditable service as a
15 covered employee: if retirement occurs on or after January
16 1, 2001, 2.5% of final average compensation for each year
17 of creditable service; if retirement occurs before January
18 1, 2001, 1.67% of final average compensation for each of
19 the first 10 years of such service, 1.90% for each of the
20 next 10 years of such service, 2.10% for each year of such
21 service in excess of 20 but not exceeding 30, and 2.30% for
22 each year in excess of 30.

23 Such annuity shall be subject to a maximum of 75% of final
24 average compensation if retirement occurs before January 1,
25 2001 or to a maximum of 80% of final average compensation if
26 retirement occurs on or after January 1, 2001.

1 These rates shall not be applicable to any service
2 performed by a member as a covered employee which is not
3 eligible creditable service. Service as a covered employee
4 which is not eligible creditable service shall be subject to
5 the rates and provisions of Section 14-108.

6 (b) For the purpose of this Section, "eligible creditable
7 service" means creditable service resulting from service in
8 one or more of the following positions:

9 (1) State policeman;

10 (2) fire fighter in the fire protection service of a
11 department;

12 (3) air pilot;

13 (4) special agent;

14 (5) investigator for the Secretary of State;

15 (6) conservation police officer;

16 (7) investigator for the Department of Revenue or the
17 Illinois Gaming Board;

18 (8) security employee of the Department of Human
19 Services;

20 (9) Central Management Services security police
21 officer;

22 (10) security employee of the Department of
23 Corrections or the Department of Juvenile Justice;

24 (11) dangerous drugs investigator;

25 (12) investigator for the Illinois State Police;

26 (13) investigator for the Office of the Attorney

- 1 General;
- 2 (14) controlled substance inspector;
- 3 (15) investigator for the Office of the State's
- 4 Attorneys Appellate Prosecutor;
- 5 (16) Commerce Commission police officer;
- 6 (17) arson investigator;
- 7 (18) State highway maintenance worker;
- 8 (19) security employee of the Department of Innovation
- 9 and Technology; ~~or~~
- 10 (20) transferred employee; or
- 11 (21) investigator for the Department of the Lottery.

12 A person employed in one of the positions specified in

13 this subsection is entitled to eligible creditable service for

14 service credit earned under this Article while undergoing the

15 basic police training course approved by the Illinois Law

16 Enforcement Training Standards Board, if completion of that

17 training is required of persons serving in that position. For

18 the purposes of this Code, service during the required basic

19 police training course shall be deemed performance of the

20 duties of the specified position, even though the person is

21 not a sworn peace officer at the time of the training.

22 A person under paragraph (20) is entitled to eligible

23 creditable service for service credit earned under this

24 Article on and after his or her transfer by Executive Order No.

25 2003-10, Executive Order No. 2004-2, or Executive Order No.

26 2016-1.

1 (c) For the purposes of this Section:

2 (1) The term "State policeman" includes any title or
3 position in the Illinois State Police that is held by an
4 individual employed under the Illinois State Police Act.

5 (2) The term "fire fighter in the fire protection
6 service of a department" includes all officers in such
7 fire protection service including fire chiefs and
8 assistant fire chiefs.

9 (3) The term "air pilot" includes any employee whose
10 official job description on file in the Department of
11 Central Management Services, or in the department by which
12 he is employed if that department is not covered by the
13 Personnel Code, states that his principal duty is the
14 operation of aircraft, and who possesses a pilot's
15 license; however, the change in this definition made by
16 Public Act 83-842 shall not operate to exclude any
17 noncovered employee who was an "air pilot" for the
18 purposes of this Section on January 1, 1984.

19 (4) The term "special agent" means any person who by
20 reason of employment by the Division of Narcotic Control,
21 the Bureau of Investigation or, after July 1, 1977, the
22 Division of Criminal Investigation, the Division of
23 Internal Investigation, the Division of Operations, the
24 Division of Patrol, or any other Division or
25 organizational entity in the Illinois State Police is
26 vested by law with duties to maintain public order,

1 investigate violations of the criminal law of this State,
2 enforce the laws of this State, make arrests and recover
3 property. The term "special agent" includes any title or
4 position in the Illinois State Police that is held by an
5 individual employed under the Illinois State Police Act.

6 (5) The term "investigator for the Secretary of State"
7 means any person employed by the Office of the Secretary
8 of State and vested with such investigative duties as
9 render him ineligible for coverage under the Social
10 Security Act by reason of Sections 218(d)(5)(A),
11 218(d)(8)(D) and 218(1)(1) of that Act.

12 A person who became employed as an investigator for
13 the Secretary of State between January 1, 1967 and
14 December 31, 1975, and who has served as such until
15 attainment of age 60, either continuously or with a single
16 break in service of not more than 3 years duration, which
17 break terminated before January 1, 1976, shall be entitled
18 to have his retirement annuity calculated in accordance
19 with subsection (a), notwithstanding that he has less than
20 20 years of credit for such service.

21 (6) The term "Conservation Police Officer" means any
22 person employed by the Division of Law Enforcement of the
23 Department of Natural Resources and vested with such law
24 enforcement duties as render him ineligible for coverage
25 under the Social Security Act by reason of Sections
26 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The

1 term "Conservation Police Officer" includes the positions
2 of Chief Conservation Police Administrator and Assistant
3 Conservation Police Administrator.

4 (7) The term "investigator for the Department of
5 Revenue" means any person employed by the Department of
6 Revenue and vested with such investigative duties as
7 render him ineligible for coverage under the Social
8 Security Act by reason of Sections 218(d)(5)(A),
9 218(d)(8)(D) and 218(1)(1) of that Act.

10 The term "investigator for the Illinois Gaming Board"
11 means any person employed as such by the Illinois Gaming
12 Board and vested with such peace officer duties as render
13 the person ineligible for coverage under the Social
14 Security Act by reason of Sections 218(d)(5)(A),
15 218(d)(8)(D), and 218(1)(1) of that Act.

16 (8) The term "security employee of the Department of
17 Human Services" means any person employed by the
18 Department of Human Services who (i) is employed at the
19 Chester Mental Health Center and has daily contact with
20 the residents thereof, (ii) is employed within a security
21 unit at a facility operated by the Department and has
22 daily contact with the residents of the security unit,
23 (iii) is employed at a facility operated by the Department
24 that includes a security unit and is regularly scheduled
25 to work at least 50% of his or her working hours within
26 that security unit, or (iv) is a mental health police

1 officer. "Mental health police officer" means any person
2 employed by the Department of Human Services in a position
3 pertaining to the Department's mental health and
4 developmental disabilities functions who is vested with
5 such law enforcement duties as render the person
6 ineligible for coverage under the Social Security Act by
7 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
8 218(1)(1) of that Act. "Security unit" means that portion
9 of a facility that is devoted to the care, containment,
10 and treatment of persons committed to the Department of
11 Human Services as sexually violent persons, persons unfit
12 to stand trial, or persons not guilty by reason of
13 insanity. With respect to past employment, references to
14 the Department of Human Services include its predecessor,
15 the Department of Mental Health and Developmental
16 Disabilities.

17 The changes made to this subdivision (c)(8) by Public
18 Act 92-14 apply to persons who retire on or after January
19 1, 2001, notwithstanding Section 1-103.1.

20 (9) "Central Management Services security police
21 officer" means any person employed by the Department of
22 Central Management Services who is vested with such law
23 enforcement duties as render him ineligible for coverage
24 under the Social Security Act by reason of Sections
25 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

26 (10) For a member who first became an employee under

1 this Article before July 1, 2005, the term "security
2 employee of the Department of Corrections or the
3 Department of Juvenile Justice" means any employee of the
4 Department of Corrections or the Department of Juvenile
5 Justice or the former Department of Personnel, and any
6 member or employee of the Prisoner Review Board, who has
7 daily contact with inmates or youth by working within a
8 correctional facility or Juvenile facility operated by the
9 Department of Juvenile Justice or who is a parole officer
10 or an employee who has direct contact with committed
11 persons in the performance of his or her job duties. For a
12 member who first becomes an employee under this Article on
13 or after July 1, 2005, the term means an employee of the
14 Department of Corrections or the Department of Juvenile
15 Justice who is any of the following: (i) officially
16 headquartered at a correctional facility or Juvenile
17 facility operated by the Department of Juvenile Justice,
18 (ii) a parole officer, (iii) a member of the apprehension
19 unit, (iv) a member of the intelligence unit, (v) a member
20 of the sort team, or (vi) an investigator.

21 (11) The term "dangerous drugs investigator" means any
22 person who is employed as such by the Department of Human
23 Services.

24 (12) The term "investigator for the Illinois State
25 Police" means a person employed by the Illinois State
26 Police who is vested under Section 4 of the Narcotic

1 Control Division Abolition Act with such law enforcement
2 powers as render him ineligible for coverage under the
3 Social Security Act by reason of Sections 218(d)(5)(A),
4 218(d)(8)(D) and 218(1)(1) of that Act.

5 (13) "Investigator for the Office of the Attorney
6 General" means any person who is employed as such by the
7 Office of the Attorney General and is vested with such
8 investigative duties as render him ineligible for coverage
9 under the Social Security Act by reason of Sections
10 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
11 the period before January 1, 1989, the term includes all
12 persons who were employed as investigators by the Office
13 of the Attorney General, without regard to social security
14 status.

15 (14) "Controlled substance inspector" means any person
16 who is employed as such by the Department of Professional
17 Regulation and is vested with such law enforcement duties
18 as render him ineligible for coverage under the Social
19 Security Act by reason of Sections 218(d)(5)(A),
20 218(d)(8)(D) and 218(1)(1) of that Act. The term
21 "controlled substance inspector" includes the Program
22 Executive of Enforcement and the Assistant Program
23 Executive of Enforcement.

24 (15) The term "investigator for the Office of the
25 State's Attorneys Appellate Prosecutor" means a person
26 employed in that capacity on a full-time basis under the

1 authority of Section 7.06 of the State's Attorneys
2 Appellate Prosecutor's Act.

3 (16) "Commerce Commission police officer" means any
4 person employed by the Illinois Commerce Commission who is
5 vested with such law enforcement duties as render him
6 ineligible for coverage under the Social Security Act by
7 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
8 218(1)(1) of that Act.

9 (17) "Arson investigator" means any person who is
10 employed as such by the Office of the State Fire Marshal
11 and is vested with such law enforcement duties as render
12 the person ineligible for coverage under the Social
13 Security Act by reason of Sections 218(d)(5)(A),
14 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
15 employed as an arson investigator on January 1, 1995 and
16 is no longer in service but not yet receiving a retirement
17 annuity may convert his or her creditable service for
18 employment as an arson investigator into eligible
19 creditable service by paying to the System the difference
20 between the employee contributions actually paid for that
21 service and the amounts that would have been contributed
22 if the applicant were contributing at the rate applicable
23 to persons with the same social security status earning
24 eligible creditable service on the date of application.

25 (18) The term "State highway maintenance worker" means
26 a person who is either of the following:

1 (i) A person employed on a full-time basis by the
2 Illinois Department of Transportation in the position
3 of highway maintainer, highway maintenance lead
4 worker, highway maintenance lead/lead worker, heavy
5 construction equipment operator, power shovel
6 operator, or bridge mechanic; and whose principal
7 responsibility is to perform, on the roadway, the
8 actual maintenance necessary to keep the highways that
9 form a part of the State highway system in serviceable
10 condition for vehicular traffic.

11 (ii) A person employed on a full-time basis by the
12 Illinois State Toll Highway Authority in the position
13 of equipment operator/laborer H-4, equipment
14 operator/laborer H-6, welder H-4, welder H-6,
15 mechanical/electrical H-4, mechanical/electrical H-6,
16 water/sewer H-4, water/sewer H-6, sign maker/hanger
17 H-4, sign maker/hanger H-6, roadway lighting H-4,
18 roadway lighting H-6, structural H-4, structural H-6,
19 painter H-4, or painter H-6; and whose principal
20 responsibility is to perform, on the roadway, the
21 actual maintenance necessary to keep the Authority's
22 tollways in serviceable condition for vehicular
23 traffic.

24 (19) The term "security employee of the Department of
25 Innovation and Technology" means a person who was a
26 security employee of the Department of Corrections or the

1 Department of Juvenile Justice, was transferred to the
2 Department of Innovation and Technology pursuant to
3 Executive Order 2016-01, and continues to perform similar
4 job functions under that Department.

5 (20) "Transferred employee" means an employee who was
6 transferred to the Department of Central Management
7 Services by Executive Order No. 2003-10 or Executive Order
8 No. 2004-2 or transferred to the Department of Innovation
9 and Technology by Executive Order No. 2016-1, or both, and
10 was entitled to eligible creditable service for services
11 immediately preceding the transfer.

12 (21) "Investigator for the Department of the Lottery"
13 means any person who is employed by the Department of the
14 Lottery and is vested with such investigative duties which
15 render him or her ineligible for coverage under the Social
16 Security Act by reason of Sections 218(d)(5)(A),
17 218(d)(8)(D), and 218(1)(1) of that Act. An investigator
18 for the Department of the Lottery who qualifies under this
19 Section shall earn eligible creditable service and be
20 required to make contributions at the rate specified in
21 paragraph (3) of subsection (a) of Section 14-133 for all
22 periods of service as an investigator for the Department
23 of the Lottery.

24 (d) A security employee of the Department of Corrections
25 or the Department of Juvenile Justice, a security employee of
26 the Department of Human Services who is not a mental health

1 police officer, and a security employee of the Department of
2 Innovation and Technology shall not be eligible for the
3 alternative retirement annuity provided by this Section unless
4 he or she meets the following minimum age and service
5 requirements at the time of retirement:

6 (i) 25 years of eligible creditable service and age
7 55; or

8 (ii) beginning January 1, 1987, 25 years of eligible
9 creditable service and age 54, or 24 years of eligible
10 creditable service and age 55; or

11 (iii) beginning January 1, 1988, 25 years of eligible
12 creditable service and age 53, or 23 years of eligible
13 creditable service and age 55; or

14 (iv) beginning January 1, 1989, 25 years of eligible
15 creditable service and age 52, or 22 years of eligible
16 creditable service and age 55; or

17 (v) beginning January 1, 1990, 25 years of eligible
18 creditable service and age 51, or 21 years of eligible
19 creditable service and age 55; or

20 (vi) beginning January 1, 1991, 25 years of eligible
21 creditable service and age 50, or 20 years of eligible
22 creditable service and age 55.

23 Persons who have service credit under Article 16 of this
24 Code for service as a security employee of the Department of
25 Corrections or the Department of Juvenile Justice, or the
26 Department of Human Services in a position requiring

1 certification as a teacher may count such service toward
2 establishing their eligibility under the service requirements
3 of this Section; but such service may be used only for
4 establishing such eligibility, and not for the purpose of
5 increasing or calculating any benefit.

6 (e) If a member enters military service while working in a
7 position in which eligible creditable service may be earned,
8 and returns to State service in the same or another such
9 position, and fulfills in all other respects the conditions
10 prescribed in this Article for credit for military service,
11 such military service shall be credited as eligible creditable
12 service for the purposes of the retirement annuity prescribed
13 in this Section.

14 (f) For purposes of calculating retirement annuities under
15 this Section, periods of service rendered after December 31,
16 1968 and before October 1, 1975 as a covered employee in the
17 position of special agent, conservation police officer, mental
18 health police officer, or investigator for the Secretary of
19 State, shall be deemed to have been service as a noncovered
20 employee, provided that the employee pays to the System prior
21 to retirement an amount equal to (1) the difference between
22 the employee contributions that would have been required for
23 such service as a noncovered employee, and the amount of
24 employee contributions actually paid, plus (2) if payment is
25 made after July 31, 1987, regular interest on the amount
26 specified in item (1) from the date of service to the date of

1 payment.

2 For purposes of calculating retirement annuities under
3 this Section, periods of service rendered after December 31,
4 1968 and before January 1, 1982 as a covered employee in the
5 position of investigator for the Department of Revenue shall
6 be deemed to have been service as a noncovered employee,
7 provided that the employee pays to the System prior to
8 retirement an amount equal to (1) the difference between the
9 employee contributions that would have been required for such
10 service as a noncovered employee, and the amount of employee
11 contributions actually paid, plus (2) if payment is made after
12 January 1, 1990, regular interest on the amount specified in
13 item (1) from the date of service to the date of payment.

14 (g) A State policeman may elect, not later than January 1,
15 1990, to establish eligible creditable service for up to 10
16 years of his service as a policeman under Article 3, by filing
17 a written election with the Board, accompanied by payment of
18 an amount to be determined by the Board, equal to (i) the
19 difference between the amount of employee and employer
20 contributions transferred to the System under Section 3-110.5,
21 and the amounts that would have been contributed had such
22 contributions been made at the rates applicable to State
23 policemen, plus (ii) interest thereon at the effective rate
24 for each year, compounded annually, from the date of service
25 to the date of payment.

26 Subject to the limitation in subsection (i), a State

1 policeman may elect, not later than July 1, 1993, to establish
2 eligible creditable service for up to 10 years of his service
3 as a member of the County Police Department under Article 9, by
4 filing a written election with the Board, accompanied by
5 payment of an amount to be determined by the Board, equal to
6 (i) the difference between the amount of employee and employer
7 contributions transferred to the System under Section 9-121.10
8 and the amounts that would have been contributed had those
9 contributions been made at the rates applicable to State
10 policemen, plus (ii) interest thereon at the effective rate
11 for each year, compounded annually, from the date of service
12 to the date of payment.

13 (h) Subject to the limitation in subsection (i), a State
14 policeman or investigator for the Secretary of State may elect
15 to establish eligible creditable service for up to 12 years of
16 his service as a policeman under Article 5, by filing a written
17 election with the Board on or before January 31, 1992, and
18 paying to the System by January 31, 1994 an amount to be
19 determined by the Board, equal to (i) the difference between
20 the amount of employee and employer contributions transferred
21 to the System under Section 5-236, and the amounts that would
22 have been contributed had such contributions been made at the
23 rates applicable to State policemen, plus (ii) interest
24 thereon at the effective rate for each year, compounded
25 annually, from the date of service to the date of payment.

26 Subject to the limitation in subsection (i), a State

1 policeman, conservation police officer, or investigator for
2 the Secretary of State may elect to establish eligible
3 creditable service for up to 10 years of service as a sheriff's
4 law enforcement employee under Article 7, by filing a written
5 election with the Board on or before January 31, 1993, and
6 paying to the System by January 31, 1994 an amount to be
7 determined by the Board, equal to (i) the difference between
8 the amount of employee and employer contributions transferred
9 to the System under Section 7-139.7, and the amounts that
10 would have been contributed had such contributions been made
11 at the rates applicable to State policemen, plus (ii) interest
12 thereon at the effective rate for each year, compounded
13 annually, from the date of service to the date of payment.

14 Subject to the limitation in subsection (i), a State
15 policeman, conservation police officer, or investigator for
16 the Secretary of State may elect to establish eligible
17 creditable service for up to 5 years of service as a police
18 officer under Article 3, a policeman under Article 5, a
19 sheriff's law enforcement employee under Article 7, a member
20 of the county police department under Article 9, or a police
21 officer under Article 15 by filing a written election with the
22 Board and paying to the System an amount to be determined by
23 the Board, equal to (i) the difference between the amount of
24 employee and employer contributions transferred to the System
25 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
26 and the amounts that would have been contributed had such

1 contributions been made at the rates applicable to State
2 policemen, plus (ii) interest thereon at the effective rate
3 for each year, compounded annually, from the date of service
4 to the date of payment.

5 Subject to the limitation in subsection (i), an
6 investigator for the Office of the Attorney General, or an
7 investigator for the Department of Revenue, may elect to
8 establish eligible creditable service for up to 5 years of
9 service as a police officer under Article 3, a policeman under
10 Article 5, a sheriff's law enforcement employee under Article
11 7, or a member of the county police department under Article 9
12 by filing a written election with the Board within 6 months
13 after August 25, 2009 (the effective date of Public Act
14 96-745) and paying to the System an amount to be determined by
15 the Board, equal to (i) the difference between the amount of
16 employee and employer contributions transferred to the System
17 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
18 amounts that would have been contributed had such
19 contributions been made at the rates applicable to State
20 policemen, plus (ii) interest thereon at the actuarially
21 assumed rate for each year, compounded annually, from the date
22 of service to the date of payment.

23 Subject to the limitation in subsection (i), a State
24 policeman, conservation police officer, investigator for the
25 Office of the Attorney General, an investigator for the
26 Department of Revenue, or investigator for the Secretary of

1 State may elect to establish eligible creditable service for
2 up to 5 years of service as a person employed by a
3 participating municipality to perform police duties, or law
4 enforcement officer employed on a full-time basis by a forest
5 preserve district under Article 7, a county corrections
6 officer, or a court services officer under Article 9, by
7 filing a written election with the Board within 6 months after
8 August 25, 2009 (the effective date of Public Act 96-745) and
9 paying to the System an amount to be determined by the Board,
10 equal to (i) the difference between the amount of employee and
11 employer contributions transferred to the System under
12 Sections 7-139.8 and 9-121.10 and the amounts that would have
13 been contributed had such contributions been made at the rates
14 applicable to State policemen, plus (ii) interest thereon at
15 the actuarially assumed rate for each year, compounded
16 annually, from the date of service to the date of payment.

17 Subject to the limitation in subsection (i), a State
18 policeman, arson investigator, or Commerce Commission police
19 officer may elect to establish eligible creditable service for
20 up to 5 years of service as a person employed by a
21 participating municipality to perform police duties under
22 Article 7, a county corrections officer, a court services
23 officer under Article 9, or a firefighter under Article 4 by
24 filing a written election with the Board within 6 months after
25 July 30, 2021 (the effective date of Public Act 102-210) and
26 paying to the System an amount to be determined by the Board

1 equal to (i) the difference between the amount of employee and
2 employer contributions transferred to the System under
3 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
4 would have been contributed had such contributions been made
5 at the rates applicable to State policemen, plus (ii) interest
6 thereon at the actuarially assumed rate for each year,
7 compounded annually, from the date of service to the date of
8 payment.

9 Subject to the limitation in subsection (i), a
10 conservation police officer may elect to establish eligible
11 creditable service for up to 5 years of service as a person
12 employed by a participating municipality to perform police
13 duties under Article 7, a county corrections officer, or a
14 court services officer under Article 9 by filing a written
15 election with the Board within 6 months after July 30, 2021
16 (the effective date of Public Act 102-210) and paying to the
17 System an amount to be determined by the Board equal to (i) the
18 difference between the amount of employee and employer
19 contributions transferred to the System under Sections 7-139.8
20 and 9-121.10 and the amounts that would have been contributed
21 had such contributions been made at the rates applicable to
22 State policemen, plus (ii) interest thereon at the actuarially
23 assumed rate for each year, compounded annually, from the date
24 of service to the date of payment.

25 Subject to the limitation in subsection (i), an
26 investigator for the Department of Revenue, investigator for

1 the Illinois Gaming Board, investigator for the Secretary of
2 State, or arson investigator may elect to establish eligible
3 creditable service for up to 5 years of service as a person
4 employed by a participating municipality to perform police
5 duties under Article 7, a county corrections officer, a court
6 services officer under Article 9, or a firefighter under
7 Article 4 by filing a written election with the Board within 6
8 months after the effective date of this amendatory Act of the
9 102nd General Assembly and paying to the System an amount to be
10 determined by the Board equal to (i) the difference between
11 the amount of employee and employer contributions transferred
12 to the System under Sections 4-108.8, 7-139.8, and 9-121.10
13 and the amounts that would have been contributed had such
14 contributions been made at the rates applicable to State
15 policemen, plus (ii) interest thereon at the actuarially
16 assumed rate for each year, compounded annually, from the date
17 of service to the date of payment.

18 Notwithstanding the limitation in subsection (i), a State
19 policeman or conservation police officer may elect to convert
20 service credit earned under this Article to eligible
21 creditable service, as defined by this Section, by filing a
22 written election with the board within 6 months after July 30,
23 2021 (the effective date of Public Act 102-210) and paying to
24 the System an amount to be determined by the Board equal to (i)
25 the difference between the amount of employee contributions
26 originally paid for that service and the amounts that would

1 have been contributed had such contributions been made at the
2 rates applicable to State policemen, plus (ii) the difference
3 between the employer's normal cost of the credit prior to the
4 conversion authorized by Public Act 102-210 and the employer's
5 normal cost of the credit converted in accordance with Public
6 Act 102-210, plus (iii) interest thereon at the actuarially
7 assumed rate for each year, compounded annually, from the date
8 of service to the date of payment.

9 Notwithstanding the limitation in subsection (i), an
10 investigator for the Department of Revenue, investigator for
11 the Illinois Gaming Board, investigator for the Secretary of
12 State, or arson investigator may elect to convert service
13 credit earned under this Article to eligible creditable
14 service, as defined by this Section, by filing a written
15 election with the Board within 6 months after the effective
16 date of this amendatory Act of the 102nd General Assembly and
17 paying to the System an amount to be determined by the Board
18 equal to (i) the difference between the amount of employee
19 contributions originally paid for that service and the amounts
20 that would have been contributed had such contributions been
21 made at the rates applicable to investigators for the
22 Department of Revenue, investigators for the Illinois Gaming
23 Board, investigators for the Secretary of State, or arson
24 investigators, plus (ii) the difference between the employer's
25 normal cost of the credit prior to the conversion authorized
26 by this amendatory Act of the 102nd General Assembly and the

1 employer's normal cost of the credit converted in accordance
2 with this amendatory Act of the 102nd General Assembly, plus
3 (iii) interest thereon at the actuarially assumed rate for
4 each year, compounded annually, from the date of service to
5 the date of payment.

6 (i) The total amount of eligible creditable service
7 established by any person under subsections (g), (h), (j),
8 (k), (l), (l-5), ~~and (o)~~, and (r) of this Section shall not
9 exceed 12 years.

10 (j) Subject to the limitation in subsection (i), an
11 investigator for the Office of the State's Attorneys Appellate
12 Prosecutor or a controlled substance inspector may elect to
13 establish eligible creditable service for up to 10 years of
14 his service as a policeman under Article 3 or a sheriff's law
15 enforcement employee under Article 7, by filing a written
16 election with the Board, accompanied by payment of an amount
17 to be determined by the Board, equal to (1) the difference
18 between the amount of employee and employer contributions
19 transferred to the System under Section 3-110.6 or 7-139.8,
20 and the amounts that would have been contributed had such
21 contributions been made at the rates applicable to State
22 policemen, plus (2) interest thereon at the effective rate for
23 each year, compounded annually, from the date of service to
24 the date of payment.

25 (k) Subject to the limitation in subsection (i) of this
26 Section, an alternative formula employee may elect to

1 establish eligible creditable service for periods spent as a
2 full-time law enforcement officer or full-time corrections
3 officer employed by the federal government or by a state or
4 local government located outside of Illinois, for which credit
5 is not held in any other public employee pension fund or
6 retirement system. To obtain this credit, the applicant must
7 file a written application with the Board by March 31, 1998,
8 accompanied by evidence of eligibility acceptable to the Board
9 and payment of an amount to be determined by the Board, equal
10 to (1) employee contributions for the credit being
11 established, based upon the applicant's salary on the first
12 day as an alternative formula employee after the employment
13 for which credit is being established and the rates then
14 applicable to alternative formula employees, plus (2) an
15 amount determined by the Board to be the employer's normal
16 cost of the benefits accrued for the credit being established,
17 plus (3) regular interest on the amounts in items (1) and (2)
18 from the first day as an alternative formula employee after
19 the employment for which credit is being established to the
20 date of payment.

21 (1) Subject to the limitation in subsection (i), a
22 security employee of the Department of Corrections may elect,
23 not later than July 1, 1998, to establish eligible creditable
24 service for up to 10 years of his or her service as a policeman
25 under Article 3, by filing a written election with the Board,
26 accompanied by payment of an amount to be determined by the

1 Board, equal to (i) the difference between the amount of
2 employee and employer contributions transferred to the System
3 under Section 3-110.5, and the amounts that would have been
4 contributed had such contributions been made at the rates
5 applicable to security employees of the Department of
6 Corrections, plus (ii) interest thereon at the effective rate
7 for each year, compounded annually, from the date of service
8 to the date of payment.

9 (1-5) Subject to the limitation in subsection (i) of this
10 Section, a State policeman may elect to establish eligible
11 creditable service for up to 5 years of service as a full-time
12 law enforcement officer employed by the federal government or
13 by a state or local government located outside of Illinois for
14 which credit is not held in any other public employee pension
15 fund or retirement system. To obtain this credit, the
16 applicant must file a written application with the Board no
17 later than 3 years after January 1, 2020 (the effective date of
18 Public Act 101-610), accompanied by evidence of eligibility
19 acceptable to the Board and payment of an amount to be
20 determined by the Board, equal to (1) employee contributions
21 for the credit being established, based upon the applicant's
22 salary on the first day as an alternative formula employee
23 after the employment for which credit is being established and
24 the rates then applicable to alternative formula employees,
25 plus (2) an amount determined by the Board to be the employer's
26 normal cost of the benefits accrued for the credit being

1 established, plus (3) regular interest on the amounts in items
2 (1) and (2) from the first day as an alternative formula
3 employee after the employment for which credit is being
4 established to the date of payment.

5 (m) The amendatory changes to this Section made by Public
6 Act 94-696 apply only to: (1) security employees of the
7 Department of Juvenile Justice employed by the Department of
8 Corrections before June 1, 2006 (the effective date of Public
9 Act 94-696) and transferred to the Department of Juvenile
10 Justice by Public Act 94-696; and (2) persons employed by the
11 Department of Juvenile Justice on or after June 1, 2006 (the
12 effective date of Public Act 94-696) who are required by
13 subsection (b) of Section 3-2.5-15 of the Unified Code of
14 Corrections to have any bachelor's or advanced degree from an
15 accredited college or university or, in the case of persons
16 who provide vocational training, who are required to have
17 adequate knowledge in the skill for which they are providing
18 the vocational training.

19 Beginning with the pay period that immediately follows the
20 effective date of this amendatory Act of the 104th General
21 Assembly, the bachelor's or advanced degree requirement of
22 subsection (b) of Section 3-2.5-15 of the Unified Code of
23 Corrections shall no longer determine the eligibility to earn
24 eligible creditable service for a person employed by the
25 Department of Juvenile Justice.

26 An employee may elect to convert into eligible creditable

1 service his or her creditable service earned with the
2 Department of Juvenile Justice while employed in a position
3 that required the employee to do any one or more of the
4 following: (1) participate or assist in the rehabilitative and
5 vocational training of delinquent youths; (2) supervise the
6 daily activities and assume direct and continuing
7 responsibility for the youth's security, welfare, and
8 development; or (3) participate in the personal rehabilitation
9 of delinquent youth by training, supervising, and assisting
10 lower-level personnel. To convert that creditable service to
11 eligible creditable service, the employee must pay to the
12 System the difference between the employee contributions
13 actually paid for that service and the amounts that would have
14 been contributed if the applicant were contributing at the
15 rate applicable to persons with the same Social Security
16 status earning eligible creditable service on the date of
17 application.

18 (n) A person employed in a position under subsection (b)
19 of this Section who has purchased service credit under
20 subsection (j) of Section 14-104 or subsection (b) of Section
21 14-105 in any other capacity under this Article may convert up
22 to 5 years of that service credit into service credit covered
23 under this Section by paying to the Fund an amount equal to (1)
24 the additional employee contribution required under Section
25 14-133, plus (2) the additional employer contribution required
26 under Section 14-131, plus (3) interest on items (1) and (2) at

1 the actuarially assumed rate from the date of the service to
2 the date of payment.

3 (o) Subject to the limitation in subsection (i), a
4 conservation police officer, investigator for the Secretary of
5 State, Commerce Commission police officer, investigator for
6 the Department of Revenue or the Illinois Gaming Board, or
7 arson investigator subject to subsection (g) of Section 1-160
8 may elect to convert up to 8 years of service credit
9 established before January 1, 2020 (the effective date of
10 Public Act 101-610) as a conservation police officer,
11 investigator for the Secretary of State, Commerce Commission
12 police officer, investigator for the Department of Revenue or
13 the Illinois Gaming Board, or arson investigator under this
14 Article into eligible creditable service by filing a written
15 election with the Board no later than one year after January 1,
16 2020 (the effective date of Public Act 101-610), accompanied
17 by payment of an amount to be determined by the Board equal to
18 (i) the difference between the amount of the employee
19 contributions actually paid for that service and the amount of
20 the employee contributions that would have been paid had the
21 employee contributions been made as a noncovered employee
22 serving in a position in which eligible creditable service, as
23 defined in this Section, may be earned, plus (ii) interest
24 thereon at the effective rate for each year, compounded
25 annually, from the date of service to the date of payment.

26 (q) A security employee of the Department of Human

1 Services who is subject to subsection (g) of Section 1-160 may
2 elect to convert up to 13 years of service credit established
3 before the effective date of this amendatory Act of the 104th
4 General Assembly as a security employee of the Department of
5 Human Services to eligible creditable service by filing a
6 written election with the Board no later than one year after
7 the effective date of this amendatory Act of the 104th General
8 Assembly, accompanied by payment of an amount, to be
9 determined by the Board, equal to (i) the difference between
10 the amount of the employee contributions actually paid for
11 that service and the amount of the employee contributions that
12 would have been paid had the employee contributions been made
13 as a covered employee serving in a position in which eligible
14 creditable service, as defined in this Section, may be earned,
15 plus (ii) interest thereon at the effective rate for each
16 year, compounded annually, from the date of service to the
17 date of payment.

18 (r) Subject to the limitation in subsection (i), a State
19 highway maintenance worker subject to subsection (g) of
20 Section 1-160 may elect to convert up to 8 years of service
21 credit established before the effective date of this
22 amendatory Act of the 104th General Assembly as a State
23 highway maintenance work under this Article into eligible
24 creditable service by filing a written election with the Board
25 no later than one year after the effective date of this
26 amendatory Act of the 104th General Assembly, accompanied by

1 payment of an amount to be determined by the Board equal to (i)
2 the difference between the amount of the employee
3 contributions actually paid for that service and the amount of
4 the employee contributions that would have been paid had the
5 employee contributions been made as a noncovered employee
6 serving in a position in which eligible creditable service, as
7 defined in this Section, may be earned, plus (ii) interest
8 thereon at the effective rate for each year, compounded
9 annually, from the date of service to the date of payment.

10 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
11 102-856, eff. 1-1-23; 103-34, eff. 1-1-24.)

12 (Text of Section from P.A. 102-956 and 103-34)

13 Sec. 14-110. Alternative retirement annuity.

14 (a) Any member who has withdrawn from service with not
15 less than 20 years of eligible creditable service and has
16 attained age 55, and any member who has withdrawn from service
17 with not less than 25 years of eligible creditable service and
18 has attained age 50, regardless of whether the attainment of
19 either of the specified ages occurs while the member is still
20 in service, shall be entitled to receive at the option of the
21 member, in lieu of the regular or minimum retirement annuity,
22 a retirement annuity computed as follows:

23 (i) for periods of service as a noncovered employee:
24 if retirement occurs on or after January 1, 2001, 3% of
25 final average compensation for each year of creditable

1 service; if retirement occurs before January 1, 2001, 2
2 1/4% of final average compensation for each of the first
3 10 years of creditable service, 2 1/2% for each year above
4 10 years to and including 20 years of creditable service,
5 and 2 3/4% for each year of creditable service above 20
6 years; and

7 (ii) for periods of eligible creditable service as a
8 covered employee: if retirement occurs on or after January
9 1, 2001, 2.5% of final average compensation for each year
10 of creditable service; if retirement occurs before January
11 1, 2001, 1.67% of final average compensation for each of
12 the first 10 years of such service, 1.90% for each of the
13 next 10 years of such service, 2.10% for each year of such
14 service in excess of 20 but not exceeding 30, and 2.30% for
15 each year in excess of 30.

16 Such annuity shall be subject to a maximum of 75% of final
17 average compensation if retirement occurs before January 1,
18 2001 or to a maximum of 80% of final average compensation if
19 retirement occurs on or after January 1, 2001.

20 These rates shall not be applicable to any service
21 performed by a member as a covered employee which is not
22 eligible creditable service. Service as a covered employee
23 which is not eligible creditable service shall be subject to
24 the rates and provisions of Section 14-108.

25 (b) For the purpose of this Section, "eligible creditable
26 service" means creditable service resulting from service in

1 one or more of the following positions:

2 (1) State policeman;

3 (2) fire fighter in the fire protection service of a
4 department;

5 (3) air pilot;

6 (4) special agent;

7 (5) investigator for the Secretary of State;

8 (6) conservation police officer;

9 (7) investigator for the Department of Revenue or the
10 Illinois Gaming Board;

11 (8) security employee of the Department of Human
12 Services;

13 (9) Central Management Services security police
14 officer;

15 (10) security employee of the Department of
16 Corrections or the Department of Juvenile Justice;

17 (11) dangerous drugs investigator;

18 (12) investigator for the Illinois State Police;

19 (13) investigator for the Office of the Attorney
20 General;

21 (14) controlled substance inspector;

22 (15) investigator for the Office of the State's
23 Attorneys Appellate Prosecutor;

24 (16) Commerce Commission police officer;

25 (17) arson investigator;

26 (18) State highway maintenance worker;

1 (19) security employee of the Department of Innovation
2 and Technology; ~~or~~

3 (20) transferred employee; or

4 (21) investigator for the Department of the Lottery.

5 A person employed in one of the positions specified in
6 this subsection is entitled to eligible creditable service for
7 service credit earned under this Article while undergoing the
8 basic police training course approved by the Illinois Law
9 Enforcement Training Standards Board, if completion of that
10 training is required of persons serving in that position. For
11 the purposes of this Code, service during the required basic
12 police training course shall be deemed performance of the
13 duties of the specified position, even though the person is
14 not a sworn peace officer at the time of the training.

15 A person under paragraph (20) is entitled to eligible
16 creditable service for service credit earned under this
17 Article on and after his or her transfer by Executive Order No.
18 2003-10, Executive Order No. 2004-2, or Executive Order No.
19 2016-1.

20 (c) For the purposes of this Section:

21 (1) The term "State policeman" includes any title or
22 position in the Illinois State Police that is held by an
23 individual employed under the Illinois State Police Act.

24 (2) The term "fire fighter in the fire protection
25 service of a department" includes all officers in such
26 fire protection service including fire chiefs and

1 assistant fire chiefs.

2 (3) The term "air pilot" includes any employee whose
3 official job description on file in the Department of
4 Central Management Services, or in the department by which
5 he is employed if that department is not covered by the
6 Personnel Code, states that his principal duty is the
7 operation of aircraft, and who possesses a pilot's
8 license; however, the change in this definition made by
9 Public Act 83-842 shall not operate to exclude any
10 noncovered employee who was an "air pilot" for the
11 purposes of this Section on January 1, 1984.

12 (4) The term "special agent" means any person who by
13 reason of employment by the Division of Narcotic Control,
14 the Bureau of Investigation or, after July 1, 1977, the
15 Division of Criminal Investigation, the Division of
16 Internal Investigation, the Division of Operations, the
17 Division of Patrol, or any other Division or
18 organizational entity in the Illinois State Police is
19 vested by law with duties to maintain public order,
20 investigate violations of the criminal law of this State,
21 enforce the laws of this State, make arrests and recover
22 property. The term "special agent" includes any title or
23 position in the Illinois State Police that is held by an
24 individual employed under the Illinois State Police Act.

25 (5) The term "investigator for the Secretary of State"
26 means any person employed by the Office of the Secretary

1 of State and vested with such investigative duties as
2 render him ineligible for coverage under the Social
3 Security Act by reason of Sections 218(d)(5)(A),
4 218(d)(8)(D) and 218(1)(1) of that Act.

5 A person who became employed as an investigator for
6 the Secretary of State between January 1, 1967 and
7 December 31, 1975, and who has served as such until
8 attainment of age 60, either continuously or with a single
9 break in service of not more than 3 years duration, which
10 break terminated before January 1, 1976, shall be entitled
11 to have his retirement annuity calculated in accordance
12 with subsection (a), notwithstanding that he has less than
13 20 years of credit for such service.

14 (6) The term "Conservation Police Officer" means any
15 person employed by the Division of Law Enforcement of the
16 Department of Natural Resources and vested with such law
17 enforcement duties as render him ineligible for coverage
18 under the Social Security Act by reason of Sections
19 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
20 term "Conservation Police Officer" includes the positions
21 of Chief Conservation Police Administrator and Assistant
22 Conservation Police Administrator.

23 (7) The term "investigator for the Department of
24 Revenue" means any person employed by the Department of
25 Revenue and vested with such investigative duties as
26 render him ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),
2 218(d)(8)(D) and 218(1)(1) of that Act.

3 The term "investigator for the Illinois Gaming Board"
4 means any person employed as such by the Illinois Gaming
5 Board and vested with such peace officer duties as render
6 the person ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D), and 218(1)(1) of that Act.

9 (8) The term "security employee of the Department of
10 Human Services" means any person employed by the
11 Department of Human Services who (i) is employed at the
12 Chester Mental Health Center and has daily contact with
13 the residents thereof, (ii) is employed within a security
14 unit at a facility operated by the Department and has
15 daily contact with the residents of the security unit,
16 (iii) is employed at a facility operated by the Department
17 that includes a security unit and is regularly scheduled
18 to work at least 50% of his or her working hours within
19 that security unit, or (iv) is a mental health police
20 officer. "Mental health police officer" means any person
21 employed by the Department of Human Services in a position
22 pertaining to the Department's mental health and
23 developmental disabilities functions who is vested with
24 such law enforcement duties as render the person
25 ineligible for coverage under the Social Security Act by
26 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and

1 218(1)(1) of that Act. "Security unit" means that portion
2 of a facility that is devoted to the care, containment,
3 and treatment of persons committed to the Department of
4 Human Services as sexually violent persons, persons unfit
5 to stand trial, or persons not guilty by reason of
6 insanity. With respect to past employment, references to
7 the Department of Human Services include its predecessor,
8 the Department of Mental Health and Developmental
9 Disabilities.

10 The changes made to this subdivision (c)(8) by Public
11 Act 92-14 apply to persons who retire on or after January
12 1, 2001, notwithstanding Section 1-103.1.

13 (9) "Central Management Services security police
14 officer" means any person employed by the Department of
15 Central Management Services who is vested with such law
16 enforcement duties as render him ineligible for coverage
17 under the Social Security Act by reason of Sections
18 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

19 (10) For a member who first became an employee under
20 this Article before July 1, 2005, the term "security
21 employee of the Department of Corrections or the
22 Department of Juvenile Justice" means any employee of the
23 Department of Corrections or the Department of Juvenile
24 Justice or the former Department of Personnel, and any
25 member or employee of the Prisoner Review Board, who has
26 daily contact with inmates or youth by working within a

1 correctional facility or Juvenile facility operated by the
2 Department of Juvenile Justice or who is a parole officer
3 or an employee who has direct contact with committed
4 persons in the performance of his or her job duties. For a
5 member who first becomes an employee under this Article on
6 or after July 1, 2005, the term means an employee of the
7 Department of Corrections or the Department of Juvenile
8 Justice who is any of the following: (i) officially
9 headquartered at a correctional facility or Juvenile
10 facility operated by the Department of Juvenile Justice,
11 (ii) a parole officer, (iii) a member of the apprehension
12 unit, (iv) a member of the intelligence unit, (v) a member
13 of the sort team, or (vi) an investigator.

14 (11) The term "dangerous drugs investigator" means any
15 person who is employed as such by the Department of Human
16 Services.

17 (12) The term "investigator for the Illinois State
18 Police" means a person employed by the Illinois State
19 Police who is vested under Section 4 of the Narcotic
20 Control Division Abolition Act with such law enforcement
21 powers as render him ineligible for coverage under the
22 Social Security Act by reason of Sections 218(d)(5)(A),
23 218(d)(8)(D) and 218(1)(1) of that Act.

24 (13) "Investigator for the Office of the Attorney
25 General" means any person who is employed as such by the
26 Office of the Attorney General and is vested with such

1 investigative duties as render him ineligible for coverage
2 under the Social Security Act by reason of Sections
3 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
4 the period before January 1, 1989, the term includes all
5 persons who were employed as investigators by the Office
6 of the Attorney General, without regard to social security
7 status.

8 (14) "Controlled substance inspector" means any person
9 who is employed as such by the Department of Professional
10 Regulation and is vested with such law enforcement duties
11 as render him ineligible for coverage under the Social
12 Security Act by reason of Sections 218(d)(5)(A),
13 218(d)(8)(D) and 218(1)(1) of that Act. The term
14 "controlled substance inspector" includes the Program
15 Executive of Enforcement and the Assistant Program
16 Executive of Enforcement.

17 (15) The term "investigator for the Office of the
18 State's Attorneys Appellate Prosecutor" means a person
19 employed in that capacity on a full-time basis under the
20 authority of Section 7.06 of the State's Attorneys
21 Appellate Prosecutor's Act.

22 (16) "Commerce Commission police officer" means any
23 person employed by the Illinois Commerce Commission who is
24 vested with such law enforcement duties as render him
25 ineligible for coverage under the Social Security Act by
26 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and

1 218(1)(1) of that Act.

2 (17) "Arson investigator" means any person who is
3 employed as such by the Office of the State Fire Marshal
4 and is vested with such law enforcement duties as render
5 the person ineligible for coverage under the Social
6 Security Act by reason of Sections 218(d)(5)(A),
7 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
8 employed as an arson investigator on January 1, 1995 and
9 is no longer in service but not yet receiving a retirement
10 annuity may convert his or her creditable service for
11 employment as an arson investigator into eligible
12 creditable service by paying to the System the difference
13 between the employee contributions actually paid for that
14 service and the amounts that would have been contributed
15 if the applicant were contributing at the rate applicable
16 to persons with the same social security status earning
17 eligible creditable service on the date of application.

18 (18) The term "State highway maintenance worker" means
19 a person who is either of the following:

20 (i) A person employed on a full-time basis by the
21 Illinois Department of Transportation in the position
22 of highway maintainer, highway maintenance lead
23 worker, highway maintenance lead/lead worker, heavy
24 construction equipment operator, power shovel
25 operator, or bridge mechanic; and whose principal
26 responsibility is to perform, on the roadway, the

1 actual maintenance necessary to keep the highways that
2 form a part of the State highway system in serviceable
3 condition for vehicular traffic.

4 (ii) A person employed on a full-time basis by the
5 Illinois State Toll Highway Authority in the position
6 of equipment operator/laborer H-4, equipment
7 operator/laborer H-6, welder H-4, welder H-6,
8 mechanical/electrical H-4, mechanical/electrical H-6,
9 water/sewer H-4, water/sewer H-6, sign maker/hanger
10 H-4, sign maker/hanger H-6, roadway lighting H-4,
11 roadway lighting H-6, structural H-4, structural H-6,
12 painter H-4, or painter H-6; and whose principal
13 responsibility is to perform, on the roadway, the
14 actual maintenance necessary to keep the Authority's
15 tollways in serviceable condition for vehicular
16 traffic.

17 (19) The term "security employee of the Department of
18 Innovation and Technology" means a person who was a
19 security employee of the Department of Corrections or the
20 Department of Juvenile Justice, was transferred to the
21 Department of Innovation and Technology pursuant to
22 Executive Order 2016-01, and continues to perform similar
23 job functions under that Department.

24 (20) "Transferred employee" means an employee who was
25 transferred to the Department of Central Management
26 Services by Executive Order No. 2003-10 or Executive Order

1 No. 2004-2 or transferred to the Department of Innovation
2 and Technology by Executive Order No. 2016-1, or both, and
3 was entitled to eligible creditable service for services
4 immediately preceding the transfer.

5 (21) "Investigator for the Department of the Lottery"
6 means any person who is employed by the Department of the
7 Lottery and is vested with such investigative duties which
8 render him or her ineligible for coverage under the Social
9 Security Act by reason of Sections 218(d)(5)(A),
10 218(d)(8)(D), and 218(1)(1) of that Act. An investigator
11 for the Department of the Lottery who qualifies under this
12 Section shall earn eligible creditable service and be
13 required to make contributions at the rate specified in
14 paragraph (3) of subsection (a) of Section 14-133 for all
15 periods of service as an investigator for the Department
16 of the Lottery.

17 (d) A security employee of the Department of Corrections
18 or the Department of Juvenile Justice, a security employee of
19 the Department of Human Services who is not a mental health
20 police officer, and a security employee of the Department of
21 Innovation and Technology shall not be eligible for the
22 alternative retirement annuity provided by this Section unless
23 he or she meets the following minimum age and service
24 requirements at the time of retirement:

25 (i) 25 years of eligible creditable service and age
26 55; or

1 (ii) beginning January 1, 1987, 25 years of eligible
2 creditable service and age 54, or 24 years of eligible
3 creditable service and age 55; or

4 (iii) beginning January 1, 1988, 25 years of eligible
5 creditable service and age 53, or 23 years of eligible
6 creditable service and age 55; or

7 (iv) beginning January 1, 1989, 25 years of eligible
8 creditable service and age 52, or 22 years of eligible
9 creditable service and age 55; or

10 (v) beginning January 1, 1990, 25 years of eligible
11 creditable service and age 51, or 21 years of eligible
12 creditable service and age 55; or

13 (vi) beginning January 1, 1991, 25 years of eligible
14 creditable service and age 50, or 20 years of eligible
15 creditable service and age 55.

16 Persons who have service credit under Article 16 of this
17 Code for service as a security employee of the Department of
18 Corrections or the Department of Juvenile Justice, or the
19 Department of Human Services in a position requiring
20 certification as a teacher may count such service toward
21 establishing their eligibility under the service requirements
22 of this Section; but such service may be used only for
23 establishing such eligibility, and not for the purpose of
24 increasing or calculating any benefit.

25 (e) If a member enters military service while working in a
26 position in which eligible creditable service may be earned,

1 and returns to State service in the same or another such
2 position, and fulfills in all other respects the conditions
3 prescribed in this Article for credit for military service,
4 such military service shall be credited as eligible creditable
5 service for the purposes of the retirement annuity prescribed
6 in this Section.

7 (f) For purposes of calculating retirement annuities under
8 this Section, periods of service rendered after December 31,
9 1968 and before October 1, 1975 as a covered employee in the
10 position of special agent, conservation police officer, mental
11 health police officer, or investigator for the Secretary of
12 State, shall be deemed to have been service as a noncovered
13 employee, provided that the employee pays to the System prior
14 to retirement an amount equal to (1) the difference between
15 the employee contributions that would have been required for
16 such service as a noncovered employee, and the amount of
17 employee contributions actually paid, plus (2) if payment is
18 made after July 31, 1987, regular interest on the amount
19 specified in item (1) from the date of service to the date of
20 payment.

21 For purposes of calculating retirement annuities under
22 this Section, periods of service rendered after December 31,
23 1968 and before January 1, 1982 as a covered employee in the
24 position of investigator for the Department of Revenue shall
25 be deemed to have been service as a noncovered employee,
26 provided that the employee pays to the System prior to

1 retirement an amount equal to (1) the difference between the
2 employee contributions that would have been required for such
3 service as a noncovered employee, and the amount of employee
4 contributions actually paid, plus (2) if payment is made after
5 January 1, 1990, regular interest on the amount specified in
6 item (1) from the date of service to the date of payment.

7 (g) A State policeman may elect, not later than January 1,
8 1990, to establish eligible creditable service for up to 10
9 years of his service as a policeman under Article 3, by filing
10 a written election with the Board, accompanied by payment of
11 an amount to be determined by the Board, equal to (i) the
12 difference between the amount of employee and employer
13 contributions transferred to the System under Section 3-110.5,
14 and the amounts that would have been contributed had such
15 contributions been made at the rates applicable to State
16 policemen, plus (ii) interest thereon at the effective rate
17 for each year, compounded annually, from the date of service
18 to the date of payment.

19 Subject to the limitation in subsection (i), a State
20 policeman may elect, not later than July 1, 1993, to establish
21 eligible creditable service for up to 10 years of his service
22 as a member of the County Police Department under Article 9, by
23 filing a written election with the Board, accompanied by
24 payment of an amount to be determined by the Board, equal to
25 (i) the difference between the amount of employee and employer
26 contributions transferred to the System under Section 9-121.10

1 and the amounts that would have been contributed had those
2 contributions been made at the rates applicable to State
3 policemen, plus (ii) interest thereon at the effective rate
4 for each year, compounded annually, from the date of service
5 to the date of payment.

6 (h) Subject to the limitation in subsection (i), a State
7 policeman or investigator for the Secretary of State may elect
8 to establish eligible creditable service for up to 12 years of
9 his service as a policeman under Article 5, by filing a written
10 election with the Board on or before January 31, 1992, and
11 paying to the System by January 31, 1994 an amount to be
12 determined by the Board, equal to (i) the difference between
13 the amount of employee and employer contributions transferred
14 to the System under Section 5-236, and the amounts that would
15 have been contributed had such contributions been made at the
16 rates applicable to State policemen, plus (ii) interest
17 thereon at the effective rate for each year, compounded
18 annually, from the date of service to the date of payment.

19 Subject to the limitation in subsection (i), a State
20 policeman, conservation police officer, or investigator for
21 the Secretary of State may elect to establish eligible
22 creditable service for up to 10 years of service as a sheriff's
23 law enforcement employee under Article 7, by filing a written
24 election with the Board on or before January 31, 1993, and
25 paying to the System by January 31, 1994 an amount to be
26 determined by the Board, equal to (i) the difference between

1 the amount of employee and employer contributions transferred
2 to the System under Section 7-139.7, and the amounts that
3 would have been contributed had such contributions been made
4 at the rates applicable to State policemen, plus (ii) interest
5 thereon at the effective rate for each year, compounded
6 annually, from the date of service to the date of payment.

7 Subject to the limitation in subsection (i), a State
8 policeman, conservation police officer, or investigator for
9 the Secretary of State may elect to establish eligible
10 creditable service for up to 5 years of service as a police
11 officer under Article 3, a policeman under Article 5, a
12 sheriff's law enforcement employee under Article 7, a member
13 of the county police department under Article 9, or a police
14 officer under Article 15 by filing a written election with the
15 Board and paying to the System an amount to be determined by
16 the Board, equal to (i) the difference between the amount of
17 employee and employer contributions transferred to the System
18 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
19 and the amounts that would have been contributed had such
20 contributions been made at the rates applicable to State
21 policemen, plus (ii) interest thereon at the effective rate
22 for each year, compounded annually, from the date of service
23 to the date of payment.

24 Subject to the limitation in subsection (i), an
25 investigator for the Office of the Attorney General, or an
26 investigator for the Department of Revenue, may elect to

1 establish eligible creditable service for up to 5 years of
2 service as a police officer under Article 3, a policeman under
3 Article 5, a sheriff's law enforcement employee under Article
4 7, or a member of the county police department under Article 9
5 by filing a written election with the Board within 6 months
6 after August 25, 2009 (the effective date of Public Act
7 96-745) and paying to the System an amount to be determined by
8 the Board, equal to (i) the difference between the amount of
9 employee and employer contributions transferred to the System
10 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
11 amounts that would have been contributed had such
12 contributions been made at the rates applicable to State
13 policemen, plus (ii) interest thereon at the actuarially
14 assumed rate for each year, compounded annually, from the date
15 of service to the date of payment.

16 Subject to the limitation in subsection (i), a State
17 policeman, conservation police officer, investigator for the
18 Office of the Attorney General, an investigator for the
19 Department of Revenue, or investigator for the Secretary of
20 State may elect to establish eligible creditable service for
21 up to 5 years of service as a person employed by a
22 participating municipality to perform police duties, or law
23 enforcement officer employed on a full-time basis by a forest
24 preserve district under Article 7, a county corrections
25 officer, or a court services officer under Article 9, by
26 filing a written election with the Board within 6 months after

1 August 25, 2009 (the effective date of Public Act 96-745) and
2 paying to the System an amount to be determined by the Board,
3 equal to (i) the difference between the amount of employee and
4 employer contributions transferred to the System under
5 Sections 7-139.8 and 9-121.10 and the amounts that would have
6 been contributed had such contributions been made at the rates
7 applicable to State policemen, plus (ii) interest thereon at
8 the actuarially assumed rate for each year, compounded
9 annually, from the date of service to the date of payment.

10 Subject to the limitation in subsection (i), a State
11 policeman, arson investigator, or Commerce Commission police
12 officer may elect to establish eligible creditable service for
13 up to 5 years of service as a person employed by a
14 participating municipality to perform police duties under
15 Article 7, a county corrections officer, a court services
16 officer under Article 9, or a firefighter under Article 4 by
17 filing a written election with the Board within 6 months after
18 July 30, 2021 (the effective date of Public Act 102-210) and
19 paying to the System an amount to be determined by the Board
20 equal to (i) the difference between the amount of employee and
21 employer contributions transferred to the System under
22 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
23 would have been contributed had such contributions been made
24 at the rates applicable to State policemen, plus (ii) interest
25 thereon at the actuarially assumed rate for each year,
26 compounded annually, from the date of service to the date of

1 payment.

2 Subject to the limitation in subsection (i), a
3 conservation police officer may elect to establish eligible
4 creditable service for up to 5 years of service as a person
5 employed by a participating municipality to perform police
6 duties under Article 7, a county corrections officer, or a
7 court services officer under Article 9 by filing a written
8 election with the Board within 6 months after July 30, 2021
9 (the effective date of Public Act 102-210) and paying to the
10 System an amount to be determined by the Board equal to (i) the
11 difference between the amount of employee and employer
12 contributions transferred to the System under Sections 7-139.8
13 and 9-121.10 and the amounts that would have been contributed
14 had such contributions been made at the rates applicable to
15 State policemen, plus (ii) interest thereon at the actuarially
16 assumed rate for each year, compounded annually, from the date
17 of service to the date of payment.

18 Notwithstanding the limitation in subsection (i), a State
19 policeman or conservation police officer may elect to convert
20 service credit earned under this Article to eligible
21 creditable service, as defined by this Section, by filing a
22 written election with the board within 6 months after July 30,
23 2021 (the effective date of Public Act 102-210) and paying to
24 the System an amount to be determined by the Board equal to (i)
25 the difference between the amount of employee contributions
26 originally paid for that service and the amounts that would

1 have been contributed had such contributions been made at the
2 rates applicable to State policemen, plus (ii) the difference
3 between the employer's normal cost of the credit prior to the
4 conversion authorized by Public Act 102-210 and the employer's
5 normal cost of the credit converted in accordance with Public
6 Act 102-210, plus (iii) interest thereon at the actuarially
7 assumed rate for each year, compounded annually, from the date
8 of service to the date of payment.

9 (i) The total amount of eligible creditable service
10 established by any person under subsections (g), (h), (j),
11 (k), (l), (l-5), (o), ~~and~~ (p), and (r) of this Section shall
12 not exceed 12 years.

13 (j) Subject to the limitation in subsection (i), an
14 investigator for the Office of the State's Attorneys Appellate
15 Prosecutor or a controlled substance inspector may elect to
16 establish eligible creditable service for up to 10 years of
17 his service as a policeman under Article 3 or a sheriff's law
18 enforcement employee under Article 7, by filing a written
19 election with the Board, accompanied by payment of an amount
20 to be determined by the Board, equal to (1) the difference
21 between the amount of employee and employer contributions
22 transferred to the System under Section 3-110.6 or 7-139.8,
23 and the amounts that would have been contributed had such
24 contributions been made at the rates applicable to State
25 policemen, plus (2) interest thereon at the effective rate for
26 each year, compounded annually, from the date of service to

1 the date of payment.

2 (k) Subject to the limitation in subsection (i) of this
3 Section, an alternative formula employee may elect to
4 establish eligible creditable service for periods spent as a
5 full-time law enforcement officer or full-time corrections
6 officer employed by the federal government or by a state or
7 local government located outside of Illinois, for which credit
8 is not held in any other public employee pension fund or
9 retirement system. To obtain this credit, the applicant must
10 file a written application with the Board by March 31, 1998,
11 accompanied by evidence of eligibility acceptable to the Board
12 and payment of an amount to be determined by the Board, equal
13 to (1) employee contributions for the credit being
14 established, based upon the applicant's salary on the first
15 day as an alternative formula employee after the employment
16 for which credit is being established and the rates then
17 applicable to alternative formula employees, plus (2) an
18 amount determined by the Board to be the employer's normal
19 cost of the benefits accrued for the credit being established,
20 plus (3) regular interest on the amounts in items (1) and (2)
21 from the first day as an alternative formula employee after
22 the employment for which credit is being established to the
23 date of payment.

24 (l) Subject to the limitation in subsection (i), a
25 security employee of the Department of Corrections may elect,
26 not later than July 1, 1998, to establish eligible creditable

1 service for up to 10 years of his or her service as a policeman
2 under Article 3, by filing a written election with the Board,
3 accompanied by payment of an amount to be determined by the
4 Board, equal to (i) the difference between the amount of
5 employee and employer contributions transferred to the System
6 under Section 3-110.5, and the amounts that would have been
7 contributed had such contributions been made at the rates
8 applicable to security employees of the Department of
9 Corrections, plus (ii) interest thereon at the effective rate
10 for each year, compounded annually, from the date of service
11 to the date of payment.

12 (1-5) Subject to the limitation in subsection (i) of this
13 Section, a State policeman may elect to establish eligible
14 creditable service for up to 5 years of service as a full-time
15 law enforcement officer employed by the federal government or
16 by a state or local government located outside of Illinois for
17 which credit is not held in any other public employee pension
18 fund or retirement system. To obtain this credit, the
19 applicant must file a written application with the Board no
20 later than 3 years after January 1, 2020 (the effective date of
21 Public Act 101-610), accompanied by evidence of eligibility
22 acceptable to the Board and payment of an amount to be
23 determined by the Board, equal to (1) employee contributions
24 for the credit being established, based upon the applicant's
25 salary on the first day as an alternative formula employee
26 after the employment for which credit is being established and

1 the rates then applicable to alternative formula employees,
2 plus (2) an amount determined by the Board to be the employer's
3 normal cost of the benefits accrued for the credit being
4 established, plus (3) regular interest on the amounts in items
5 (1) and (2) from the first day as an alternative formula
6 employee after the employment for which credit is being
7 established to the date of payment.

8 (m) The amendatory changes to this Section made by Public
9 Act 94-696 apply only to: (1) security employees of the
10 Department of Juvenile Justice employed by the Department of
11 Corrections before June 1, 2006 (the effective date of Public
12 Act 94-696) and transferred to the Department of Juvenile
13 Justice by Public Act 94-696; and (2) persons employed by the
14 Department of Juvenile Justice on or after June 1, 2006 (the
15 effective date of Public Act 94-696) who are required by
16 subsection (b) of Section 3-2.5-15 of the Unified Code of
17 Corrections to have any bachelor's or advanced degree from an
18 accredited college or university or, in the case of persons
19 who provide vocational training, who are required to have
20 adequate knowledge in the skill for which they are providing
21 the vocational training.

22 Beginning with the pay period that immediately follows the
23 effective date of this amendatory Act of the 104th General
24 Assembly, the bachelor's or advanced degree requirement of
25 subsection (b) of Section 3-2.5-15 of the Unified Code of
26 Corrections shall no longer determine the eligibility to earn

1 eligible creditable service for a person employed by the
2 Department of Juvenile Justice.

3 An employee may elect to convert into eligible creditable
4 service his or her creditable service earned with the
5 Department of Juvenile Justice while employed in a position
6 that required the employee to do any one or more of the
7 following: (1) participate or assist in the rehabilitative and
8 vocational training of delinquent youths; (2) supervise the
9 daily activities and assume direct and continuing
10 responsibility for the youth's security, welfare, and
11 development; or (3) participate in the personal rehabilitation
12 of delinquent youth by training, supervising, and assisting
13 lower-level personnel. To convert that creditable service to
14 eligible creditable service, the employee must pay to the
15 System the difference between the employee contributions
16 actually paid for that service and the amounts that would have
17 been contributed if the applicant were contributing at the
18 rate applicable to persons with the same Social Security
19 status earning eligible creditable service on the date of
20 application.

21 (n) A person employed in a position under subsection (b)
22 of this Section who has purchased service credit under
23 subsection (j) of Section 14-104 or subsection (b) of Section
24 14-105 in any other capacity under this Article may convert up
25 to 5 years of that service credit into service credit covered
26 under this Section by paying to the Fund an amount equal to (1)

1 the additional employee contribution required under Section
2 14-133, plus (2) the additional employer contribution required
3 under Section 14-131, plus (3) interest on items (1) and (2) at
4 the actuarially assumed rate from the date of the service to
5 the date of payment.

6 (o) Subject to the limitation in subsection (i), a
7 conservation police officer, investigator for the Secretary of
8 State, Commerce Commission police officer, investigator for
9 the Department of Revenue or the Illinois Gaming Board, or
10 arson investigator subject to subsection (g) of Section 1-160
11 may elect to convert up to 8 years of service credit
12 established before January 1, 2020 (the effective date of
13 Public Act 101-610) as a conservation police officer,
14 investigator for the Secretary of State, Commerce Commission
15 police officer, investigator for the Department of Revenue or
16 the Illinois Gaming Board, or arson investigator under this
17 Article into eligible creditable service by filing a written
18 election with the Board no later than one year after January 1,
19 2020 (the effective date of Public Act 101-610), accompanied
20 by payment of an amount to be determined by the Board equal to
21 (i) the difference between the amount of the employee
22 contributions actually paid for that service and the amount of
23 the employee contributions that would have been paid had the
24 employee contributions been made as a noncovered employee
25 serving in a position in which eligible creditable service, as
26 defined in this Section, may be earned, plus (ii) interest

1 thereon at the effective rate for each year, compounded
2 annually, from the date of service to the date of payment.

3 (p) Subject to the limitation in subsection (i), an
4 investigator for the Office of the Attorney General subject to
5 subsection (g) of Section 1-160 may elect to convert up to 8
6 years of service credit established before the effective date
7 of this amendatory Act of the 102nd General Assembly as an
8 investigator for the Office of the Attorney General under this
9 Article into eligible creditable service by filing a written
10 election with the Board no later than one year after the
11 effective date of this amendatory Act of the 102nd General
12 Assembly, accompanied by payment of an amount to be determined
13 by the Board equal to (i) the difference between the amount of
14 the employee contributions actually paid for that service and
15 the amount of the employee contributions that would have been
16 paid had the employee contributions been made as a noncovered
17 employee serving in a position in which eligible creditable
18 service, as defined in this Section, may be earned, plus (ii)
19 interest thereon at the effective rate for each year,
20 compounded annually, from the date of service to the date of
21 payment.

22 (q) A security employee of the Department of Human
23 Services who is subject to subsection (g) of Section 1-160 may
24 elect to convert up to 13 years of service credit established
25 before the effective date of this amendatory Act of the 104th
26 General Assembly as a security employee of the Department of

1 Human Services to eligible creditable service by filing a
2 written election with the Board no later than one year after
3 the effective date of this amendatory Act of the 104th General
4 Assembly, accompanied by payment of an amount, to be
5 determined by the Board, equal to (i) the difference between
6 the amount of the employee contributions actually paid for
7 that service and the amount of the employee contributions that
8 would have been paid had the employee contributions been made
9 as a covered employee serving in a position in which eligible
10 creditable service, as defined in this Section, may be earned,
11 plus (ii) interest thereon at the effective rate for each
12 year, compounded annually, from the date of service to the
13 date of payment.

14 (r) Subject to the limitation in subsection (i), a State
15 highway maintenance worker subject to subsection (g) of
16 Section 1-160 may elect to convert up to 8 years of service
17 credit established before the effective date of this
18 amendatory Act of the 104th General Assembly as a State
19 highway maintenance work under this Article into eligible
20 creditable service by filing a written election with the Board
21 no later than one year after the effective date of this
22 amendatory Act of the 104th General Assembly, accompanied by
23 payment of an amount to be determined by the Board equal to (i)
24 the difference between the amount of the employee
25 contributions actually paid for that service and the amount of
26 the employee contributions that would have been paid had the

1 employee contributions been made as a noncovered employee
2 serving in a position in which eligible creditable service, as
3 defined in this Section, may be earned, plus (ii) interest
4 thereon at the effective rate for each year, compounded
5 annually, from the date of service to the date of payment.

6 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
7 102-956, eff. 5-27-22; 103-34, eff. 1-1-24.)

8 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

9 Sec. 15-135. Retirement annuities; conditions.

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

15 35 years if retirement is in 1997 or before;

16 34 years if retirement is in 1998;

17 33 years if retirement is in 1999;

18 32 years if retirement is in 2000;

19 31 years if retirement is in 2001;

20 30 years if retirement is in 2002 or later.

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

24 A participant with at least 5 but less than 8 years of
25 service after September 1, 1941, is entitled to a retirement

1 annuity on or after attainment of age 62.

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

6 (a-5) A Tier 2 member is entitled to a retirement annuity
7 upon written application if he or she has attained age 67 and
8 has at least 10 years of service credit and is otherwise
9 eligible under the requirements of this Article; except that,
10 for a Tier 2 member who is in service on or after January 1,
11 2026, the age and service eligibility requirements for a
12 retirement annuity are the age and service eligibility
13 requirements applicable to a Tier 1 member who first became a
14 participant on December 31, 2010. A Tier 2 member who has
15 attained age 62 and has at least 10 years of service credit and
16 is otherwise eligible under the requirements of this Article
17 may elect to receive the lower retirement annuity provided in
18 subsection (b-5) of Section 15-136 of this Article; except
19 that, a Tier 2 member who is in service on or after January 1,
20 2026 may not elect to receive the lower retirement annuity
21 provided in subsection (b-5) of Section 15-136.

22 (a-10) A Tier 2 member who was not in service on or after
23 January 1, 2026 and has at least 20 years of service in this
24 system as a police officer or firefighter is entitled to a
25 retirement annuity upon written application on or after the
26 attainment of age 60 if Rule 4 of Section 15-136 is applicable

1 to the participant. The changes made to this subsection by
2 this amendatory Act of the 101st General Assembly apply
3 retroactively to January 1, 2011.

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

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

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

24 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

25 Sec. 15-136. Retirement annuities; amount annuities

1 ~~Amount~~. The provisions of this Section 15-136 apply only to
2 those participants who are participating in the traditional
3 benefit package or the portable benefit package and do not
4 apply to participants who are participating in the
5 self-managed plan.

6 (a) The amount of a participant's retirement annuity,
7 expressed in the form of a single-life annuity, shall be
8 determined by whichever of the following rules is applicable
9 and provides the largest annuity:

10 Rule 1: The retirement annuity shall be 1.67% of final
11 rate of earnings for each of the first 10 years of service,
12 1.90% for each of the next 10 years of service, 2.10% for each
13 year of service in excess of 20 but not exceeding 30, and 2.30%
14 for each year in excess of 30; or for persons who retire on or
15 after January 1, 1998, 2.2% of the final rate of earnings for
16 each year of service.

17 Rule 2: The retirement annuity shall be the sum of the
18 following, determined from amounts credited to the participant
19 in accordance with the actuarial tables and the effective rate
20 of interest in effect at the time the retirement annuity
21 begins:

22 (i) the normal annuity which can be provided on an
23 actuarially equivalent basis, by the accumulated normal
24 contributions as of the date the annuity begins;

25 (ii) an annuity from employer contributions of an
26 amount equal to that which can be provided on an

1 actuarially equivalent basis from the accumulated normal
2 contributions made by the participant under Section
3 15-113.6 and Section 15-113.7 plus 1.4 times all other
4 accumulated normal contributions made by the participant;
5 and

6 (iii) the annuity that can be provided on an
7 actuarially equivalent basis from the entire contribution
8 made by the participant under Section 15-113.3.

9 With respect to a police officer or firefighter who
10 retires on or after August 14, 1998, the accumulated normal
11 contributions taken into account under clauses (i) and (ii) of
12 this Rule 2 shall include the additional normal contributions
13 made by the police officer or firefighter under Section
14 15-157(a).

15 The amount of a retirement annuity calculated under this
16 Rule 2 shall be computed solely on the basis of the
17 participant's accumulated normal contributions, as specified
18 in this Rule and defined in Section 15-116. Neither an
19 employee or employer contribution for early retirement under
20 Section 15-136.2 nor any other employer contribution shall be
21 used in the calculation of the amount of a retirement annuity
22 under this Rule 2.

23 This amendatory Act of the 91st General Assembly is a
24 clarification of existing law and applies to every participant
25 and annuitant without regard to whether status as an employee
26 terminates before the effective date of this amendatory Act.

1 This Rule 2 does not apply to a person who first becomes an
2 employee under this Article on or after July 1, 2005.

3 Rule 3: The retirement annuity of a participant who is
4 employed at least one-half time during the period on which his
5 or her final rate of earnings is based, shall be equal to the
6 participant's years of service not to exceed 30, multiplied by
7 (1) \$96 if the participant's final rate of earnings is less
8 than \$3,500, (2) \$108 if the final rate of earnings is at least
9 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
10 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
11 the final rate of earnings is at least \$5,500 but less than
12 \$6,500, (5) \$144 if the final rate of earnings is at least
13 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
14 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
15 the final rate of earnings is at least \$8,500 but less than
16 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
17 more, except that the annuity for those persons having made an
18 election under Section 15-154(a-1) shall be calculated and
19 payable under the portable retirement benefit program pursuant
20 to the provisions of Section 15-136.4.

21 Rule 4: A participant who is at least age 50 and has 25 or
22 more years of service as a police officer or firefighter, and a
23 participant who is age 55 or over and has at least 20 but less
24 than 25 years of service as a police officer or firefighter,
25 shall be entitled to a retirement annuity of 2 1/4% of the
26 final rate of earnings for each of the first 10 years of

1 service as a police officer or firefighter, 2 1/2% for each of
2 the next 10 years of service as a police officer or
3 firefighter, and 2 3/4% for each year of service as a police
4 officer or firefighter in excess of 20. The retirement annuity
5 for all other service shall be computed under Rule 1. A Tier 2
6 member who was not in service on or after January 1, 2026 is
7 eligible for a retirement annuity calculated under Rule 4 only
8 if that Tier 2 member meets the service requirements for that
9 benefit calculation as prescribed under this Rule 4 in
10 addition to the applicable age requirement under subsection
11 (a-10) of Section 15-135. A Tier 2 member who was in service on
12 or after January 1, 2026 is not subject to subsection (a-10) of
13 Section 15-135.

14 For purposes of this Rule 4, a participant's service as a
15 firefighter shall also include the following:

16 (i) service that is performed while the person is an
17 employee under subsection (h) of Section 15-107; and

18 (ii) in the case of an individual who was a
19 participating employee employed in the fire department of
20 the University of Illinois's Champaign-Urbana campus
21 immediately prior to the elimination of that fire
22 department and who immediately after the elimination of
23 that fire department transferred to another job with the
24 University of Illinois, service performed as an employee
25 of the University of Illinois in a position other than
26 police officer or firefighter, from the date of that

1 transfer until the employee's next termination of service
2 with the University of Illinois.

3 (b) For a Tier 1 member or a Tier 2 member who was in
4 service on or after January 1, 2026, the retirement annuity
5 provided under Rules 1 and 3 above shall be reduced by 1/2 of
6 1% for each month the participant is under age 60 at the time
7 of retirement. However, this reduction shall not apply in the
8 following cases:

9 (1) For a disabled participant whose disability
10 benefits have been discontinued because he or she has
11 exhausted eligibility for disability benefits under clause
12 (6) of Section 15-152;

13 (2) For a participant who has at least the number of
14 years of service required to retire at any age under
15 subsection (a) of Section 15-135; or

16 (3) For that portion of a retirement annuity which has
17 been provided on account of service of the participant
18 during periods when he or she performed the duties of a
19 police officer or firefighter, if these duties were
20 performed for at least 5 years immediately preceding the
21 date the retirement annuity is to begin.

22 (b-5) The retirement annuity of a Tier 2 member who was not
23 in service on or after January 1, 2026 and who is retiring
24 under Rule 1 or 3 after attaining age 62 with at least 10 years
25 of service credit shall be reduced by 1/2 of 1% for each full
26 month that the member's age is under age 67.

1 (c) The maximum retirement annuity provided under Rules 1,
2 2, 4, and 5 shall be the lesser of (1) the annual limit of
3 benefits as specified in Section 415 of the Internal Revenue
4 Code of 1986, as such Section may be amended from time to time
5 and as such benefit limits shall be adjusted by the
6 Commissioner of Internal Revenue, and (2) 80% of final rate of
7 earnings.

8 (d) A Tier 1 member whose status as an employee terminates
9 after August 14, 1969 shall receive automatic increases in his
10 or her retirement annuity as follows:

11 Effective January 1 immediately following the date the
12 retirement annuity begins, the annuitant shall receive an
13 increase in his or her monthly retirement annuity of 0.125% of
14 the monthly retirement annuity provided under Rule 1, Rule 2,
15 Rule 3, or Rule 4 contained in this Section, multiplied by the
16 number of full months which elapsed from the date the
17 retirement annuity payments began to January 1, 1972, plus
18 0.1667% of such annuity, multiplied by the number of full
19 months which elapsed from January 1, 1972, or the date the
20 retirement annuity payments began, whichever is later, to
21 January 1, 1978, plus 0.25% of such annuity multiplied by the
22 number of full months which elapsed from January 1, 1978, or
23 the date the retirement annuity payments began, whichever is
24 later, to the effective date of the increase.

25 The annuitant shall receive an increase in his or her
26 monthly retirement annuity on each January 1 thereafter during

1 the annuitant's life of 3% of the monthly annuity provided
2 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this
3 Section. The change made under this subsection by P.A. 81-970
4 is effective January 1, 1980 and applies to each annuitant
5 whose status as an employee terminates before or after that
6 date.

7 Beginning January 1, 1990, all automatic annual increases
8 payable under this Section shall be calculated as a percentage
9 of the total annuity payable at the time of the increase,
10 including all increases previously granted under this Article.

11 The change made in this subsection by P.A. 85-1008 is
12 effective January 26, 1988, and is applicable without regard
13 to whether status as an employee terminated before that date.

14 (d-5) A retirement annuity of a Tier 2 member shall
15 receive annual increases on the January 1 occurring either on
16 or after the attainment of the retirement age applicable to
17 that Tier 2 member under this Article ~~age 67~~ or the first
18 anniversary of the annuity start date, whichever is later.
19 Each annual increase shall be calculated at 3% or one half the
20 annual unadjusted percentage increase (but not less than zero)
21 in the consumer price index-u for the 12 months ending with the
22 September preceding each November 1, whichever is less, of the
23 originally granted retirement annuity. If the annual
24 unadjusted percentage change in the consumer price index-u for
25 the 12 months ending with the September preceding each
26 November 1 is zero or there is a decrease, then the annuity

1 shall not be increased.

2 (e) If, on January 1, 1987, or the date the retirement
3 annuity payment period begins, whichever is later, the sum of
4 the retirement annuity provided under Rule 1 or Rule 2 of this
5 Section and the automatic annual increases provided under the
6 preceding subsection or Section 15-136.1, amounts to less than
7 the retirement annuity which would be provided by Rule 3, the
8 retirement annuity shall be increased as of January 1, 1987,
9 or the date the retirement annuity payment period begins,
10 whichever is later, to the amount which would be provided by
11 Rule 3 of this Section. Such increased amount shall be
12 considered as the retirement annuity in determining benefits
13 provided under other Sections of this Article. This paragraph
14 applies without regard to whether status as an employee
15 terminated before the effective date of this amendatory Act of
16 1987, provided that the annuitant was employed at least
17 one-half time during the period on which the final rate of
18 earnings was based.

19 (f) A participant is entitled to such additional annuity
20 as may be provided on an actuarially equivalent basis, by any
21 accumulated additional contributions to his or her credit.
22 However, the additional contributions made by the participant
23 toward the automatic increases in annuity provided under this
24 Section shall not be taken into account in determining the
25 amount of such additional annuity.

26 (g) If, (1) by law, a function of a governmental unit, as

1 defined by Section 20-107 of this Code, is transferred in
2 whole or in part to an employer, and (2) a participant
3 transfers employment from such governmental unit to such
4 employer within 6 months after the transfer of the function,
5 and (3) the sum of (A) the annuity payable to the participant
6 under Rule 1, 2, or 3 of this Section (B) all proportional
7 annuities payable to the participant by all other retirement
8 systems covered by Article 20, and (C) the initial primary
9 insurance amount to which the participant is entitled under
10 the Social Security Act, is less than the retirement annuity
11 which would have been payable if all of the participant's
12 pension credits validated under Section 20-109 had been
13 validated under this system, a supplemental annuity equal to
14 the difference in such amounts shall be payable to the
15 participant.

16 (h) On January 1, 1981, an annuitant who was receiving a
17 retirement annuity on or before January 1, 1971 shall have his
18 or her retirement annuity then being paid increased \$1 per
19 month for each year of creditable service. On January 1, 1982,
20 an annuitant whose retirement annuity began on or before
21 January 1, 1977, shall have his or her retirement annuity then
22 being paid increased \$1 per month for each year of creditable
23 service.

24 (i) On January 1, 1987, any annuitant whose retirement
25 annuity began on or before January 1, 1977, shall have the
26 monthly retirement annuity increased by an amount equal to 8¢

1 per year of creditable service times the number of years that
2 have elapsed since the annuity began.

3 (j) The changes made to this Section by this amendatory
4 Act of the 101st General Assembly apply retroactively to
5 January 1, 2011.

6 (Source: P.A. 101-610, eff. 1-1-20.)

7 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

8 Sec. 18-124. Retirement annuities; conditions ~~annuities~~
9 ~~conditions~~ for eligibility.

10 (a) This subsection (a) applies to a participant who first
11 serves as a judge before January 1, 2011 (the effective date of
12 Public Act 96-889) or a judge who serves as a judge on or after
13 January 1, 2026 ~~this amendatory Act of the 96th General~~
14 ~~Assembly.~~

15 A participant whose employment as a judge is terminated,
16 regardless of age or cause is entitled to a retirement annuity
17 beginning on the date specified in a written application
18 subject to the following:

19 (1) the date the annuity begins is subsequent to the
20 date of final termination of employment, or the date 30
21 days prior to the receipt of the application by the board
22 for annuities based on disability, or one year before the
23 receipt of the application by the board for annuities
24 based on attained age;

25 (2) the participant is at least age 55, or has become

1 permanently disabled and as a consequence is unable to
2 perform the duties of his or her office;

3 (3) the participant has at least 10 years of service
4 credit except that a participant terminating service after
5 June 30 1975, with at least 6 years of service credit,
6 shall be entitled to a retirement annuity at age 62 or
7 over;

8 (4) the participant is not receiving or entitled to
9 receive, at the date of retirement, any salary from an
10 employer for service currently performed.

11 (b) This subsection (b) applies to a participant who first
12 serves as a judge on or after January 1, 2011 (the effective
13 date of Public Act 96-889) and who does not serve as a judge on
14 or after January 1, 2026 ~~this amendatory Act of the 96th~~
15 ~~General Assembly.~~

16 A participant who has at least 8 years of creditable
17 service is entitled to a retirement annuity when he or she has
18 attained age 67.

19 A member who has attained age 62 and has at least 8 years
20 of service credit may elect to receive the lower retirement
21 annuity provided in subsection (d) of Section 18-125 of this
22 Code.

23 (Source: P.A. 96-889, eff. 1-1-11.)

24 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

25 Sec. 18-125.1. Automatic increase in retirement annuity. A

1 participant who retires from service after June 30, 1969,
2 shall, in January of the year next following the year in which
3 the first anniversary of retirement occurs, and in January of
4 each year thereafter, have the amount of his or her originally
5 granted retirement annuity increased as follows: for each year
6 up to and including 1971, 1 1/2%; for each year from 1972
7 through 1979 inclusive, 2%; and for 1980 and each year
8 thereafter, 3%.

9 Notwithstanding any other provision of this Article, a
10 retirement annuity for a participant who first serves as a
11 judge on or after January 1, 2011 (the effective date of Public
12 Act 96-889) shall be increased in January of the year next
13 following the year in which the first anniversary of
14 retirement occurs, but in no event prior to the retirement age
15 applicable to that judge under this Article ~~age 67~~, and in
16 January of each year thereafter, by an amount equal to 3% or
17 the annual percentage increase in the consumer price index-u
18 as determined by the Public Pension Division of the Department
19 of Insurance under subsection (b-5) of Section 18-125,
20 whichever is less, of the retirement annuity then being paid.

21 This Section is not applicable to a participant who
22 retires before he or she has made contributions at the rate
23 prescribed in Section 18-133 for automatic increases for not
24 less than the equivalent of one full year, unless such a
25 participant arranges to pay the system the amount required to
26 bring the total contributions for the automatic increase to

1 the equivalent of one year's contribution based upon his or
2 her last year's salary.

3 This Section is applicable to all participants in service
4 after June 30, 1969 unless a participant has elected, prior to
5 September 1, 1969, in a written direction filed with the board
6 not to be subject to the provisions of this Section. Any
7 participant in service on or after July 1, 1992 shall have the
8 option of electing prior to April 1, 1993, in a written
9 direction filed with the board, to be covered by the
10 provisions of the 1969 amendatory Act. Such participant shall
11 be required to make the aforesaid additional contributions
12 with compound interest at 4% per annum.

13 Any participant who has become eligible to receive the
14 maximum rate of annuity and who resumes service as a judge
15 after receiving a retirement annuity under this Article shall
16 have the amount of his or her retirement annuity increased by
17 3% of the originally granted annuity amount for each year of
18 such resumed service, beginning in January of the year next
19 following the date of such resumed service, upon subsequent
20 termination of such resumed service.

21 Beginning January 1, 1990, all automatic annual increases
22 payable under this Section shall be calculated as a percentage
23 of the total annuity payable at the time of the increase,
24 including previous increases granted under this Article.

25 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

1 Article 3B.

2 Section 3B-5. The Illinois Pension Code is amended by
3 changing Section 1-160 as follows:

4 (40 ILCS 5/1-160)

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

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

7 (a) The provisions of this Section apply to a person who,
8 on or after January 1, 2011, first becomes a member or a
9 participant under any reciprocal retirement system, regardless
10 of when that reciprocal retirement system became a reciprocal
11 retirement system, or pension fund established under this
12 Code, other than a retirement system or pension fund
13 established under Article 2, 3, 4, 5, 6, 7, 15, or 18 of this
14 Code, notwithstanding any other provision of this Code to the
15 contrary, but do not apply to any self-managed plan
16 established under this Code or to any participant of the
17 retirement plan established under Section 22-101; except that
18 this Section applies to a person who elected to establish
19 alternative credits by electing in writing after January 1,
20 2011, but before August 8, 2011, under Section 7-145.1 of this
21 Code. Notwithstanding anything to the contrary in this
22 Section, for purposes of this Section, a person who is a Tier 1
23 regular employee as defined in Section 7-109.4 of this Code or
24 who participated in a retirement system under Article 15 prior

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

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

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

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

26 This Section does not apply to a person who first becomes a

1 member or participant of an affected pension fund on or after 6
2 months after the resolution or ordinance date, as defined in
3 Section 1-162, unless that person elects under subsection (c)
4 of Section 1-162 to receive the benefits provided under this
5 Section and the applicable provisions of the Article under
6 which he or she is a member or participant.

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

20 (1) (Blank).

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

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

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

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

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

4 A member of the Teachers' Retirement System of the State
5 of Illinois who retires on or after June 1, 2021 and for whom
6 the 2020-2021 school year is used in the calculation of the
7 member's final average salary shall use the higher of the
8 following for the purpose of determining the member's final
9 average salary:

10 (A) the amount otherwise calculated under the first
11 paragraph of this subsection; or

12 (B) an amount calculated by the Teachers' Retirement
13 System of the State of Illinois using the average of the
14 monthly (or annual) salary obtained by dividing the total
15 salary or earnings calculated under Article 16 applicable
16 to the member or participant during the 96 months (or 8
17 years) of service within the last 120 months (or 10 years)
18 of service in which the total salary or earnings
19 calculated under the Article was the highest by the number
20 of months (or years) of service in that period.

21 (b-5) Beginning on January 1, 2011, for all purposes under
22 this Code (including without limitation the calculation of
23 benefits and employee contributions), the annual earnings,
24 salary, or wages (based on the plan year) of a member or
25 participant to whom this Section applies shall not exceed
26 \$106,800; however, that amount shall annually thereafter be

1 increased by the lesser of (i) 3% of that amount, including all
2 previous adjustments, or (ii) one-half the annual unadjusted
3 percentage increase (but not less than zero) in the consumer
4 price index-u for the 12 months ending with the September
5 preceding each November 1, including all previous adjustments.

6 For the purposes of this Section, "consumer price index-u"
7 means the index published by the Bureau of Labor Statistics of
8 the United States Department of Labor that measures the
9 average change in prices of goods and services purchased by
10 all urban consumers, United States city average, all items,
11 1982-84 = 100. The new amount resulting from each annual
12 adjustment shall be determined by the Public Pension Division
13 of the Department of Insurance and made available to the
14 boards of the retirement systems and pension funds by November
15 1 of each year.

16 (b-10) Beginning on January 1, 2024, for all purposes
17 under this Code (including, without limitation, the
18 calculation of benefits and employee contributions), the
19 annual earnings, salary, or wages (based on the plan year) of a
20 member or participant under Article 9 to whom this Section
21 applies shall include an annual earnings, salary, or wage cap
22 that tracks the Social Security wage base. Maximum annual
23 earnings, wages, or salary shall be the annual contribution
24 and benefit base established for the applicable year by the
25 Commissioner of the Social Security Administration under the
26 federal Social Security Act.

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

11 Nothing in this subsection (b-10) shall cause or otherwise
12 result in any retroactive adjustment of any employee
13 contributions. Nothing in this subsection (b-10) shall cause
14 or otherwise result in any retroactive adjustment of
15 disability or other payments made between January 1, 2011 and
16 January 1, 2024.

17 (c) A member or participant is entitled to a retirement
18 annuity upon written application if he or she has attained age
19 67 (age 65, with respect to service under Article 12 that is
20 subject to this Section, for a member or participant under
21 Article 12 who first becomes a member or participant under
22 Article 12 on or after January 1, 2022 or who makes the
23 election under item (i) of subsection (d-15) of this Section)
24 and has at least 10 years of service credit and is otherwise
25 eligible under the requirements of the applicable Article.

26 A member or participant who has attained age 62 (age 60,

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

10 (c-5) A person who first becomes a member or a participant
11 subject to this Section on or after July 6, 2017 (the effective
12 date of Public Act 100-23), notwithstanding any other
13 provision of this Code to the contrary, is entitled to a
14 retirement annuity under Article 8 or Article 11 upon written
15 application if he or she has attained age 65 and has at least
16 10 years of service credit and is otherwise eligible under the
17 requirements of Article 8 or Article 11 of this Code,
18 whichever is applicable.

19 (d) The retirement annuity of a member or participant who
20 is retiring after attaining age 62 (age 60, with respect to
21 service under Article 12 that is subject to this Section, for a
22 member or participant under Article 12 who first becomes a
23 member or participant under Article 12 on or after January 1,
24 2022 or who makes the election under item (i) of subsection
25 (d-15) of this Section) with at least 10 years of service
26 credit shall be reduced by one-half of 1% for each full month

1 that the member's age is under age 67 (age 65, with respect to
2 service under Article 12 that is subject to this Section, for a
3 member or participant under Article 12 who first becomes a
4 member or participant under Article 12 on or after January 1,
5 2022 or who makes the election under item (i) of subsection
6 (d-15) of this Section).

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

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

17 (i) to be eligible for the reduced retirement age
18 provided in subsections (c-5) and (d-5) of this Section,
19 the eligibility for which is conditioned upon the member
20 or participant agreeing to the increases in employee
21 contributions for age and service annuities provided in
22 subsection (a-5) of Section 8-174 of this Code (for
23 service under Article 8) or subsection (a-5) of Section
24 11-170 of this Code (for service under Article 11); or

25 (ii) to not agree to item (i) of this subsection
26 (d-10), in which case the member or participant shall

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

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

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

18 (i) to be eligible for the reduced retirement age
19 specified in subsections (c) and (d) of this Section, the
20 eligibility for which is conditioned upon the member or
21 participant agreeing to the increase in employee
22 contributions for service annuities specified in
23 subsection (b) of Section 12-150; or

24 (ii) to not agree to item (i) of this subsection
25 (d-15), in which case the member or participant shall not
26 be eligible for the reduced retirement age specified in

1 subsections (c) and (d) of this Section and shall not be
2 subject to the increase in employee contributions for
3 service annuities specified in subsection (b) of Section
4 12-150.

5 The election provided for in this subsection shall be made
6 between January 1, 2022 and April 1, 2022. A person subject to
7 this subsection who makes the required election shall remain
8 bound by that election. A person subject to this subsection
9 who fails for any reason to make the required election within
10 the time specified in this subsection shall be deemed to have
11 made the election under item (ii).

12 (e) Any retirement annuity or supplemental annuity shall
13 be subject to annual increases on the January 1 occurring
14 either on or after the attainment of age 67 (age 65, with
15 respect to service under Article 12 that is subject to this
16 Section, for a member or participant under Article 12 who
17 first becomes a member or participant under Article 12 on or
18 after January 1, 2022 or who makes the election under item (i)
19 of subsection (d-15); and beginning on July 6, 2017 (the
20 effective date of Public Act 100-23), age 65 with respect to
21 service under Article 8 or Article 11 for eligible persons
22 who: (i) are subject to subsection (c-5) of this Section; or
23 (ii) made the election under item (i) of subsection (d-10) of
24 this Section) or the first anniversary of the annuity start
25 date, whichever is later. Each annual increase shall be
26 calculated at 3% or one-half the annual unadjusted percentage

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

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

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

18 (f) The initial survivor's or widow's annuity of an
19 otherwise eligible survivor or widow of a retired member or
20 participant who first became a member or participant on or
21 after January 1, 2011 shall be in the amount of 66 2/3% of the
22 retired member's or participant's retirement annuity at the
23 date of death. In the case of the death of a member or
24 participant who has not retired and who first became a member
25 or participant on or after January 1, 2011, eligibility for a
26 survivor's or widow's annuity shall be determined by the

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

19 (g) The benefits in Section 14-110 apply if the person is a
20 fire fighter in the fire protection service of a department, a
21 security employee of the Department of Corrections or the
22 Department of Juvenile Justice, or a security employee of the
23 Department of Innovation and Technology, as those terms are
24 defined in subsection (b) and subsection (c) of Section
25 14-110. A person who meets the requirements of this Section is
26 entitled to an annuity calculated under the provisions of

1 Section 14-110, in lieu of the regular or minimum retirement
2 annuity, only if the person has withdrawn from service with
3 not less than 20 years of eligible creditable service and has
4 attained age 60, regardless of whether the attainment of age
5 60 occurs while the person is still in service.

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

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

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

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

1 (i) (Blank).

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

5 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
6 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
7 5-6-22; 103-529, eff. 8-11-23.)

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

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

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

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

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

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

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

1 under Section 1-161.

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

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

22 (1) (Blank).

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

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

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

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

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

6 A member of the Teachers' Retirement System of the State
7 of Illinois who retires on or after June 1, 2021 and for whom
8 the 2020-2021 school year is used in the calculation of the
9 member's final average salary shall use the higher of the
10 following for the purpose of determining the member's final
11 average salary:

12 (A) the amount otherwise calculated under the first
13 paragraph of this subsection; or

14 (B) an amount calculated by the Teachers' Retirement
15 System of the State of Illinois using the average of the
16 monthly (or annual) salary obtained by dividing the total
17 salary or earnings calculated under Article 16 applicable
18 to the member or participant during the 96 months (or 8
19 years) of service within the last 120 months (or 10 years)
20 of service in which the total salary or earnings
21 calculated under the Article was the highest by the number
22 of months (or years) of service in that period.

23 (b-5) Beginning on January 1, 2011, for all purposes under
24 this Code (including without limitation the calculation of
25 benefits and employee contributions), the annual earnings,
26 salary, or wages (based on the plan year) of a member or

1 participant to whom this Section applies shall not exceed
2 \$106,800; however, that amount shall annually thereafter be
3 increased by the lesser of (i) 3% of that amount, including all
4 previous adjustments, or (ii) one-half the annual unadjusted
5 percentage increase (but not less than zero) in the consumer
6 price index-u for the 12 months ending with the September
7 preceding each November 1, including all previous adjustments.

8 For the purposes of this Section, "consumer price index-u"
9 means the index published by the Bureau of Labor Statistics of
10 the United States Department of Labor that measures the
11 average change in prices of goods and services purchased by
12 all urban consumers, United States city average, all items,
13 1982-84 = 100. The new amount resulting from each annual
14 adjustment shall be determined by the Public Pension Division
15 of the Department of Insurance and made available to the
16 boards of the retirement systems and pension funds by November
17 1 of each year.

18 (b-10) Beginning on January 1, 2024, for all purposes
19 under this Code (including, without limitation, the
20 calculation of benefits and employee contributions), the
21 annual earnings, salary, or wages (based on the plan year) of a
22 member or participant under Article 9 to whom this Section
23 applies shall include an annual earnings, salary, or wage cap
24 that tracks the Social Security wage base. Maximum annual
25 earnings, wages, or salary shall be the annual contribution
26 and benefit base established for the applicable year by the

1 Commissioner of the Social Security Administration under the
2 federal Social Security Act.

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

13 Nothing in this subsection (b-10) shall cause or otherwise
14 result in any retroactive adjustment of any employee
15 contributions. Nothing in this subsection (b-10) shall cause
16 or otherwise result in any retroactive adjustment of
17 disability or other payments made between January 1, 2011 and
18 January 1, 2024.

19 (c) A member or participant is entitled to a retirement
20 annuity upon written application if he or she has attained age
21 67 (age 65, with respect to service under Article 12 that is
22 subject to this Section, for a member or participant under
23 Article 12 who first becomes a member or participant under
24 Article 12 on or after January 1, 2022 or who makes the
25 election under item (i) of subsection (d-15) of this Section)
26 and has at least 10 years of service credit and is otherwise

1 eligible under the requirements of the applicable Article.

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

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

21 (d) The retirement annuity of a member or participant who
22 is retiring after attaining age 62 (age 60, with respect to
23 service under Article 12 that is subject to this Section, for a
24 member or participant under Article 12 who first becomes a
25 member or participant under Article 12 on or after January 1,
26 2022 or who makes the election under item (i) of subsection

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

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

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

19 (i) to be eligible for the reduced retirement age
20 provided in subsections (c-5) and (d-5) of this Section,
21 the eligibility for which is conditioned upon the member
22 or participant agreeing to the increases in employee
23 contributions for age and service annuities provided in
24 subsection (a-5) of Section 8-174 of this Code (for
25 service under Article 8) or subsection (a-5) of Section
26 11-170 of this Code (for service under Article 11); or

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

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

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

20 (i) to be eligible for the reduced retirement age
21 specified in subsections (c) and (d) of this Section, the
22 eligibility for which is conditioned upon the member or
23 participant agreeing to the increase in employee
24 contributions for service annuities specified in
25 subsection (b) of Section 12-150; or

26 (ii) to not agree to item (i) of this subsection

1 (d-15), in which case the member or participant shall not
2 be eligible for the reduced retirement age specified in
3 subsections (c) and (d) of this Section and shall not be
4 subject to the increase in employee contributions for
5 service annuities specified in subsection (b) of Section
6 12-150.

7 The election provided for in this subsection shall be made
8 between January 1, 2022 and April 1, 2022. A person subject to
9 this subsection who makes the required election shall remain
10 bound by that election. A person subject to this subsection
11 who fails for any reason to make the required election within
12 the time specified in this subsection shall be deemed to have
13 made the election under item (ii).

14 (e) Any retirement annuity or supplemental annuity shall
15 be subject to annual increases on the January 1 occurring
16 either on or after the attainment of age 67 (age 65, with
17 respect to service under Article 12 that is subject to this
18 Section, for a member or participant under Article 12 who
19 first becomes a member or participant under Article 12 on or
20 after January 1, 2022 or who makes the election under item (i)
21 of subsection (d-15); and beginning on July 6, 2017 (the
22 effective date of Public Act 100-23), age 65 with respect to
23 service under Article 8 or Article 11 for eligible persons
24 who: (i) are subject to subsection (c-5) of this Section; or
25 (ii) made the election under item (i) of subsection (d-10) of
26 this Section) or the first anniversary of the annuity start

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

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

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

20 (f) The initial survivor's or widow's annuity of an
21 otherwise eligible survivor or widow of a retired member or
22 participant who first became a member or participant on or
23 after January 1, 2011 shall be in the amount of 66 2/3% of the
24 retired member's or participant's retirement annuity at the
25 date of death. In the case of the death of a member or
26 participant who has not retired and who first became a member

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

21 (g) The benefits in Section 14-110 apply only if the
22 person is a State policeman, a fire fighter in the fire
23 protection service of a department, a conservation police
24 officer, an investigator for the Secretary of State, an arson
25 investigator, a Commerce Commission police officer,
26 investigator for the Department of Revenue or the Illinois

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

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

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

20 (i) (Blank).

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

24 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
26 5-13-22; 103-529, eff. 8-11-23.)

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

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

3 (a) The provisions of this Section apply to a person who,
4 on or after January 1, 2011, first becomes a member or a
5 participant under any reciprocal retirement system, regardless
6 of when that reciprocal retirement system became a reciprocal
7 retirement system, or pension fund established under this
8 Code, other than a retirement system or pension fund
9 established under Article 2, 3, 4, 5, 6, 7, 15, or 18 of this
10 Code, notwithstanding any other provision of this Code to the
11 contrary, but do not apply to any self-managed plan
12 established under this Code or to any participant of the
13 retirement plan established under Section 22-101; except that
14 this Section applies to a person who elected to establish
15 alternative credits by electing in writing after January 1,
16 2011, but before August 8, 2011, under Section 7-145.1 of this
17 Code. Notwithstanding anything to the contrary in this
18 Section, for purposes of this Section, a person who is a Tier 1
19 regular employee as defined in Section 7-109.4 of this Code or
20 who participated in a retirement system under Article 15 prior
21 to January 1, 2011 shall be deemed a person who first became a
22 member or participant prior to January 1, 2011 under any
23 retirement system or pension fund subject to this Section. The
24 changes made to this Section by Public Act 98-596 are a
25 clarification of existing law and are intended to be

1 retroactive to January 1, 2011 (the effective date of Public
2 Act 96-889), notwithstanding the provisions of Section 1-103.1
3 of this Code.

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

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

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

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

1 which he or she is a member or participant.

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

15 (1) (Blank).

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average
17 annual salary for any 4 consecutive years within the last
18 10 years of service immediately preceding the date of
19 withdrawal".

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

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

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

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

25 A member of the Teachers' Retirement System of the State
26 of Illinois who retires on or after June 1, 2021 and for whom

1 the 2020-2021 school year is used in the calculation of the
2 member's final average salary shall use the higher of the
3 following for the purpose of determining the member's final
4 average salary:

5 (A) the amount otherwise calculated under the first
6 paragraph of this subsection; or

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

16 (b-5) Beginning on January 1, 2011, for all purposes under
17 this Code (including without limitation the calculation of
18 benefits and employee contributions), the annual earnings,
19 salary, or wages (based on the plan year) of a member or
20 participant to whom this Section applies shall not exceed
21 \$106,800; however, that amount shall annually thereafter be
22 increased by the lesser of (i) 3% of that amount, including all
23 previous adjustments, or (ii) one-half the annual unadjusted
24 percentage increase (but not less than zero) in the consumer
25 price index-u for the 12 months ending with the September
26 preceding each November 1, including all previous adjustments.

1 For the purposes of this Section, "consumer price index-u"
2 means the index published by the Bureau of Labor Statistics of
3 the United States Department of Labor that measures the
4 average change in prices of goods and services purchased by
5 all urban consumers, United States city average, all items,
6 1982-84 = 100. The new amount resulting from each annual
7 adjustment shall be determined by the Public Pension Division
8 of the Department of Insurance and made available to the
9 boards of the retirement systems and pension funds by November
10 1 of each year.

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

22 However, in no event shall the annual earnings, salary, or
23 wages for the purposes of this Article and Article 9 exceed any
24 limitation imposed on annual earnings, salary, or wages under
25 Section 1-117. Under no circumstances shall the maximum amount
26 of annual earnings, salary, or wages be greater than the

1 amount set forth in this subsection (b-10) as a result of
2 reciprocal service or any provisions regarding reciprocal
3 services, nor shall the Fund under Article 9 be required to pay
4 any refund as a result of the application of this maximum
5 annual earnings, salary, and wage cap.

6 Nothing in this subsection (b-10) shall cause or otherwise
7 result in any retroactive adjustment of any employee
8 contributions. Nothing in this subsection (b-10) shall cause
9 or otherwise result in any retroactive adjustment of
10 disability or other payments made between January 1, 2011 and
11 January 1, 2024.

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

21 A member or participant who has attained age 62 (age 60,
22 with respect to service under Article 12 that is subject to
23 this Section, for a member or participant under Article 12 who
24 first becomes a member or participant under Article 12 on or
25 after January 1, 2022 or who makes the election under item (i)
26 of subsection (d-15) of this Section) and has at least 10 years

1 of service credit and is otherwise eligible under the
2 requirements of the applicable Article may elect to receive
3 the lower retirement annuity provided in subsection (d) of
4 this Section.

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

14 (d) The retirement annuity of a member or participant who
15 is retiring after attaining age 62 (age 60, with respect to
16 service under Article 12 that is subject to this Section, for a
17 member or participant under Article 12 who first becomes a
18 member or participant under Article 12 on or after January 1,
19 2022 or who makes the election under item (i) of subsection
20 (d-15) of this Section) with at least 10 years of service
21 credit shall be reduced by one-half of 1% for each full month
22 that the member's age is under age 67 (age 65, with respect to
23 service under Article 12 that is subject to this Section, for a
24 member or participant under Article 12 who first becomes a
25 member or participant under Article 12 on or after January 1,
26 2022 or who makes the election under item (i) of subsection

1 (d-15) of this Section).

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

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

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

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

1 this Code (for service under Article 11).

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

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

13 (i) to be eligible for the reduced retirement age
14 specified in subsections (c) and (d) of this Section, the
15 eligibility for which is conditioned upon the member or
16 participant agreeing to the increase in employee
17 contributions for service annuities specified in
18 subsection (b) of Section 12-150; or

19 (ii) to not agree to item (i) of this subsection
20 (d-15), in which case the member or participant shall not
21 be eligible for the reduced retirement age specified in
22 subsections (c) and (d) of this Section and shall not be
23 subject to the increase in employee contributions for
24 service annuities specified in subsection (b) of Section
25 12-150.

26 The election provided for in this subsection shall be made

1 between January 1, 2022 and April 1, 2022. A person subject to
2 this subsection who makes the required election shall remain
3 bound by that election. A person subject to this subsection
4 who fails for any reason to make the required election within
5 the time specified in this subsection shall be deemed to have
6 made the election under item (ii).

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

1 September preceding each November 1 is zero or there is a
2 decrease, then the annuity shall not be increased.

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

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

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

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

14 (g) The benefits in Section 14-110 apply only if the
15 person is a State policeman, a fire fighter in the fire
16 protection service of a department, a conservation police
17 officer, an investigator for the Secretary of State, an
18 investigator for the Office of the Attorney General, an arson
19 investigator, a Commerce Commission police officer,
20 investigator for the Department of Revenue or the Illinois
21 Gaming Board, a security employee of the Department of
22 Corrections or the Department of Juvenile Justice, or a
23 security employee of the Department of Innovation and
24 Technology, as those terms are defined in subsection (b) and
25 subsection (c) of Section 14-110. A person who meets the
26 requirements of this Section is entitled to an annuity

1 calculated under the provisions of Section 14-110, in lieu of
2 the regular or minimum retirement annuity, only if the person
3 has withdrawn from service with not less than 20 years of
4 eligible creditable service and has attained age 60,
5 regardless of whether the attainment of age 60 occurs while
6 the person is still in service.

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

21 If a person who first becomes a member of a retirement
22 system or pension fund subject to this Section on or after
23 January 1, 2012 and is receiving a retirement annuity or
24 retirement pension under that system or fund and accepts on a
25 contractual basis a position to provide services to a
26 governmental entity from which he or she has retired, then

1 that person's annuity or retirement pension earned as an
2 active employee of the employer shall be suspended during that
3 contractual service. A person receiving an annuity or
4 retirement pension under this Code shall notify the pension
5 fund or retirement system from which he or she is receiving an
6 annuity or retirement pension, as well as his or her
7 contractual employer, of his or her retirement status before
8 accepting contractual employment. A person who fails to submit
9 such notification shall be guilty of a Class A misdemeanor and
10 required to pay a fine of \$1,000. Upon termination of that
11 contractual employment, the person's retirement annuity or
12 retirement pension payments shall resume and, if appropriate,
13 be recalculated under the applicable provisions of this Code.

14 (i) (Blank).

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

18 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
19 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
20 8-11-23.)

21 Article 4.

22 Section 4-5. The Illinois Administrative Procedure Act is
23 amended by adding Section 5-45.65 as follows:

1 (5 ILCS 100/5-45.65 new)

2 Sec. 5-45.65. Emergency rulemaking; accelerated pension
3 benefit payments. To provide for the expeditious and timely
4 implementation of accelerated pension benefit payments under
5 Articles 2 and 18 of the Illinois Pension Code, emergency
6 rules implementing the accelerated pension benefit payments
7 under Article 2 may be adopted in accordance with Section 5-45
8 by the Board of Trustees established under Article 2 of the
9 Illinois Pension Code and emergency rules implementing the
10 accelerated pension benefit payments under Article 18 may be
11 adopted in accordance with Section 5-45 by the Board of
12 Trustees established under Article 18 of the Illinois Pension
13 Code. The adoption of emergency rules authorized by Section
14 5-45 and this Section is deemed to be necessary for the public
15 interest, safety, and welfare.

16 This Section is repealed one year after the effective date
17 of this amendatory Act of the 104th General Assembly.

18 Section 4-15. The Illinois Pension Code is amended by
19 adding Sections 2-154.5, 2-154.6, 17-156.10, 17-156.11,
20 18-161.5, and 18-161.6 as follows:

21 (40 ILCS 5/2-154.5 new)

22 Sec. 2-154.5. Accelerated pension benefit payment in lieu
23 of any pension benefit.

24 (a) As used in this Section:

1 "Eligible person" means a person who:

2 (1) has terminated service;

3 (2) has accrued sufficient service credit to be
4 eligible to receive a retirement annuity under this
5 Article;

6 (3) has not received any retirement annuity under this
7 Article; and

8 (4) has not made the election under Section 2-154.6.

9 "Pension benefit" means the benefits under this Article,
10 including any anticipated annual increases, that an eligible
11 person is entitled to upon attainment of the applicable
12 retirement age. "Pension benefit" also includes applicable
13 survivor's or disability benefits.

14 (b) As soon as practical after the effective date of this
15 amendatory Act of the 104th General Assembly, the System shall
16 calculate, using actuarial tables and other assumptions
17 adopted by the Board, the present value of pension benefits
18 for each eligible person who requests that information and
19 shall offer each eligible person the opportunity to
20 irrevocably elect to receive an amount determined by the
21 System to be equal to 60% of the present value of his or her
22 pension benefits in lieu of receiving any pension benefit. The
23 offer shall specify the dollar amount that the eligible person
24 will receive if he or she so elects and shall expire when a
25 subsequent offer is made to an eligible person. An eligible
26 person is limited to one calculation and offer per calendar

1 year. The System shall make a good faith effort to contact
2 every eligible person to notify him or her of the election.
3 Until January 1, 2031, an eligible person may irrevocably
4 elect to receive an accelerated pension benefit payment in the
5 amount that the System offers under this subsection in lieu of
6 receiving any pension benefit. A person who elects to receive
7 an accelerated pension benefit payment under this Section may
8 not elect to proceed under the Retirement Systems Reciprocal
9 Act with respect to service under this Article.

10 (c) A person's creditable service under this Article shall
11 be terminated upon the person's receipt of an accelerated
12 pension benefit payment under this Section, and no other
13 benefit shall be paid under this Article based on the
14 terminated creditable service, including any retirement,
15 survivor, or other benefit; except that to the extent that
16 participation, benefits, or premiums under the State Employees
17 Group Insurance Act of 1971 are based on the amount of service
18 credit, the terminated service credit shall be used for that
19 purpose.

20 (d) If a person who has received an accelerated pension
21 benefit payment under this Section returns to active service
22 under this Article, then:

23 (1) Any benefits under the System earned as a result
24 of that return to active service shall be based solely on
25 the person's creditable service arising from the return to
26 active service.

1 (2) The accelerated pension benefit payment may not be
2 repaid to the System, and the terminated creditable
3 service may not under any circumstances be reinstated.

4 (e) As a condition of receiving an accelerated pension
5 benefit payment, the accelerated pension benefit payment must
6 be transferred into a tax qualified retirement plan or
7 account. The accelerated pension benefit payment under this
8 Section may be subject to withholding or payment of applicable
9 taxes, but to the extent permitted by federal law, a person who
10 receives an accelerated pension benefit payment under this
11 Section must direct the System to pay all of that payment as a
12 rollover into another retirement plan or account qualified
13 under the Internal Revenue Code of 1986, as amended.

14 (f) Upon receipt of a member's irrevocable election to
15 receive an accelerated pension benefit payment under this
16 Section, the System shall submit a voucher to the Comptroller
17 for payment of the member's accelerated pension benefit
18 payment. The Comptroller shall transfer the amount of the
19 voucher from the General Revenue Fund to the System, and the
20 System shall transfer the amount into the member's eligible
21 retirement plan or qualified account.

22 (g) The Board shall adopt any rules, including emergency
23 rules, necessary to implement this Section.

24 (h) No provision of this Section shall be interpreted in a
25 way that would cause the applicable System to cease to be a
26 qualified plan under the Internal Revenue Code of 1986.

1 (40 ILCS 5/2-154.6 new)

2 Sec. 2-154.6. Accelerated pension benefit payment for a
3 reduction in annual retirement annuity and survivor's annuity
4 increases.

5 (a) As used in this Section:

6 "Accelerated pension benefit payment" means a lump sum
7 payment equal to 70% of the difference of the present value of
8 the automatic annual increases to a Tier 1 participant's
9 retirement annuity and survivor's annuity using the formula
10 applicable to the Tier 1 participant and the present value of
11 the automatic annual increases to the Tier 1 participant's
12 retirement annuity using the formula provided under subsection
13 (b-5) and survivor's annuity using the formula provided under
14 subsection (b-6).

15 "Eligible person" means a person who:

16 (1) is a Tier 1 participant;

17 (2) has submitted an application for a retirement
18 annuity under this Article;

19 (3) meets the age and service requirements for
20 receiving a retirement annuity under this Article;

21 (4) has not received any retirement annuity under this
22 Article; and

23 (5) has not made the election under Section 2-154.5.

24 (b) As soon as practical after the effective date of this
25 amendatory Act of the 104th General Assembly and until January

1 1, 2031, the System shall implement an accelerated pension
2 benefit payment option for eligible persons. Upon the request
3 of an eligible person, the System shall calculate, using
4 actuarial tables and other assumptions adopted by the Board,
5 an accelerated pension benefit payment amount and shall offer
6 that eligible person the opportunity to irrevocably elect to
7 have his or her automatic annual increases in retirement
8 annuity calculated in accordance with the formula provided
9 under subsection (b-5) and any increases in survivor's annuity
10 payable to his or her survivor's annuity beneficiary
11 calculated in accordance with the formula provided under
12 subsection (b-6) in exchange for the accelerated pension
13 benefit payment. The election under this subsection must be
14 made before the eligible person receives the first payment of
15 a retirement annuity otherwise payable under this Article.

16 (b-5) Notwithstanding any other provision of law, the
17 retirement annuity of a person who made the election under
18 subsection (b) shall be subject to annual increases on the
19 January 1 occurring either on or after the attainment of age 67
20 or the first anniversary of the annuity start date, whichever
21 is later. Each annual increase shall be calculated at 1.5% of
22 the originally granted retirement annuity.

23 (b-6) Notwithstanding any other provision of law, a
24 survivor's annuity payable to a survivor's annuity beneficiary
25 of a person who made the election under subsection (b) shall be
26 subject to annual increases on the January 1 occurring on or

1 after the first anniversary of the commencement of the
2 annuity. Each annual increase shall be calculated at 1.5% of
3 the originally granted survivor's annuity.

4 (c) If a person who has received an accelerated pension
5 benefit payment returns to active service under this Article,
6 then:

7 (1) the calculation of any future automatic annual
8 increase in retirement annuity shall be calculated in
9 accordance with the formula provided under subsection
10 (b-5); and

11 (2) the accelerated pension benefit payment may not be
12 repaid to the System.

13 (d) As a condition of receiving an accelerated pension
14 benefit payment, the accelerated pension benefit payment must
15 be transferred into a tax qualified retirement plan or
16 account. The accelerated pension benefit payment under this
17 Section may be subject to withholding or payment of applicable
18 taxes, but to the extent permitted by federal law, a person who
19 receives an accelerated pension benefit payment under this
20 Section must direct the System to pay all of that payment as a
21 rollover into another retirement plan or account qualified
22 under the Internal Revenue Code of 1986, as amended.

23 (d-5) Upon receipt of a participant's irrevocable election
24 to receive an accelerated pension benefit payment under this
25 Section, the System shall submit a voucher to the Comptroller
26 for payment of the participant's accelerated pension benefit

1 payment. The Comptroller shall transfer the amount of the
2 voucher from the General Revenue Fund to the System, and the
3 System shall transfer the amount into the member's eligible
4 retirement plan or qualified account.

5 (e) The Board shall adopt any rules, including emergency
6 rules, necessary to implement this Section.

7 (f) No provision of this Section shall be interpreted in a
8 way that would cause the applicable System to cease to be a
9 qualified plan under the Internal Revenue Code of 1986.

10 (40 ILCS 5/17-156.10 new)

11 Sec. 17-156.10. Accelerated pension benefit payment in
12 lieu of any pension benefit.

13 (a) As used in this Section:

14 "Eligible person" means a person who:

15 (1) has terminated service;

16 (2) has accrued sufficient service credit to be
17 eligible to receive a service retirement pension under
18 this Article;

19 (3) has not received any service retirement pension
20 under this Article; and

21 (4) has not made the election under Section 17-156.11.

22 "Pension benefit" means the benefits under this Article,
23 including any anticipated annual increases, that an eligible
24 person is entitled to upon attainment of the applicable
25 retirement age. "Pension benefit" also includes applicable

1 survivor's pensions, duty disability pensions, and disability
2 retirement pensions.

3 (b) As soon as practical after the effective date of this
4 amendatory Act of the 104th General Assembly, the Fund shall
5 calculate, using actuarial tables and other assumptions
6 adopted by the Board, the present value of pension benefits
7 for each eligible person who requests that information and
8 shall offer each eligible person the opportunity to
9 irrevocably elect to receive an amount determined by the Fund
10 to be equal to 60% of the present value of his or her pension
11 benefits in lieu of receiving any pension benefit. The offer
12 shall specify the dollar amount that the eligible person will
13 receive if he or she so elects and shall expire when a
14 subsequent offer is made to an eligible person. An eligible
15 person is limited to one calculation and offer per calendar
16 year. The Fund shall make a good faith effort to contact every
17 eligible person to notify him or her of the election. Until
18 January 1, 2031, an eligible person may irrevocably elect to
19 receive an accelerated pension benefit payment in the amount
20 that the Fund offers under this subsection in lieu of
21 receiving any pension benefit. A person who elects to receive
22 an accelerated pension benefit payment under this Section may
23 not elect to proceed under the Retirement Systems Reciprocal
24 Act with respect to service under this Article.

25 (c) A person's creditable service under this Article shall
26 be terminated upon the person's receipt of an accelerated

1 pension benefit payment under this Section, and no other
2 benefit shall be paid under this Article based on the
3 terminated creditable service, including any retirement,
4 survivor, or other pension benefit; except that to the extent
5 that participation, benefits, or premiums under the State
6 Employees Group Insurance Act of 1971 are based on the amount
7 of service credit, the terminated service credit shall be used
8 for that purpose.

9 (d) If a person who has received an accelerated pension
10 benefit payment under this Section returns to active service
11 under this Article, then:

12 (1) Any benefits under the Fund earned as a result of
13 that return to active service shall be based solely on the
14 person's creditable service arising from the return to
15 active service.

16 (2) The accelerated pension benefit payment may not be
17 repaid to the Fund, and the terminated creditable service
18 may not under any circumstances be reinstated.

19 (e) As a condition of receiving an accelerated pension
20 benefit payment, the accelerated pension benefit payment must
21 be transferred into a tax qualified retirement plan or
22 account. The accelerated pension benefit payment under this
23 Section may be subject to withholding or payment of applicable
24 taxes, but to the extent permitted by federal law, a person who
25 receives an accelerated pension benefit payment under this
26 Section must direct the Fund to pay all of that payment as a

1 rollover into another retirement plan or account qualified
2 under the Internal Revenue Code of 1986, as amended.

3 (f) Upon receipt of a member's irrevocable election to
4 receive an accelerated pension benefit payment under this
5 Section, the Fund shall submit a voucher to the Comptroller
6 for payment of the member's accelerated pension benefit
7 payment. The Comptroller shall transfer the amount of the
8 voucher from the General Revenue Fund to the Fund, and the Fund
9 shall transfer the amount into the member's eligible
10 retirement plan or qualified account.

11 (g) The Board shall adopt any rules necessary to implement
12 this Section.

13 (h) No provision of this Section shall be interpreted in a
14 way that would cause the Fund to cease to be a qualified plan
15 under the Internal Revenue Code of 1986.

16 (40 ILCS 5/17-156.11 new)

17 Sec. 17-156.11. Accelerated pension benefit payment for a
18 reduction in annual service retirement pension and survivor's
19 pension increases.

20 (a) As used in this Section:

21 "Accelerated pension benefit payment" means a lump sum
22 payment equal to 70% of the difference of the present value of
23 the automatic annual increases to a Tier 1 member's service
24 retirement pension and survivor's pension using the formula
25 applicable to the Tier 1 member and the present value of the

1 automatic annual increases to the Tier 1 member's service
2 retirement pension using the formula provided under subsection
3 (b-5) and survivor's pension using the formula provided under
4 subsection (b-6).

5 "Eligible person" means a person who:

6 (1) is a Tier 1 member;

7 (2) has submitted an application for a service
8 retirement pension under this Article;

9 (3) meets the age and service requirements for
10 receiving a service retirement pension under this Article;

11 (4) has not received any service retirement pension
12 under this Article; and

13 (5) has not made the election under Section 17-156.10.

14 "Tier 1 member" means a person who first became a member
15 before January 1, 2011.

16 (b) As soon as practical after the effective date of this
17 amendatory Act of the 104th General Assembly and until January
18 1, 2031, the Fund shall implement an accelerated pension
19 benefit payment option for eligible persons. Upon the request
20 of an eligible person, the Fund shall calculate, using
21 actuarial tables and other assumptions adopted by the Board,
22 an accelerated pension benefit payment amount and shall offer
23 that eligible person the opportunity to irrevocably elect to
24 have his or her automatic annual increases in service
25 retirement pension calculated in accordance with the formula
26 provided under subsection (b-5) and any increases in

1 survivor's pension payable to his or her survivor's pension
2 beneficiary calculated in accordance with the formula provided
3 under subsection (b-6) in exchange for the accelerated pension
4 benefit payment. The election under this subsection must be
5 made before the eligible person receives the first payment of
6 a service retirement pension otherwise payable under this
7 Article.

8 (b-5) Notwithstanding any other provision of law, the
9 service retirement pension of a person who made the election
10 under subsection (b) shall be subject to annual increases on
11 the January 1 occurring either on or after the attainment of
12 age 67 or the first anniversary of the pension start date,
13 whichever is later. Each annual increase shall be calculated
14 at 1.5% of the originally granted service retirement pension.

15 (b-6) Notwithstanding any other provision of law, a
16 survivor's pension payable to a survivor's pension beneficiary
17 of a person who made the election under subsection (b) shall be
18 subject to annual increases on the January 1 occurring on or
19 after the first anniversary of the commencement of the
20 pension. Each annual increase shall be calculated at 1.5% of
21 the originally granted survivor's pension.

22 (c) If a person who has received an accelerated pension
23 benefit payment returns to active service under this Article,
24 then:

25 (1) the calculation of any future automatic annual
26 increase in service retirement pension shall be calculated

1 in accordance with the formula provided under subsection
2 (b-5); and

3 (2) the accelerated pension benefit payment may not be
4 repaid to the Fund.

5 (d) As a condition of receiving an accelerated pension
6 benefit payment, the accelerated pension benefit payment must
7 be transferred into a tax qualified retirement plan or
8 account. The accelerated pension benefit payment under this
9 Section may be subject to withholding or payment of applicable
10 taxes, but to the extent permitted by federal law, a person who
11 receives an accelerated pension benefit payment under this
12 Section must direct the Fund to pay all of that payment as a
13 rollover into another retirement plan or account qualified
14 under the Internal Revenue Code of 1986, as amended.

15 (d-5) Upon receipt of a member's irrevocable election to
16 receive an accelerated pension benefit payment under this
17 Section, the Fund shall submit a voucher to the Comptroller
18 for payment of the member's accelerated pension benefit
19 payment. The Comptroller shall transfer the amount of the
20 voucher from the General Revenue Fund to the Fund, and the Fund
21 shall transfer the amount into the member's eligible
22 retirement plan or qualified account.

23 (e) The Board shall adopt any rules, including emergency
24 rules, necessary to implement this Section.

25 (f) No provision of this Section shall be interpreted in a
26 way that would cause the Fund to cease to be a qualified plan

1 under the Internal Revenue Code of 1986.

2 (40 ILCS 5/18-161.5 new)

3 Sec. 18-161.5. Accelerated pension benefit payment in lieu
4 of any pension benefit.

5 (a) As used in this Section:

6 "Eligible person" means a person who:

7 (1) has terminated service;

8 (2) has accrued sufficient service credit to be
9 eligible to receive a retirement annuity under this
10 Article;

11 (3) has not received any retirement annuity under this
12 Article; and

13 (4) has not made the election under Section 18-161.6.

14 "Pension benefit" means the benefits under this Article,
15 including any anticipated annual increases, that an eligible
16 person is entitled to upon attainment of the applicable
17 retirement age. "Pension benefit" also includes applicable
18 survivor's or disability benefits.

19 (b) As soon as practical after the effective date of this
20 amendatory Act of the 104th General Assembly, the System shall
21 calculate, using actuarial tables and other assumptions
22 adopted by the Board, the present value of pension benefits
23 for each eligible person who requests that information and
24 shall offer each eligible person the opportunity to
25 irrevocably elect to receive an amount determined by the

1 System to be equal to 60% of the present value of his or her
2 pension benefits in lieu of receiving any pension benefit. The
3 offer shall specify the dollar amount that the eligible person
4 will receive if he or she so elects and shall expire when a
5 subsequent offer is made to an eligible person. An eligible
6 person is limited to one calculation and offer per calendar
7 year. The System shall make a good faith effort to contact
8 every eligible person to notify him or her of the election.
9 Until January 1, 2031, an eligible person may irrevocably
10 elect to receive an accelerated pension benefit payment in the
11 amount that the System offers under this subsection in lieu of
12 receiving any pension benefit. A person who elects to receive
13 an accelerated pension benefit payment under this Section may
14 not elect to proceed under the Retirement Systems Reciprocal
15 Act with respect to service under this Article.

16 (c) A person's creditable service under this Article shall
17 be terminated upon the person's receipt of an accelerated
18 pension benefit payment under this Section, and no other
19 benefit shall be paid under this Article based on the
20 terminated creditable service, including any retirement,
21 survivor, or other benefit; except that to the extent that
22 participation, benefits, or premiums under the State Employees
23 Group Insurance Act of 1971 are based on the amount of service
24 credit, the terminated service credit shall be used for that
25 purpose.

26 (d) If a person who has received an accelerated pension

1 benefit payment under this Section returns to active service
2 under this Article, then:

3 (1) Any benefits under the System earned as a result
4 of that return to active service shall be based solely on
5 the person's creditable service arising from the return to
6 active service.

7 (2) The accelerated pension benefit payment may not be
8 repaid to the System, and the terminated creditable
9 service may not under any circumstances be reinstated.

10 (e) As a condition of receiving an accelerated pension
11 benefit payment, the accelerated pension benefit payment must
12 be transferred into a tax qualified retirement plan or
13 account. The accelerated pension benefit payment under this
14 Section may be subject to withholding or payment of applicable
15 taxes, but to the extent permitted by federal law, a person who
16 receives an accelerated pension benefit payment under this
17 Section must direct the System to pay all of that payment as a
18 rollover into another retirement plan or account qualified
19 under the Internal Revenue Code of 1986, as amended.

20 (f) Upon receipt of a member's irrevocable election to
21 receive an accelerated pension benefit payment under this
22 Section, the System shall submit a voucher to the Comptroller
23 for payment of the member's accelerated pension benefit
24 payment. The Comptroller shall transfer the amount of the
25 voucher from the General Revenue Fund to the System, and the
26 System shall transfer the amount into the member's eligible

1 retirement plan or qualified account.

2 (g) The Board shall adopt any rules, including emergency
3 rules, necessary to implement this Section.

4 (h) No provision of this Section shall be interpreted in a
5 way that would cause the applicable System to cease to be a
6 qualified plan under the Internal Revenue Code of 1986.

7 (40 ILCS 5/18-161.6 new)

8 Sec. 18-161.6. Accelerated pension benefit payment for a
9 reduction in annual retirement annuity and survivor's annuity
10 increases.

11 (a) As used in this Section:

12 "Accelerated pension benefit payment" means a lump sum
13 payment equal to 70% of the difference of the present value of
14 the automatic annual increases to a Tier 1 participant's
15 retirement annuity and survivor's annuity using the formula
16 applicable to the Tier 1 participant and the present value of
17 the automatic annual increases to the Tier 1 participant's
18 retirement annuity using the formula provided under subsection
19 (b-5) and survivor's annuity using the formula provided under
20 subsection (b-6).

21 "Eligible person" means a person who:

22 (1) is a Tier 1 participant;

23 (2) has submitted an application for a retirement
24 annuity under this Article;

25 (3) meets the age and service requirements for

1 receiving a retirement annuity under this Article;

2 (4) has not received any retirement annuity under this
3 Article; and

4 (5) has not made the election under Section 18-161.5.

5 "Tier 1 participant" means a person who first became a
6 participant before January 1, 2011.

7 (b) As soon as practical after the effective date of this
8 amendatory Act of the 104th General Assembly and until January
9 1, 2031, the System shall implement an accelerated pension
10 benefit payment option for eligible persons. Upon the request
11 of an eligible person, the System shall calculate, using
12 actuarial tables and other assumptions adopted by the Board,
13 an accelerated pension benefit payment amount and shall offer
14 that eligible person the opportunity to irrevocably elect to
15 have his or her automatic annual increases in retirement
16 annuity calculated in accordance with the formula provided
17 under subsection (b-5) and any increases in survivor's annuity
18 payable to his or her survivor's annuity beneficiary
19 calculated in accordance with the formula provided under
20 subsection (b-6) in exchange for the accelerated pension
21 benefit payment. The election under this subsection must be
22 made before the eligible person receives the first payment of
23 a retirement annuity otherwise payable under this Article.

24 (b-5) Notwithstanding any other provision of law, the
25 retirement annuity of a person who made the election under
26 subsection (b) shall be subject to annual increases on the

1 January 1 occurring either on or after the attainment of age 67
2 or the first anniversary of the annuity start date, whichever
3 is later. Each annual increase shall be calculated at 1.5% of
4 the originally granted retirement annuity.

5 (b-6) Notwithstanding any other provision of law, a
6 survivor's annuity payable to a survivor's annuity beneficiary
7 of a person who made the election under subsection (b) shall be
8 subject to annual increases on the January 1 occurring on or
9 after the first anniversary of the commencement of the
10 annuity. Each annual increase shall be calculated at 1.5% of
11 the originally granted survivor's annuity.

12 (c) If a person who has received an accelerated pension
13 benefit payment returns to active service under this Article,
14 then:

15 (1) the calculation of any future automatic annual
16 increase in retirement annuity shall be calculated in
17 accordance with the formula provided under subsection
18 (b-5); and

19 (2) the accelerated pension benefit payment may not be
20 repaid to the System.

21 (d) As a condition of receiving an accelerated pension
22 benefit payment, the accelerated pension benefit payment must
23 be transferred into a tax qualified retirement plan or
24 account. The accelerated pension benefit payment under this
25 Section may be subject to withholding or payment of applicable
26 taxes, but to the extent permitted by federal law, a person who

1 receives an accelerated pension benefit payment under this
2 Section must direct the System to pay all of that payment as a
3 rollover into another retirement plan or account qualified
4 under the Internal Revenue Code of 1986, as amended.

5 (d-5) Upon receipt of a participant's irrevocable election
6 to receive an accelerated pension benefit payment under this
7 Section, the System shall submit a voucher to the Comptroller
8 for payment of the participant's accelerated pension benefit
9 payment. The Comptroller shall transfer the amount of the
10 voucher from the General Revenue Fund to the System, and the
11 System shall transfer the amount into the member's eligible
12 retirement plan or qualified account.

13 (e) The Board shall adopt any rules, including emergency
14 rules, necessary to implement this Section.

15 (f) No provision of this Section shall be interpreted in a
16 way that would cause the applicable System to cease to be a
17 qualified plan under the Internal Revenue Code of 1986.

18 Article 5.

19 Section 5-5. The Illinois Pension Code is amended by
20 adding Sections 3-144.3, 4-138.15, 5-240, and 6-232 as
21 follows:

22 (40 ILCS 5/3-144.3 new)

23 Sec. 3-144.3. Retirement Systems Reciprocal Act. The

1 Retirement Systems Reciprocal Act, Article 20 of this Code, is
2 adopted and made a part of this Article, but only with respect
3 to a person who, on or after the effective date of this
4 amendatory Act of the 104th General Assembly, is entitled
5 under this Article or through a participating system under the
6 Retirement Systems Reciprocal Act, as defined in Section
7 20-108, to begin receiving a retirement annuity or survivor's
8 annuity (as those terms are defined in Article 20) and who
9 elects to proceed under the Retirement Systems Reciprocal Act.

10 (40 ILCS 5/4-138.15 new)

11 Sec. 4-138.15. Retirement Systems Reciprocal Act. The
12 Retirement Systems Reciprocal Act, Article 20 of this Code, is
13 adopted and made a part of this Article, but only with respect
14 to a person who, on or after the effective date of this
15 amendatory Act of the 104th General Assembly, is entitled
16 under this Article or through a participating system under the
17 Retirement Systems Reciprocal Act, as defined in Section
18 20-108, to begin receiving a retirement annuity or survivor's
19 annuity (as those terms are defined in Article 20) and who
20 elects to proceed under the Retirement Systems Reciprocal Act.

21 (40 ILCS 5/5-240 new)

22 Sec. 5-240. Retirement Systems Reciprocal Act. The
23 Retirement Systems Reciprocal Act, Article 20 of this Code, is
24 adopted and made a part of this Article, but only with respect

1 to a person who, on or after the effective date of this
2 amendatory Act of the 104th General Assembly, is entitled
3 under this Article or through a participating system under the
4 Retirement Systems Reciprocal Act, as defined in Section
5 20-108, to begin receiving a retirement annuity or survivor's
6 annuity (as those terms are defined in Article 20) and who
7 elects to proceed under the Retirement Systems Reciprocal Act.

8 (40 ILCS 5/6-232 new)

9 Sec. 6-232. Retirement Systems Reciprocal Act. The
10 Retirement Systems Reciprocal Act, Article 20 of this Code, is
11 adopted and made a part of this Article, but only with respect
12 to a person who, on or after the effective date of this
13 amendatory Act of the 104th General Assembly, is entitled
14 under this Article or through a participating system under the
15 Retirement Systems Reciprocal Act, as defined in Section
16 20-108, to begin receiving a retirement annuity or survivor's
17 annuity (as those terms are defined in Article 20) and who
18 elects to proceed under the Retirement Systems Reciprocal Act.

19 Article 7.

20 Section 7-5. The Illinois Pension Code is amended by
21 changing Section 7-109.3 as follows:

22 (40 ILCS 5/7-109.3) (from Ch. 108 1/2, par. 7-109.3)

1 Sec. 7-109.3. "Sheriff's Law Enforcement Employees".

2 (a) "Sheriff's law enforcement employee" or "SLEP" means:

3 (1) A county sheriff and all deputies, other than
4 special deputies, employed on a full time basis in the
5 office of the sheriff.

6 (2) A person who has elected to participate in this
7 Fund under Section 3-109.1 of this Code, and who is
8 employed by a participating municipality to perform police
9 duties.

10 (3) A law enforcement officer employed on a full time
11 basis by a Forest Preserve District, provided that such
12 officer shall be deemed a "sheriff's law enforcement
13 employee" for the purposes of this Article, and service in
14 that capacity shall be deemed to be service as a sheriff's
15 law enforcement employee, only if the board of
16 commissioners of the District have so elected by adoption
17 of an affirmative resolution. Such election, once made,
18 may not be rescinded.

19 (4) A person not eligible to participate in a fund
20 established under Article 3 of this Code who is employed
21 on a full-time basis by a participating municipality or
22 participating instrumentality to perform police duties at
23 an airport, but only if the governing authority of the
24 employer has approved sheriff's law enforcement employee
25 status for its airport police employees by adoption of an
26 affirmative resolution. Such approval, once given, may not

1 be rescinded.

2 (5) A person first hired on or after January 1, 2011
3 who (i) is employed by a participating municipality that
4 has both 30 or more full-time police officers and 50 or
5 more full-time firefighters and has not established a fund
6 under Article 3 or Article 4 of this Code and (ii) is
7 employed on a full-time basis by that participating
8 municipality to perform police duties or firefighting and
9 EMS duties; but only if the governing authority of that
10 municipality has approved sheriff's law enforcement
11 employee status for its police officer or firefighter
12 employees by adoption of an affirmative resolution. The
13 resolution must specify that SLEP status shall be
14 applicable to such employment occurring on or after the
15 adoption of the resolution. Such resolution shall be
16 irrevocable, but shall automatically terminate upon the
17 establishment of an Article 3 or 4 fund by the
18 municipality.

19 (6) A person who is a county correctional officer or
20 probation officer.

21 (7) A person who participates in the Fund and
22 qualifies as a firefighter, as defined in Section 3 of the
23 Public Safety Employee Benefits Act.

24 (8) A person who is a sworn law enforcement officer
25 for a municipal employer that has not established a
26 pension fund under Article 3.

1 by a city in its fire service as a firefighter, fire engineer,
2 marine engineer, fire pilot, bomb technician, or scuba diver;
3 and, in any of these positions whose duties also include those
4 of a firefighter and are certified in the same manner as a
5 firefighter in that city.

6 (c) Any person employed in a municipality's or fire
7 protection district's fire service as a de facto firefighter.

8 In this definition, "de facto firefighter" means a
9 firefighter:

10 (1) who spends a majority of the firefighter's working
11 time participating in the work of controlling and
12 extinguishing fires at the location of any such fires,
13 preparing for such work or waiting to respond to such
14 calls for work; and

15 (2) whose scheduled or actual work hours are
16 commensurate in duration and frequency with firefighters
17 who are subject to Division 1 or Division 2.1 of Article 10
18 of the Illinois Municipal Code.

19 "De facto firefighter" does not include part-time
20 firefighters who are not covered under this Section;
21 auxiliary, reserve, or voluntary firefighters, including
22 paid-on-call firefighters; and clerks, dispatchers, or other
23 civilian employees of a fire department or fire protection
24 district who are not routinely expected to perform firefighter
25 duties. In municipalities which are subject to neither
26 Division 1 nor Division 2.1 of Article 10 of the Illinois

1 ~~Municipal Code, any person who would have been included as a~~
2 ~~firefighter under sub-paragraph (a) or (b) above except that~~
3 ~~he served as a de facto and not as a de jure firefighter.~~

4 (d) Notwithstanding the other provisions of this Section,
5 "firefighter" does not include any person who is actively
6 participating in the State Universities Retirement System
7 under subsection (h) of Section 15-107 with respect to the
8 employment for which he or she is a participating employee in
9 that System.

10 (e) This amendatory Act of 1977 does not affect persons
11 covered by this Article prior to September 22, 1977.

12 The changes made to this Section by this amendatory Act of
13 the 104th General Assembly do not affect persons covered by
14 this Article before the effective date of this amendatory Act
15 of the 104th General Assembly.

16 (Source: P.A. 90-576, eff. 3-31-98.)

17 Article 9.

18 Section 9-5. The Illinois Pension Code is amended by
19 changing Section 4-109.1 as follows:

20 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

21 Sec. 4-109.1. Increase in pension.

22 (a) Except as provided in subsection (e), the monthly
23 pension of a firefighter who retires after July 1, 1971 and

1 prior to January 1, 1986, shall, upon either the first of the
2 month following the first anniversary of the date of
3 retirement if 60 years of age or over at retirement date, or
4 upon the first day of the month following attainment of age 60
5 if it occurs after the first anniversary of retirement, be
6 increased by 2% of the originally granted monthly pension and
7 by an additional 2% in each January thereafter. Effective
8 January 1976, the rate of the annual increase shall be 3% of
9 the originally granted monthly pension.

10 (b) The monthly pension of a firefighter who retired from
11 service with 20 or more years of service, on or before July 1,
12 1971, shall be increased, in January of the year following the
13 year of attaining age 65 or in January 1972, if then over age
14 65, by 2% of the originally granted monthly pension, for each
15 year the firefighter received pension payments. In each
16 January thereafter, he or she shall receive an additional
17 increase of 2% of the original monthly pension. Effective
18 January 1976, the rate of the annual increase shall be 3%.

19 (c) The monthly pension of a firefighter who is receiving
20 a disability pension under this Article shall be increased, in
21 January of the year following the year the firefighter attains
22 age 60, or in January 1974, if then over age 60, by 2% of the
23 originally granted monthly pension for each year he or she
24 received pension payments. In each January thereafter, the
25 firefighter shall receive an additional increase of 2% of the
26 original monthly pension. Effective January 1976, the rate of

1 the annual increase shall be 3%. Notwithstanding any other
2 provision of this Article, this subsection applies to a
3 firefighter regardless of whether that firefighter first
4 became a firefighter on or after January 1, 2011.
5 Notwithstanding Section 1-103.1, the changes made to this
6 Section apply without regard to whether the firefighter is in
7 service on or after the effective date of this amendatory Act
8 of the 104th General Assembly.

9 (c-1) On January 1, 1998, every child's disability benefit
10 payable on that date under Section 4-110 or 4-110.1 shall be
11 increased by an amount equal to 1/12 of 3% of the amount of the
12 benefit, multiplied by the number of months for which the
13 benefit has been payable. On each January 1 thereafter, every
14 child's disability benefit payable under Section 4-110 or
15 4-110.1 shall be increased by 3% of the amount of the benefit
16 then being paid, including any previous increases received
17 under this Article. These increases are not subject to any
18 limitation on the maximum benefit amount included in Section
19 4-110 or 4-110.1.

20 (c-2) On July 1, 2004, every pension payable to or on
21 behalf of a minor or disabled surviving child that is payable
22 on that date under Section 4-114 shall be increased by an
23 amount equal to 1/12 of 3% of the amount of the pension,
24 multiplied by the number of months for which the benefit has
25 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and
26 July 1, 2008, every pension payable to or on behalf of a minor

1 or disabled surviving child that is payable under Section
2 4-114 shall be increased by 3% of the amount of the pension
3 then being paid, including any previous increases received
4 under this Article. These increases are not subject to any
5 limitation on the maximum benefit amount included in Section
6 4-114.

7 (d) The monthly pension of a firefighter who retires after
8 January 1, 1986, shall, upon either the first of the month
9 following the first anniversary of the date of retirement if
10 55 years of age or over, or upon the first day of the month
11 following attainment of age 55 if it occurs after the first
12 anniversary of retirement, be increased by 1/12 of 3% of the
13 originally granted monthly pension for each full month that
14 has elapsed since the pension began, and by an additional 3% in
15 each January thereafter.

16 The changes made to this subsection (d) by this amendatory
17 Act of the 91st General Assembly apply to all initial
18 increases that become payable under this subsection on or
19 after January 1, 1999. All initial increases that became
20 payable under this subsection on or after January 1, 1999 and
21 before the effective date of this amendatory Act shall be
22 recalculated and the additional amount accruing for that
23 period, if any, shall be payable to the pensioner in a lump
24 sum.

25 (e) Notwithstanding the provisions of subsection (a), upon
26 the first day of the month following (1) the first anniversary

1 of the date of retirement, or (2) the attainment of age 55, or
2 (3) July 1, 1987, whichever occurs latest, the monthly pension
3 of a firefighter who retired on or after January 1, 1977 and on
4 or before January 1, 1986 and did not receive an increase under
5 subsection (a) before July 1, 1987, shall be increased by 3% of
6 the originally granted monthly pension for each full year that
7 has elapsed since the pension began, and by an additional 3% in
8 each January thereafter. The increases provided under this
9 subsection are in lieu of the increases provided in subsection
10 (a).

11 (f) In July 2009, the monthly pension of a firefighter who
12 retired before July 1, 1977 shall be recalculated and
13 increased to reflect the amount that the firefighter would
14 have received in July 2009 had the firefighter been receiving
15 a 3% compounded increase for each year he or she received
16 pension payments after January 1, 1986, plus any increases in
17 pension received for each year prior to January 1, 1986. In
18 each January thereafter, he or she shall receive an additional
19 increase of 3% of the amount of the pension then being paid.
20 The changes made to this Section by this amendatory Act of the
21 96th General Assembly apply without regard to whether the
22 firefighter was in service on or after its effective date.

23 (g) Notwithstanding any other provision of this Article,
24 the monthly pension of a person who first becomes a
25 firefighter under this Article on or after January 1, 2011
26 shall be increased on the January 1 occurring either on or

1 after the attainment of age 60 or the first anniversary of the
2 pension start date, whichever is later. Each annual increase
3 shall be calculated at 3% or one-half the annual unadjusted
4 percentage increase (but not less than zero) in the consumer
5 price index-u for the 12 months ending with the September
6 preceding each November 1, whichever is less, of the
7 originally granted pension. If the annual unadjusted
8 percentage change in the consumer price index-u for a 12-month
9 period ending in September is zero or, when compared with the
10 preceding period, decreases, then the pension shall not be
11 increased.

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

21 (Source: P.A. 96-775, eff. 8-28-09; 96-1495, eff. 1-1-11.)

22 Article 10.

23 Section 10-5. The Illinois Pension Code is amended by
24 changing Section 4-109.2 as follows:

1 (40 ILCS 5/4-109.2) (from Ch. 108 1/2, par. 4-109.2)

2 Sec. 4-109.2. Minimum pension.

3 (a) Beginning January 1, 1984, the minimum disability
4 pension granted under Section 4-110 or 4-111, the minimum
5 surviving spouse's pension, and the minimum retirement pension
6 granted to a firefighter with 20 or more years of creditable
7 service, shall be \$300 per month, without regard to whether
8 the death, disability or retirement of the firefighter
9 occurred prior to that date.

10 Beginning July 1, 1987, the minimum retirement pension
11 payable to a firefighter with 20 or more years of creditable
12 service, the minimum disability pension payable under Section
13 4-110 or 4-111, and the minimum surviving spouse's pension
14 shall be \$400 per month, without regard to whether the death,
15 retirement or disability of the firefighter occurred prior to
16 that date.

17 Beginning July 1, 1993, the minimum retirement pension
18 payable to a firefighter with 20 or more years of creditable
19 service and the minimum surviving spouse's pension shall be
20 \$475 per month, without regard to whether the firefighter was
21 in service on or after the effective date of this amendatory
22 Act of 1993.

23 (b) Beginning January 1, 1999, the minimum retirement
24 pension payable to a firefighter with 20 or more years of
25 creditable service, the minimum disability pension payable

1 under Section 4-110, 4-110.1, or 4-111, and the minimum
2 surviving spouse's pension shall be \$600 per month, without
3 regard to whether the firefighter was in service on or after
4 the effective date of this amendatory Act of the 91st General
5 Assembly.

6 In the case of a pensioner whose pension began before the
7 effective date of this amendatory Act and is subject to
8 increase under this subsection (b), the pensioner shall be
9 entitled to a lump sum payment of the amount of that increase
10 accruing from January 1, 1999 (or the date the pension began,
11 if later) to the effective date of this amendatory Act.

12 (c) Beginning January 1, 2000, the minimum retirement
13 pension payable to a firefighter with 20 or more years of
14 creditable service, the minimum disability pension payable
15 under Section 4-110, 4-110.1, or 4-111, and the minimum
16 surviving spouse's pension shall be \$800 per month, without
17 regard to whether the firefighter was in service on or after
18 the effective date of this amendatory Act of the 91st General
19 Assembly.

20 (d) Beginning January 1, 2001, the minimum retirement
21 pension payable to a firefighter with 20 or more years of
22 creditable service, the minimum disability pension payable
23 under Section 4-110, 4-110.1, or 4-111, and the minimum
24 surviving spouse's pension shall be \$1000 per month, without
25 regard to whether the firefighter was in service on or after
26 the effective date of this amendatory Act of the 91st General

1 Assembly.

2 (e) Beginning July 1, 2004, the minimum retirement pension
3 payable to a firefighter with 20 or more years of creditable
4 service, the minimum disability pension payable under Section
5 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
6 pension shall be \$1030 per month, without regard to whether
7 the firefighter was in service on or after the effective date
8 of this amendatory Act of the 93rd General Assembly.

9 (f) Beginning July 1, 2005, the minimum retirement pension
10 payable to a firefighter with 20 or more years of creditable
11 service, the minimum disability pension payable under Section
12 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
13 pension shall be \$1060.90 per month, without regard to whether
14 the firefighter was in service on or after the effective date
15 of this amendatory Act of the 93rd General Assembly.

16 (g) Beginning July 1, 2006, the minimum retirement pension
17 payable to a firefighter with 20 or more years of creditable
18 service, the minimum disability pension payable under Section
19 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
20 pension shall be \$1092.73 per month, without regard to whether
21 the firefighter was in service on or after the effective date
22 of this amendatory Act of the 93rd General Assembly.

23 (h) Beginning July 1, 2007, the minimum retirement pension
24 payable to a firefighter with 20 or more years of creditable
25 service, the minimum disability pension payable under Section
26 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's

1 pension shall be \$1125.51 per month, without regard to whether
2 the firefighter was in service on or after the effective date
3 of this amendatory Act of the 93rd General Assembly.

4 (i) Beginning July 1, 2008, the minimum retirement pension
5 payable to a firefighter with 20 or more years of creditable
6 service, the minimum disability pension payable under Section
7 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
8 pension shall be \$1159.27 per month, without regard to whether
9 the firefighter was in service on or after the effective date
10 of this amendatory Act of the 93rd General Assembly.

11 (j) Beginning July 1, 2026, the minimum retirement pension
12 payable to a firefighter with 20 or more years of creditable
13 service, the minimum disability pension payable under Section
14 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
15 pension shall be \$1,822.50 per month, without regard to
16 whether the firefighter was in service on or after the
17 effective date of this amendatory Act of the 104th General
18 Assembly. A one-time payment of \$62,471.40 shall be paid to
19 each active member or participant subject to the minimum
20 retirement pension adjustment in this subsection.

21 (k) Beginning July 1, 2027, the minimum retirement pension
22 payable to a firefighter with 20 or more years of creditable
23 service, the minimum disability pension payable under Section
24 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
25 pension shall be no less than 150% of the federal poverty level
26 for all persons receiving annuities on or after that date

1 without regard to whether the firefighter was in service on or
2 after the effective date of this amendatory Act of the 104th
3 General Assembly.

4 (1) For purposes of this Section, "federal poverty level"
5 means the poverty guidelines applicable to an individual in a
6 single-person household located in Illinois, as updated
7 periodically in the Federal Register by the United States
8 Department of Health and Human Services under the authority of
9 42 U.S.C. 9902(2).

10 (Source: P.A. 93-689, eff. 7-1-04.)

11 Article 11.

12 Section 11-5. The Illinois Pension Code is amended by
13 changing Sections 1-160, 8-174, 11-170, and 12-150 as follows:

14 (40 ILCS 5/1-160)

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

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

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

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

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

25 This Section does not apply to a person who first becomes a
26 member or participant under Article 16 on or after the

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

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

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

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

1 applies on or after January 1, 2011, in this Code, "final
2 average salary" shall be substituted for the following:

3 (1) (Blank).

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

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

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

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

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

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

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

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

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

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

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

25 (b-10) Beginning on January 1, 2024, for all purposes
26 under this Code (including, without limitation, the

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

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

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

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

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

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

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

1 ~~whichever is applicable.~~

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

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

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

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

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

17 The election provided for in this subsection shall be made
18 between October 1, 2017 and November 15, 2017. A person
19 subject to this subsection who makes the required election
20 shall remain bound by that election, except that an election
21 made under this subsection is rescinded by operation of law
22 and such person is subject to the provisions otherwise
23 applicable to a participant who first became a participant
24 under Article 8 or Article 11 on or after January 1, 2011. A
25 person subject to this subsection who fails for any reason to
26 make the required election within the time specified in this

1 subsection shall be deemed to have made the election under
2 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, except that an election made under
24 this subsection is rescinded by operation of law and such
25 person is subject to the provisions otherwise applicable to a
26 participant who first became a participant under Article 12 on

1 or after January 1, 2011. A person subject to this subsection
2 who fails for any reason to make the required election within
3 the time specified in this subsection shall be deemed to have
4 made the election under item (ii).

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

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

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

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

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

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

25 (g-5) The benefits in Section 14-110 apply if the person
26 is a State policeman, investigator for the Secretary of State,

1 conservation police officer, investigator for the Department
2 of Revenue or the Illinois Gaming Board, investigator for the
3 Office of the Attorney General, Commerce Commission police
4 officer, or arson investigator, as those terms are defined in
5 subsection (b) and subsection (c) of Section 14-110. A person
6 who meets the requirements of this Section is entitled to an
7 annuity calculated under the provisions of Section 14-110, in
8 lieu of the regular or minimum retirement annuity, only if the
9 person has withdrawn from service with not less than 20 years
10 of eligible creditable service and has attained age 55,
11 regardless of whether the attainment of age 55 occurs while
12 the person is still in service.

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

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

20 (i) (Blank).

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

24 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
26 5-6-22; 103-529, eff. 8-11-23.)

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

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

3 (a) The provisions of this Section apply to a person who,
4 on or after January 1, 2011, first becomes a member or a
5 participant under any reciprocal retirement system or pension
6 fund established under this Code, other than a retirement
7 system or pension fund established under Article 2, 3, 4, 5, 6,
8 7, 15, or 18 of this Code, notwithstanding any other provision
9 of this Code to the contrary, but do not apply to any
10 self-managed plan established under this Code or to any
11 participant of the retirement plan established under Section
12 22-101; except that this Section applies to a person who
13 elected to establish alternative credits by electing in
14 writing after January 1, 2011, but before August 8, 2011,
15 under Section 7-145.1 of this Code. Notwithstanding anything
16 to the contrary in this Section, for purposes of this Section,
17 a person who is a Tier 1 regular employee as defined in Section
18 7-109.4 of this Code or who participated in a retirement
19 system under Article 15 prior to January 1, 2011 shall be
20 deemed a person who first became a member or participant prior
21 to January 1, 2011 under any retirement system or pension fund
22 subject to this Section. The changes made to this Section by
23 Public Act 98-596 are a clarification of existing law and are
24 intended to be retroactive to January 1, 2011 (the effective
25 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

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

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

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

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

26 (b) "Final average salary" means, except as otherwise

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

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average
15 annual salary for any 4 consecutive years within the last
16 10 years of service immediately preceding the date of
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State
24 of Illinois who retires on or after June 1, 2021 and for whom
25 the 2020-2021 school year is used in the calculation of the
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final
2 average salary:

3 (A) the amount otherwise calculated under the first
4 paragraph of this subsection; or

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

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

25 For the purposes of this Section, "consumer price index-u"
26 means the index published by the Bureau of Labor Statistics of

1 the United States Department of Labor that measures the
2 average change in prices of goods and services purchased by
3 all urban consumers, United States city average, all items,
4 1982-84 = 100. The new amount resulting from each annual
5 adjustment shall be determined by the Public Pension Division
6 of the Department of Insurance and made available to the
7 boards of the retirement systems and pension funds by November
8 1 of each year.

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

20 However, in no event shall the annual earnings, salary, or
21 wages for the purposes of this Article and Article 9 exceed any
22 limitation imposed on annual earnings, salary, or wages under
23 Section 1-117. Under no circumstances shall the maximum amount
24 of annual earnings, salary, or wages be greater than the
25 amount set forth in this subsection (b-10) as a result of
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay
2 any refund as a result of the application of this maximum
3 annual earnings, salary, and wage cap.

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

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

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

1 the lower retirement annuity provided in subsection (d) of
2 this Section.

3 (c-5) (Blank). ~~A person who first becomes a member or a~~
4 ~~participant subject to this Section on or after July 6, 2017~~
5 ~~(the effective date of Public Act 100-23), notwithstanding any~~
6 ~~other provision of this Code to the contrary, is entitled to a~~
7 ~~retirement annuity under Article 8 or Article 11 upon written~~
8 ~~application if he or she has attained age 65 and has at least~~
9 ~~10 years of service credit and is otherwise eligible under the~~
10 ~~requirements of Article 8 or Article 11 of this Code,~~
11 ~~whichever is applicable.~~

12 (d) The retirement annuity of a member or participant who
13 is retiring after attaining age 62 ~~(age 60, with respect to~~
14 ~~service under Article 12 that is subject to this Section, for a~~
15 ~~member or participant under Article 12 who first becomes a~~
16 ~~member or participant under Article 12 on or after January 1,~~
17 ~~2022 or who makes the election under item (i) of subsection~~
18 ~~(d-15) of this Section)~~ with at least 10 years of service
19 credit shall be reduced by one-half of 1% for each full month
20 that the member's age is under age 67 ~~(age 65, with respect to~~
21 ~~service under Article 12 that is subject to this Section, for a~~
22 ~~member or participant under Article 12 who first becomes a~~
23 ~~member or participant under Article 12 on or after January 1,~~
24 ~~2022 or who makes the election under item (i) of subsection~~
25 ~~(d-15) of this Section).~~

26 (d-5) (Blank). ~~The retirement annuity payable under~~

1 ~~Article 8 or Article 11 to an eligible person subject to~~
2 ~~subsection (c-5) of this Section who is retiring at age 60 with~~
3 ~~at least 10 years of service credit shall be reduced by~~
4 ~~one-half of 1% for each full month that the member's age is~~
5 ~~under age 65.~~

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

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

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

1 The election provided for in this subsection shall be made
2 between October 1, 2017 and November 15, 2017. A person
3 subject to this subsection who makes the required election
4 shall remain bound by that election, except that an election
5 made under this subsection is rescinded by operation of law
6 and such person is subject to the provisions otherwise
7 applicable to a participant who first became a participant
8 under Article 8 or Article 11 on or after January 1, 2011. A
9 person subject to this subsection who fails for any reason to
10 make the required election within the time specified in this
11 subsection shall be deemed to have made the election under
12 item (ii).

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

17 (i) to be eligible for the reduced retirement age
18 specified in subsections (c) and (d) of this Section, the
19 eligibility for which is conditioned upon the member or
20 participant agreeing to the increase in employee
21 contributions for service annuities specified in
22 subsection (b) of Section 12-150; or

23 (ii) to not agree to item (i) of this subsection
24 (d-15), in which case the member or participant shall not
25 be eligible for the reduced retirement age specified in
26 subsections (c) and (d) of this Section and shall not be

1 subject to the increase in employee contributions for
2 service annuities specified in subsection (b) of Section
3 12-150.

4 The election provided for in this subsection shall be made
5 between January 1, 2022 and April 1, 2022. A person subject to
6 this subsection who makes the required election shall remain
7 bound by that election, except that an election made under
8 this subsection is rescinded by operation of law and such
9 person is subject to the provisions otherwise applicable to a
10 participant who first became a participant under Article 12 on
11 or after January 1, 2011. A person subject to this subsection
12 who fails for any reason to make the required election within
13 the time specified in this subsection shall be deemed to have
14 made the election under item (ii).

15 (e) Any retirement annuity or supplemental annuity shall
16 be subject to annual increases on the January 1 occurring
17 either on or after the attainment of age 67 ~~(age 65, with~~
18 ~~respect to service under Article 12 that is subject to this~~
19 ~~Section, for a member or participant under Article 12 who~~
20 ~~first becomes a member or participant under Article 12 on or~~
21 ~~after January 1, 2022 or who makes the election under item (i)~~
22 ~~of subsection (d-15); and beginning on July 6, 2017 (the~~
23 ~~effective date of Public Act 100-23), age 65 with respect to~~
24 ~~service under Article 8 or Article 11 for eligible persons~~
25 ~~who: (i) are subject to subsection (c-5) of this Section; or~~
26 ~~(ii) made the election under item (i) of subsection (d-10) of~~

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

11 ~~For the purposes of Section 1-103.1 of this Code, the~~
12 ~~changes made to this Section by Public Act 102-263 are~~
13 ~~applicable without regard to whether the employee was in~~
14 ~~active service on or after August 6, 2021 (the effective date~~
15 ~~of Public Act 102-263).~~

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

21 (f) The initial survivor's or widow's annuity of an
22 otherwise eligible survivor or widow of a retired member or
23 participant who first became a member or participant on or
24 after January 1, 2011 shall be in the amount of 66 2/3% of the
25 retired member's or participant's retirement annuity at the
26 date of death. In the case of the death of a member or

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

22 (g) The benefits in Section 14-110 apply only if the
23 person is a State policeman, a fire fighter in the fire
24 protection service of a department, a conservation police
25 officer, an investigator for the Secretary of State, an arson
26 investigator, a Commerce Commission police officer,

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

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

1 applicable Article of this Code.

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

21 (i) (Blank).

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

25 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
26 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.

1 5-13-22; 103-529, eff. 8-11-23.)

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

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

4 (a) The provisions of this Section apply to a person who,
5 on or after January 1, 2011, first becomes a member or a
6 participant under any reciprocal retirement system or pension
7 fund established under this Code, other than a retirement
8 system or pension fund established under Article 2, 3, 4, 5, 6,
9 7, 15, or 18 of this Code, notwithstanding any other provision
10 of this Code to the contrary, but do not apply to any
11 self-managed plan established under this Code or to any
12 participant of the retirement plan established under Section
13 22-101; except that this Section applies to a person who
14 elected to establish alternative credits by electing in
15 writing after January 1, 2011, but before August 8, 2011,
16 under Section 7-145.1 of this Code. Notwithstanding anything
17 to the contrary in this Section, for purposes of this Section,
18 a person who is a Tier 1 regular employee as defined in Section
19 7-109.4 of this Code or who participated in a retirement
20 system under Article 15 prior to January 1, 2011 shall be
21 deemed a person who first became a member or participant prior
22 to January 1, 2011 under any retirement system or pension fund
23 subject to this Section. The changes made to this Section by
24 Public Act 98-596 are a clarification of existing law and are
25 intended to be retroactive to January 1, 2011 (the effective

1 date of Public Act 96-889), notwithstanding the provisions of
2 Section 1-103.1 of this Code.

3 This Section does not apply to a person who first becomes a
4 noncovered employee under Article 14 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 first becomes a
11 member or participant under Article 16 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 elects under
18 subsection (c-5) of Section 1-161 to receive the benefits
19 under Section 1-161.

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

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

14 (1) (Blank).

15 (2) In Articles 8, 9, 10, 11, and 12, "highest average
16 annual salary for any 4 consecutive years within the last
17 10 years of service immediately preceding the date of
18 withdrawal".

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

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

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

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

24 A member of the Teachers' Retirement System of the State
25 of Illinois who retires on or after June 1, 2021 and for whom
26 the 2020-2021 school year is used in the calculation of the

1 member's final average salary shall use the higher of the
2 following for the purpose of determining the member's final
3 average salary:

4 (A) the amount otherwise calculated under the first
5 paragraph of this subsection; or

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

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

26 For the purposes of this Section, "consumer price index-u"

1 means the index published by the Bureau of Labor Statistics of
2 the United States Department of Labor that measures the
3 average change in prices of goods and services purchased by
4 all urban consumers, United States city average, all items,
5 1982-84 = 100. The new amount resulting from each annual
6 adjustment shall be determined by the Public Pension Division
7 of the Department of Insurance and made available to the
8 boards of the retirement systems and pension funds by November
9 1 of each year.

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

21 However, in no event shall the annual earnings, salary, or
22 wages for the purposes of this Article and Article 9 exceed any
23 limitation imposed on annual earnings, salary, or wages under
24 Section 1-117. Under no circumstances shall the maximum amount
25 of annual earnings, salary, or wages be greater than the
26 amount set forth in this subsection (b-10) as a result of

1 reciprocal service or any provisions regarding reciprocal
2 services, nor shall the Fund under Article 9 be required to pay
3 any refund as a result of the application of this maximum
4 annual earnings, salary, and wage cap.

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

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

20 A member or participant who has attained age 62 ~~(age 60,~~
21 ~~with respect to service under Article 12 that is subject to~~
22 ~~this Section, for a member or participant under Article 12 who~~
23 ~~first becomes a member or participant under Article 12 on or~~
24 ~~after January 1, 2022 or who makes the election under item (i)~~
25 ~~of subsection (d 15) of this Section)~~ and has at least 10 years
26 of service credit and is otherwise eligible under the

1 requirements of the applicable Article may elect to receive
2 the lower retirement annuity provided in subsection (d) of
3 this Section.

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

13 (d) The retirement annuity of a member or participant who
14 is retiring after attaining age 62 ~~(age 60, 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)~~ with at least 10 years of service
20 credit shall be reduced by one-half of 1% for each full month
21 that the member's age is under age 67 ~~(age 65, with respect to~~
22 ~~service under Article 12 that is subject to this Section, for a~~
23 ~~member or participant under Article 12 who first becomes a~~
24 ~~member or participant under Article 12 on or after January 1,~~
25 ~~2022 or who makes the election under item (i) of subsection~~
26 ~~(d 15) of this Section).~~

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

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

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

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

1 this Code (for service under Article 11).

2 The election provided for in this subsection shall be made
3 between October 1, 2017 and November 15, 2017. A person
4 subject to this subsection who makes the required election
5 shall remain bound by that election, except that an election
6 made under this subsection is rescinded by operation of law
7 and such person is subject to the provisions otherwise
8 applicable to a participant who first became a participant
9 under Article 8 or Article 11 on or after January 1, 2011. A
10 person subject to this subsection who fails for any reason to
11 make the required election within the time specified in this
12 subsection shall be deemed to have made the election under
13 item (ii).

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

18 (i) to be eligible for the reduced retirement age
19 specified in subsections (c) and (d) of this Section, the
20 eligibility for which is conditioned upon the member or
21 participant agreeing to the increase in employee
22 contributions for service annuities specified in
23 subsection (b) of Section 12-150; or

24 (ii) to not agree to item (i) of this subsection
25 (d-15), in which case the member or participant shall not
26 be eligible for the reduced retirement age specified in

1 subsections (c) and (d) of this Section and shall not be
2 subject to the increase in employee contributions for
3 service annuities specified in subsection (b) of Section
4 12-150.

5 The election provided for in this subsection shall be made
6 between January 1, 2022 and April 1, 2022. A person subject to
7 this subsection who makes the required election shall remain
8 bound by that election, except that an election made under
9 this subsection is rescinded by operation of law and such
10 person is subject to the provisions otherwise applicable to a
11 participant who first became a participant under Article 12 on
12 or after January 1, 2011. A person subject to this subsection
13 who fails for any reason to make the required election within
14 the time specified in this subsection shall be deemed to have
15 made the election under item (ii).

16 (e) Any retirement annuity or supplemental annuity shall
17 be subject to annual increases on the January 1 occurring
18 either on or after the attainment of age 67 ~~(age 65, with~~
19 ~~respect to service under Article 12 that is subject to this~~
20 ~~Section, for a member or participant under Article 12 who~~
21 ~~first becomes a member or participant under Article 12 on or~~
22 ~~after January 1, 2022 or who makes the election under item (i)~~
23 ~~of subsection (d-15); and beginning on July 6, 2017 (the~~
24 ~~effective date of Public Act 100-23), age 65 with respect to~~
25 ~~service under Article 8 or Article 11 for eligible persons~~
26 ~~who: (i) are subject to subsection (c-5) of this Section; or~~

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

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

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

22 (f) The initial survivor's or widow's annuity of an
23 otherwise eligible survivor or widow of a retired member or
24 participant who first became a member or participant on or
25 after January 1, 2011 shall be in the amount of 66 2/3% of the
26 retired member's or participant's retirement annuity at the

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

23 (g) The benefits in Section 14-110 apply only if the
24 person is a State policeman, a fire fighter in the fire
25 protection service of a department, a conservation police
26 officer, an investigator for the Secretary of State, an

1 investigator for the Office of the Attorney General, an arson
2 investigator, a Commerce Commission police officer,
3 investigator for the Department of Revenue or the Illinois
4 Gaming Board, a security employee of the Department of
5 Corrections or the Department of Juvenile Justice, or a
6 security employee of the Department of Innovation and
7 Technology, as those terms are defined in subsection (b) and
8 subsection (c) of Section 14-110. A person who meets the
9 requirements of this Section is entitled to an annuity
10 calculated under the provisions of Section 14-110, in lieu of
11 the regular or minimum retirement annuity, only if the person
12 has withdrawn from service with not less than 20 years of
13 eligible creditable service and has attained age 60,
14 regardless of whether the attainment of age 60 occurs while
15 the person is still in service.

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

1 annuity or retirement pension payments shall resume and be
2 recalculated if recalculation is provided for under the
3 applicable Article of this Code.

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

23 (i) (Blank).

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

1 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
2 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
3 8-11-23.)

4 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

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

7 (a) Beginning on the effective date and prior to July 1,
8 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
9 1, 1953, 5%; and beginning July 1, 1953, and prior to January
10 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each
11 payment of the salary of each present employee and future
12 entrant, ~~except as provided in subsection (a-5) and (a-10),~~
13 shall be contributed to the fund as a deduction from salary for
14 age and service annuity.

15 ~~(a-5) Except as provided in subsection (a-10), for an~~
16 ~~employee who made the election under item (i) of subsection~~
17 ~~(d-10) of Section 1-160: prior to the effective date of this~~
18 ~~amendatory Act of the 100th General Assembly, 6.5%; and~~
19 ~~beginning on the effective date of this amendatory Act of the~~
20 ~~100th General Assembly and prior to January 1, 2018, 7.5%; and~~
21 ~~beginning January 1, 2018 and prior to January 1, 2019, 8.5%;~~
22 ~~and beginning January 1, 2019 and thereafter, employee~~
23 ~~contributions for those employees who made the election under~~
24 ~~item (i) of subsection (d-10) of Section 1-160 shall be the~~
25 ~~lesser of: (i) the total normal cost, calculated using the~~

1 ~~entry age normal actuarial method, projected for the prior~~
2 ~~fiscal year for the benefits and expenses of the plan of~~
3 ~~benefits applicable to those members and participants who~~
4 ~~first became members or participants on or after the effective~~
5 ~~date of this amendatory Act of the 100th General Assembly and~~
6 ~~to those employees who made the election under item (i) of~~
7 ~~subsection (d-10) of Section 1-160, but not less than 6.5% of~~
8 ~~each payment of salary combined with the employee~~
9 ~~contributions provided for in subsection (b) of Section 8-137~~
10 ~~and Section 8-182 of this Article; or (ii) the aggregate~~
11 ~~employee contribution consisting of 9.5% of each payment of~~
12 ~~salary combined with the employee contributions provided for~~
13 ~~in subsection (b) of Section 8-137 and 8-182 of this Article.~~

14 ~~For the one year period beginning with the first pay~~
15 ~~period in January of each year after the date when the funded~~
16 ~~ratio of the fund as determined in the annual actuarial~~
17 ~~valuation is first determined to have reached the 90% funding~~
18 ~~goal, and each subsequent one year period thereafter for as~~
19 ~~long as the fund maintains a funding ratio of 75% or more,~~
20 ~~employee contributions for age and service annuity for those~~
21 ~~employees who made the election under item (i) of subsection~~
22 ~~(d-10) of Section 1-160 shall be 5.5% of each payment of~~
23 ~~salary. If the funding ratio falls below 75%, then employee~~
24 ~~contributions for age and service annuity for those employees~~
25 ~~who made the election under item (i) of subsection (d-10)~~
26 ~~shall revert to the lesser of: (A) the total normal cost,~~

1 ~~calculated using the entry age normal actuarial method,~~
2 ~~projected for the prior fiscal year for the benefits and~~
3 ~~expenses of the plan of benefits applicable to those members~~
4 ~~and participants who first became members or participants on~~
5 ~~or after the effective date of this amendatory Act of the 100th~~
6 ~~General Assembly and to those employees who made the election~~
7 ~~under item (i) of subsection (d 10) of Section 1 160, but not~~
8 ~~less than 6.5% of each payment of salary combined with the~~
9 ~~employee contributions provided for in subsection (b) of~~
10 ~~Section 8 137 and Section 8 182 of this Article; or (B) the~~
11 ~~aggregate employee contribution consisting of 9.5% of each~~
12 ~~payment of salary combined with the employee contributions~~
13 ~~provided for in subsection (b) of Section 8 137 and 8 182 of~~
14 ~~this Article. If the fund once again is determined to have~~
15 ~~reached a funding ratio of 75%, the 5.5% of salary~~
16 ~~contribution for age and service annuity shall resume. An~~
17 ~~employee who made the election under item (ii) of subsection~~
18 ~~(d 10) of Section 1 160 shall continue to have the~~
19 ~~contributions for age and service annuity determined under~~
20 ~~subsection (a) of this Section.~~

21 ~~If contributions are reduced to less than the aggregate~~
22 ~~employee contribution described in item (ii) or item (B) of~~
23 ~~this subsection due to application of the normal cost~~
24 ~~criterion, the employee contribution amount shall be~~
25 ~~consistent for that fiscal year.~~

26 ~~The normal cost, for the purposes of this subsection (a 5)~~

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

11 ~~(a-10) For each employee subject to subsection (c-5) of~~
12 ~~Section 1-160, 9.5% of each payment of salary shall be~~
13 ~~contributed to the fund as a deduction from salary for age and~~
14 ~~service annuity. Beginning January 1, 2018 and each year~~
15 ~~thereafter, employee contributions for each employee subject~~
16 ~~to this subsection (a-10) shall be the lesser of: (i) the total~~
17 ~~normal cost, calculated using the entry age normal actuarial~~
18 ~~method, projected for the prior fiscal year for the benefits~~
19 ~~and expenses of the plan of benefits applicable to those~~
20 ~~members and participants who first become members or~~
21 ~~participants on or after the effective date of this amendatory~~
22 ~~Act of the 100th General Assembly and to those employees who~~
23 ~~made the election under item (i) of subsection (d-10) of~~
24 ~~Section 1-160, but not less than 6.5% of each payment of salary~~
25 ~~combined with the employee contributions provided for in~~
26 ~~subsection (b) of Section 8-137 and Section 8-182 of this~~

1 ~~Article; or (ii) the aggregate employee contribution~~
2 ~~consisting of 9.5% of each payment of salary combined with the~~
3 ~~employee contributions provided for in subsection (b) of~~
4 ~~Section 8-137 and Section 8-182 of this Article.~~

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

1 ~~employee contribution consisting of 9.5% of each payment of~~
2 ~~salary combined with the employee contributions provided for~~
3 ~~in subsection (b) of Section 8-137 and Section 8-182 of this~~
4 ~~Article. If the fund once again is determined to have reached a~~
5 ~~funding ratio of 75%, the 5.5% of salary contribution for age~~
6 ~~and service annuity shall resume.~~

7 ~~If contributions are reduced to less than the aggregate~~
8 ~~employee contribution described in item (ii) or item (B) of~~
9 ~~this subsection (a 10) due to application of the normal cost~~
10 ~~criterion, the employee contribution amount shall be~~
11 ~~consistent for that fiscal year.~~

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

26 (b) Concurrently with each employee contribution, the city

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

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

14 (d) The changes made to this subsection by this amendatory
15 Act of the 104th General Assembly do not entitle an employee to
16 any refund of contributions already made. However, the changes
17 made to this subsection by this amendatory Act of the 104th
18 General Assembly are not intended to limit an employee's
19 entitlement to a refund under any other provision of this
20 Code. Notwithstanding Section 1-103.1, the changes to this
21 Section made by this amendatory Act of the 100th General
22 Assembly apply regardless of whether the employee was in
23 active service on or after the effective date of this
24 amendatory Act of the 100th General Assembly.

25 (Source: P.A. 100-23, eff. 7-6-17; 100-1166, eff. 1-4-19.)

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

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

4 (a) Beginning on the effective date and prior to July 1,
5 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July
6 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,
7 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment
8 of the salary of each present employee, future entrant, and
9 re-entrant, ~~except as provided in subsection (a 5) and (a 10),~~
10 shall be contributed to the fund as a deduction from salary for
11 age and service annuity.

12 ~~(a 5) Except as provided in subsection (a 10), for an~~
13 ~~employee who made the election under item (i) of subsection~~
14 ~~(d 10) of Section 1-160: prior to the effective date of this~~
15 ~~amendatory Act of the 100th General Assembly, 6.5%; and~~
16 ~~beginning on the effective date of this amendatory Act of the~~
17 ~~100th General Assembly and prior to January 1, 2018, 7.5%; and~~
18 ~~beginning January 1, 2018 and prior to January 1, 2019, 8.5%;~~
19 ~~and beginning January 1, 2019 and thereafter, employee~~
20 ~~contributions for those employees who made the election under~~
21 ~~item (i) of subsection (d 10) of Section 1-160 shall be the~~
22 ~~lesser of: (i) the total normal cost, calculated using the~~
23 ~~entry age normal actuarial method, projected for the prior~~
24 ~~fiscal year for the benefits and expenses of the plan of~~
25 ~~benefits applicable to those members and participants who~~
26 ~~first became members or participants on or after the effective~~

1 ~~date of this amendatory Act of the 100th General Assembly and~~
2 ~~to those employees who made the election under item (i) of~~
3 ~~subsection (d 10) of Section 1 160, but not less than 6.5% of~~
4 ~~each payment of salary combined with the employee~~
5 ~~contributions provided for in subsection (b) of Section~~
6 ~~11 134.1 and Section 11 174 of this Article; or (ii) the~~
7 ~~aggregate employee contribution consisting of 9.5% of each~~
8 ~~payment of salary combined with the employee contributions~~
9 ~~provided for in subsection (b) of Section 11 134.1 and 11 174~~
10 ~~of this Article.~~

11 ~~For the one year period beginning with the first pay~~
12 ~~period in January of each year the date when the funded ratio~~
13 ~~of the fund as determined in the annual actuarial valuation is~~
14 ~~first determined to have reached the 90% funding goal, and~~
15 ~~each subsequent one year period thereafter for as long as the~~
16 ~~fund maintains a funding ratio of 75% or more, employee~~
17 ~~contributions for age and service annuity for those employees~~
18 ~~who made the election under item (i) of subsection (d 10) of~~
19 ~~Section 1 160 shall be 5.5% of each payment of salary. If the~~
20 ~~funding ratio falls below 75%, then employee contributions for~~
21 ~~age and service annuity for those employees who made the~~
22 ~~election under item (i) of subsection (d 10) shall revert to~~
23 ~~the lesser of: (A) the total normal cost, calculated using the~~
24 ~~entry age normal actuarial method, projected for the prior~~
25 ~~fiscal year for the benefits and expenses of the plan of~~
26 ~~benefits applicable to those members and participants who~~

1 ~~first became members or participants on or after the effective~~
2 ~~date of this amendatory Act of the 100th General Assembly and~~
3 ~~to those employees who made the election under item (i) of~~
4 ~~subsection (d-10) of Section 1-160, but not less than 6.5% of~~
5 ~~each payment of salary combined with the employee~~
6 ~~contributions provided for in subsection (b) of Section~~
7 ~~11-134.1 and Section 11-174 of this Article; or (B) the~~
8 ~~aggregate employee contribution consisting of 9.5% of each~~
9 ~~payment of salary combined with the employee contributions~~
10 ~~provided for in subsection (b) of Section 11-134.1 and 11-174~~
11 ~~of this Article. If the fund once again is determined to have~~
12 ~~reached a funding ratio of 75%, the 5.5% of salary~~
13 ~~contribution for age and service annuity shall resume. An~~
14 ~~employee who made the election under item (ii) of subsection~~
15 ~~(d-10) of Section 1-160 shall continue to have the~~
16 ~~contributions for age and service annuity determined under~~
17 ~~subsection (a) of this Section.~~

18 ~~If contributions are reduced to less than the aggregate~~
19 ~~employee contribution described in item (ii) or item (B) of~~
20 ~~this subsection due to application of the normal cost~~
21 ~~critierion, the employee contribution amount shall be~~
22 ~~consistent for that fiscal year.~~

23 ~~The normal cost, for the purposes of this subsection (a-5)~~
24 ~~and subsection (a-10), shall be calculated by an independent~~
25 ~~enrolled actuary mutually agreed upon by the fund and the~~
26 ~~City. The fees and expenses of the independent actuary shall~~

1 ~~be the responsibility of the City. For purposes of this~~
2 ~~subsection (a-5), the fund and the City shall both be~~
3 ~~considered to be the clients of the actuary, and the actuary~~
4 ~~shall utilize participant data and actuarial standards to~~
5 ~~calculate the normal cost. The fund shall provide information~~
6 ~~that the actuary requests in order to calculate the applicable~~
7 ~~normal cost.~~

8 ~~(a-10) For each employee subject to subsection (c-5) of~~
9 ~~Section 1-160, 9.5% of each payment of salary shall be~~
10 ~~contributed to the fund as a deduction from salary for age and~~
11 ~~service annuity. Beginning January 1, 2018 and each year~~
12 ~~thereafter, employee contributions for each employee subject~~
13 ~~to this subsection (a-10) shall be the lesser of: (i) the total~~
14 ~~normal cost, calculated using the entry age normal actuarial~~
15 ~~method, projected for the prior fiscal year for the benefits~~
16 ~~and expenses of the plan of benefits applicable to those~~
17 ~~members and participants who first become members or~~
18 ~~participants on or after the effective date of this amendatory~~
19 ~~Act of the 100th General Assembly and to those employees who~~
20 ~~made the election under item (i) of subsection (d-10) of~~
21 ~~Section 1-160, but not less than 6.5% of each payment of salary~~
22 ~~combined with the employee contributions provided for in~~
23 ~~subsection (b) of Section 11-134.1 and Section 11-174 of this~~
24 ~~Article; or (ii) the aggregate employee contribution~~
25 ~~consisting of 9.5% of each payment of salary combined with the~~
26 ~~employee contributions provided for in subsection (b) of~~

1 ~~Section 11-134.1 and Section 11-174 of this Article.~~

2 ~~For the one-year period beginning with the first pay~~
3 ~~period in January of each year after the date when the funded~~
4 ~~ratio of the fund as determined in the annual actuarial~~
5 ~~valuation is first determined to have reached the 90% funding~~
6 ~~goal, and each subsequent one year period thereafter for as~~
7 ~~long as the fund maintains a funding ratio of 75% or more,~~
8 ~~employee contributions for age and service annuity for each~~
9 ~~employee subject to this subsection (a 10) shall be 5.5% of~~
10 ~~each payment of salary. If the funding ratio falls below 75%,~~
11 ~~then employee contributions for age and service annuity for~~
12 ~~each employee subject to this subsection (a 10) shall revert~~
13 ~~to the lesser of: (A) the total normal cost, calculated using~~
14 ~~the entry age normal actuarial method, projected for the prior~~
15 ~~fiscal year for the benefits and expenses of the plan of~~
16 ~~benefits applicable to those members and participants who~~
17 ~~first become members or participants on or after the effective~~
18 ~~date of this amendatory Act of the 100th General Assembly and~~
19 ~~to those employees who made the election under item (i) of~~
20 ~~subsection (d 10) of Section 1-160, but not less than 6.5% of~~
21 ~~each payment of salary combined with the employee~~
22 ~~contributions provided for in subsection (b) of Section~~
23 ~~11-134.1 and Section 11-174 of this Article; or (B) the~~
24 ~~aggregate employee contribution consisting of 9.5% of each~~
25 ~~payment of salary combined with the employee contributions~~
26 ~~provided for in subsection (b) of Section 11-134.1 and Section~~

1 ~~11-174 of this Article. If the fund once again is determined to~~
2 ~~have reached a funding ratio of 75%, the 5.5% of salary~~
3 ~~contribution for age and service annuity shall resume.~~

4 ~~If contributions are reduced to less than the aggregate~~
5 ~~employee contribution described in item (ii) or item (B) of~~
6 ~~this subsection (a 10) due to application of the normal cost~~
7 ~~critierion, the employee contribution amount shall be~~
8 ~~consistent for that fiscal year.~~

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

21 (b) Concurrently with each employee contribution, the city
22 shall contribute beginning on the effective date and prior to
23 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to
24 July 1, 1953, 7%; and beginning July 1, 1953 ~~and prior to July~~
25 ~~6, 2017, 6%~~ of each payment of such salary until the employee
26 attains age 65. ~~Beginning July 6, 2017, the Fund shall credit~~

1 ~~sums equal to 6% of each payment of such salary for annuity~~
2 ~~purposes. The amounts credited for annuity purposes shall not~~
3 ~~be credited for refund purposes.~~

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

9 (d) The changes made to this subsection by this amendatory
10 Act of the 104th General Assembly do not entitle an employee to
11 any refund of contributions already made. However, the changes
12 made to this subsection by this amendatory Act of the 104th
13 General Assembly are not intended to limit an employee's
14 entitlement to a refund under any other provision of this
15 Code. ~~Notwithstanding Section 1-103.1, the changes to this~~
16 ~~Section made by this amendatory Act of the 100th General~~
17 ~~Assembly apply regardless of whether the employee was in~~
18 ~~active service on or after the effective date of this~~
19 ~~amendatory Act.~~

20 (Source: P.A. 100-23, eff. 7-6-17; 100-1166, eff. 1-4-19.)

21 (40 ILCS 5/12-150) (from Ch. 108 1/2, par. 12-150)

22 Sec. 12-150. Contributions by employees for service
23 annuity.

24 (a) From each payment of salary to a present employee
25 beginning August 4, 1961, and prior to September 1, 1971,

1 there shall be deducted as contributions for service annuity
2 6% of such payment. Beginning September 1, 1971, the deduction
3 shall be 6 1/2% of salary. These contributions shall continue
4 until the amounts thus deducted will provide an accumulation,
5 at regular interest, at least equal to the amount that would be
6 provided on such date from employee contributions, assuming
7 regular interest to such date, if such employee had been
8 contributing in accordance with the provisions of "The 1919
9 Act" and this Article from the beginning of his service and the
10 salary of the employee during his prior service was the same as
11 it was on July 1, 1919, or on July 1, 1937 in the case of an
12 employee of the board.

13 (b) From each payment of salary to a future entrant
14 beginning August 4, 1961, and prior to September 1, 1971,
15 there shall be deducted as contributions for service annuity
16 6% of such payment. Beginning September 1, 1971, the deduction
17 shall be 6 1/2% of salary. Beginning January 1, 1990, the
18 deduction shall be 7% of salary, ~~except that the deduction~~
19 ~~shall be 9% of salary for a person who first becomes an~~
20 ~~employee on or after January 1, 2022 or who makes the election~~
21 ~~under item (i) of subsection (d-15) of Section 1-160.~~

22 The changes made to this subsection by this amendatory Act
23 of the 104th General Assembly do not entitle an employee to any
24 refund of contributions already made. However, the changes
25 made to this subsection by this amendatory Act of the 104th
26 General Assembly are not intended to limit an employee's

1 entitlement to a refund under any other provision of this
2 Code.

3 (c) For service rendered prior to August 4, 1961, the
4 rates of contribution by employees for service annuity shall
5 be as follows: July 1, 1919 to July 20, 1947, inclusive, 4% of
6 salary; July 21, 1947 to August 3, 1961, inclusive, 5% of
7 salary.

8 For the period from July 1, 1919, to August 4, 1961 such
9 deductions for a present employee shall continue until such
10 date as the amounts deducted will provide an accumulation at
11 least equal to that which would be provided on such date,
12 assuming regular interest to such date, from deductions from
13 salary of such employee if such employee had been under the
14 provisions of "The 1919 Act" and this Article from the
15 beginning of his service and the salary of such employee
16 during his period of prior service was the same as it was on
17 July 1, 1919 or on July 1, 1937 in the case of an employee of
18 the board.

19 (d) Any employee shall have the option to contribute for
20 service annuity an amount, together with regular interest,
21 equal to the difference between the amount he had accumulated
22 in the fund on June 30, 1947, from contributions at the rate of
23 4% of salary, together with regular interest, and the amount
24 he would have accumulated, together with regular interest, if
25 he had made contributions at the rate of 5% of salary. All such
26 contributions shall be subject to salary limitations and other

1 conditions in effect prior to July 1, 1947. Upon making such
2 contribution the employer of such employee shall contribute in
3 the ratio of 2 to 1 with such employee.
4 (Source: P.A. 102-263, eff. 8-6-21.)

5 Article 12.

6 Section 12-5. The Illinois Pension Code is amended by
7 changing Section 15-113.4 as follows:

8 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

9 (Text of Section WITHOUT the changes made by P.A. 98-599,
10 which has been held unconstitutional)

11 Sec. 15-113.4. Service for unused sick leave. "Service for
12 unused sick leave": A participant who is an employee under
13 this System or one of the other systems subject to Article 20
14 of this Code within 60 days immediately preceding the date on
15 which his or her retirement annuity begins, is entitled to
16 credit for service for that portion of unused sick leave
17 earned in the course of employment with an employer and
18 credited on the date of termination of employment by an
19 employer for which payment is not received, in accordance with
20 the following schedule: 30 through 90 full calendar days and
21 20 through 59 full work days of unused sick leave, 1/4 of a
22 year of service; 91 through 180 full calendar days and 60
23 through 119 full work days, 1/2 of a year of service; 181

1 through 270 full calendar days and 120 through 179 full work
2 days, 3/4 of a year of service; 271 through 360 full calendar
3 days and 180 through 240 full work days, one year of service.
4 Notwithstanding any other law to the contrary, a participant
5 is entitled to a maximum of 2 years of service credit for that
6 portion of unused sick leave earned in the course of
7 employment with an employer and credited on the date of
8 termination of employment by an employer for which payment is
9 not received. Only uncompensated, unused sick leave earned in
10 accordance with an employer's sick leave accrual policy
11 generally applicable to employees or a class of employees
12 shall be taken into account in calculating service credit
13 under this Section. Any uncompensated, unused sick leave
14 granted by an employer to facilitate the hiring, retirement,
15 termination, or other special circumstances of an employee
16 shall not be taken into account in calculating service credit
17 under this Section. If a participant transfers from one
18 employer to another, the unused sick leave credited by the
19 previous employer shall be considered in determining service
20 to be credited under this Section, even if the participant
21 terminated service prior to the effective date of P.A. 86-272
22 (August 23, 1989); if necessary, the retirement annuity shall
23 be recalculated to reflect such sick leave credit. Each
24 employer shall certify to the board the number of days of
25 unused sick leave accrued to the participant's credit on the
26 date that the participant's status as an employee terminated.

1 This period of unused sick leave shall not be considered in
2 determining the date the retirement annuity begins.

3 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

4 Article 13.

5 Section 13-5. The Illinois Pension Code is amended by
6 changing Sections 15-155 and 16-158 as follows:

7 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

8 Sec. 15-155. Employer contributions.

9 (a) The State of Illinois shall make contributions by
10 appropriations of amounts which, together with the other
11 employer contributions from trust, federal, and other funds,
12 employee contributions, income from investments, and other
13 income of this System, will be sufficient to meet the cost of
14 maintaining and administering the System on a 90% funded basis
15 in accordance with actuarial recommendations.

16 The Board shall determine the amount of State
17 contributions required for each fiscal year on the basis of
18 the actuarial tables and other assumptions adopted by the
19 Board and the recommendations of the actuary, using the
20 formula in subsection (a-1).

21 (a-1) For State fiscal years 2012 through 2045, the
22 minimum contribution to the System to be made by the State for
23 each fiscal year shall be an amount determined by the System to

1 be sufficient to bring the total assets of the System up to 90%
2 of the total actuarial liabilities of the System by the end of
3 State fiscal year 2045. In making these determinations, the
4 required State contribution shall be calculated each year as a
5 level percentage of payroll over the years remaining to and
6 including fiscal year 2045 and shall be determined under the
7 projected unit credit actuarial cost method.

8 For each of State fiscal years 2018, 2019, and 2020, the
9 State shall make an additional contribution to the System
10 equal to 2% of the total payroll of each employee who is deemed
11 to have elected the benefits under Section 1-161 or who has
12 made the election under subsection (c) of Section 1-161.

13 A change in an actuarial or investment assumption that
14 increases or decreases the required State contribution and
15 first applies in State fiscal year 2018 or thereafter shall be
16 implemented in equal annual amounts over a 5-year period
17 beginning in the State fiscal year in which the actuarial
18 change first applies to the required State contribution.

19 A change in an actuarial or investment assumption that
20 increases or decreases the required State contribution and
21 first applied to the State contribution in fiscal year 2014,
22 2015, 2016, or 2017 shall be implemented:

23 (i) as already applied in State fiscal years before
24 2018; and

25 (ii) in the portion of the 5-year period beginning in
26 the State fiscal year in which the actuarial change first

1 applied that occurs in State fiscal year 2018 or
2 thereafter, by calculating the change in equal annual
3 amounts over that 5-year period and then implementing it
4 at the resulting annual rate in each of the remaining
5 fiscal years in that 5-year period.

6 For State fiscal years 1996 through 2005, the State
7 contribution to the System, as a percentage of the applicable
8 employee payroll, shall be increased in equal annual
9 increments so that by State fiscal year 2011, the State is
10 contributing at the rate required under this Section.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2006
13 is \$166,641,900.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2007
16 is \$252,064,100.

17 For each of State fiscal years 2008 through 2009, the
18 State contribution to the System, as a percentage of the
19 applicable employee payroll, shall be increased in equal
20 annual increments from the required State contribution for
21 State fiscal year 2007, so that by State fiscal year 2011, the
22 State is contributing at the rate otherwise required under
23 this Section.

24 Notwithstanding any other provision of this Article, the
25 total required State contribution for State fiscal year 2010
26 is \$702,514,000 and shall be made from the State Pensions Fund

1 and proceeds of bonds sold in fiscal year 2010 pursuant to
2 Section 7.2 of the General Obligation Bond Act, less (i) the
3 pro rata share of bond sale expenses determined by the
4 System's share of total bond proceeds, (ii) any amounts
5 received from the General Revenue Fund in fiscal year 2010,
6 (iii) any reduction in bond proceeds due to the issuance of
7 discounted bonds, if applicable.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2011
10 is the amount recertified by the System on or before April 1,
11 2011 pursuant to Section 15-165 and shall be made from the
12 State Pensions Fund and proceeds of bonds sold in fiscal year
13 2011 pursuant to Section 7.2 of the General Obligation Bond
14 Act, less (i) the pro rata share of bond sale expenses
15 determined by the System's share of total bond proceeds, (ii)
16 any amounts received from the General Revenue Fund in fiscal
17 year 2011, and (iii) any reduction in bond proceeds due to the
18 issuance of discounted bonds, if applicable.

19 Beginning in State fiscal year 2046, the minimum State
20 contribution for each fiscal year shall be the amount needed
21 to maintain the total assets of the System at 90% of the total
22 actuarial liabilities of the System.

23 Amounts received by the System pursuant to Section 25 of
24 the Budget Stabilization Act or Section 8.12 of the State
25 Finance Act in any fiscal year do not reduce and do not
26 constitute payment of any portion of the minimum State

1 contribution required under this Article in that fiscal year.
2 Such amounts shall not reduce, and shall not be included in the
3 calculation of, the required State contributions under this
4 Article in any future year until the System has reached a
5 funding ratio of at least 90%. A reference in this Article to
6 the "required State contribution" or any substantially similar
7 term does not include or apply to any amounts payable to the
8 System under Section 25 of the Budget Stabilization Act.

9 Notwithstanding any other provision of this Section, the
10 required State contribution for State fiscal year 2005 and for
11 fiscal year 2008 and each fiscal year thereafter, as
12 calculated under this Section and certified under Section
13 15-165, shall not exceed an amount equal to (i) the amount of
14 the required State contribution that would have been
15 calculated under this Section for that fiscal year if the
16 System had not received any payments under subsection (d) of
17 Section 7.2 of the General Obligation Bond Act, minus (ii) the
18 portion of the State's total debt service payments for that
19 fiscal year on the bonds issued in fiscal year 2003 for the
20 purposes of that Section 7.2, as determined and certified by
21 the Comptroller, that is the same as the System's portion of
22 the total moneys distributed under subsection (d) of Section
23 7.2 of the General Obligation Bond Act. In determining this
24 maximum for State fiscal years 2008 through 2010, however, the
25 amount referred to in item (i) shall be increased, as a
26 percentage of the applicable employee payroll, in equal

1 increments calculated from the sum of the required State
2 contribution for State fiscal year 2007 plus the applicable
3 portion of the State's total debt service payments for fiscal
4 year 2007 on the bonds issued in fiscal year 2003 for the
5 purposes of Section 7.2 of the General Obligation Bond Act, so
6 that, by State fiscal year 2011, the State is contributing at
7 the rate otherwise required under this Section.

8 (a-2) Beginning in fiscal year 2018, each employer under
9 this Article shall pay to the System a required contribution
10 determined as a percentage of projected payroll and sufficient
11 to produce an annual amount equal to:

12 (i) for each of fiscal years 2018, 2019, and 2020, the
13 defined benefit normal cost of the defined benefit plan,
14 less the employee contribution, for each employee of that
15 employer who has elected or who is deemed to have elected
16 the benefits under Section 1-161 or who has made the
17 election under subsection (c) of Section 1-161; for fiscal
18 year 2021 and each fiscal year thereafter, the defined
19 benefit normal cost of the defined benefit plan, less the
20 employee contribution, plus 2%, for each employee of that
21 employer who has elected or who is deemed to have elected
22 the benefits under Section 1-161 or who has made the
23 election under subsection (c) of Section 1-161; plus

24 (ii) the amount required for that fiscal year to
25 amortize any unfunded actuarial accrued liability
26 associated with the present value of liabilities

1 attributable to the employer's account under Section
2 15-155.2, determined as a level percentage of payroll over
3 a 30-year rolling amortization period.

4 In determining contributions required under item (i) of
5 this subsection, the System shall determine an aggregate rate
6 for all employers, expressed as a percentage of projected
7 payroll.

8 In determining the contributions required under item (ii)
9 of this subsection, the amount shall be computed by the System
10 on the basis of the actuarial assumptions and tables used in
11 the most recent actuarial valuation of the System that is
12 available at the time of the computation.

13 The contributions required under this subsection (a-2)
14 shall be paid by an employer concurrently with that employer's
15 payroll payment period. The State, as the actual employer of
16 an employee, shall make the required contributions under this
17 subsection.

18 As used in this subsection, "academic year" means the
19 12-month period beginning September 1.

20 (b) If an employee is paid from trust or federal funds, the
21 employer shall pay to the Board contributions from those funds
22 which are sufficient to cover the accruing normal costs on
23 behalf of the employee. However, universities having employees
24 who are compensated out of local auxiliary funds, income
25 funds, or service enterprise funds are not required to pay
26 such contributions on behalf of those employees. The local

1 auxiliary funds, income funds, and service enterprise funds of
2 universities shall not be considered trust funds for the
3 purpose of this Article, but funds of alumni associations,
4 foundations, and athletic associations which are affiliated
5 with the universities included as employers under this Article
6 and other employers which do not receive State appropriations
7 are considered to be trust funds for the purpose of this
8 Article.

9 (b-1) The City of Urbana and the City of Champaign shall
10 each make employer contributions to this System for their
11 respective firefighter employees who participate in this
12 System pursuant to subsection (h) of Section 15-107. The rate
13 of contributions to be made by those municipalities shall be
14 determined annually by the Board on the basis of the actuarial
15 assumptions adopted by the Board and the recommendations of
16 the actuary, and shall be expressed as a percentage of salary
17 for each such employee. The Board shall certify the rate to the
18 affected municipalities as soon as may be practical. The
19 employer contributions required under this subsection shall be
20 remitted by the municipality to the System at the same time and
21 in the same manner as employee contributions.

22 (c) Through State fiscal year 1995: The total employer
23 contribution shall be apportioned among the various funds of
24 the State and other employers, whether trust, federal, or
25 other funds, in accordance with actuarial procedures approved
26 by the Board. State of Illinois contributions for employers

1 receiving State appropriations for personal services shall be
2 payable from appropriations made to the employers or to the
3 System. The contributions for Class I community colleges
4 covering earnings other than those paid from trust and federal
5 funds, shall be payable solely from appropriations to the
6 Illinois Community College Board or the System for employer
7 contributions.

8 (d) Beginning in State fiscal year 1996, the required
9 State contributions to the System shall be appropriated
10 directly to the System and shall be payable through vouchers
11 issued in accordance with subsection (c) of Section 15-165,
12 except as provided in subsection (g).

13 (e) The State Comptroller shall draw warrants payable to
14 the System upon proper certification by the System or by the
15 employer in accordance with the appropriation laws and this
16 Code.

17 (f) Normal costs under this Section means liability for
18 pensions and other benefits which accrues to the System
19 because of the credits earned for service rendered by the
20 participants during the fiscal year and expenses of
21 administering the System, but shall not include the principal
22 of or any redemption premium or interest on any bonds issued by
23 the Board or any expenses incurred or deposits required in
24 connection therewith.

25 (g) If the amount of a participant's earnings for any
26 academic year used to determine the final rate of earnings,

1 determined on a full-time equivalent basis, exceeds the amount
2 of his or her earnings with the same employer for the previous
3 academic year, determined on a full-time equivalent basis, by
4 more than 6%, the participant's employer shall pay to the
5 System, in addition to all other payments required under this
6 Section and in accordance with guidelines established by the
7 System, the present value of the increase in benefits
8 resulting from the portion of the increase in earnings that is
9 in excess of 6%. This present value shall be computed by the
10 System on the basis of the actuarial assumptions and tables
11 used in the most recent actuarial valuation of the System that
12 is available at the time of the computation. The System may
13 require the employer to provide any pertinent information or
14 documentation.

15 Whenever it determines that a payment is or may be
16 required under this subsection (g), the System shall calculate
17 the amount of the payment and bill the employer for that
18 amount. The bill shall specify the calculations used to
19 determine the amount due. If the employer disputes the amount
20 of the bill, it may, within 30 days after receipt of the bill,
21 apply to the System in writing for a recalculation. The
22 application must specify in detail the grounds of the dispute
23 and, if the employer asserts that the calculation is subject
24 to subsection (h), (h-5), or (i) of this Section, must include
25 an affidavit setting forth and attesting to all facts within
26 the employer's knowledge that are pertinent to the

1 applicability of that subsection. Upon receiving a timely
2 application for recalculation, the System shall review the
3 application and, if appropriate, recalculate the amount due.

4 The employer contributions required under this subsection
5 (g) may be paid in the form of a lump sum within 90 days after
6 receipt of the bill. If the employer contributions are not
7 paid within 90 days after receipt of the bill, then interest
8 will be charged at a rate equal to the System's annual
9 actuarially assumed rate of return on investment compounded
10 annually from the 91st day after receipt of the bill. Payments
11 must be concluded within 3 years after the employer's receipt
12 of the bill.

13 When assessing payment for any amount due under this
14 subsection (g), the System shall include earnings, to the
15 extent not established by a participant under Section
16 15-113.11 or 15-113.12, that would have been paid to the
17 participant had the participant not taken (i) periods of
18 voluntary or involuntary furlough occurring on or after July
19 1, 2015 and on or before June 30, 2017 or (ii) periods of
20 voluntary pay reduction in lieu of furlough occurring on or
21 after July 1, 2015 and on or before June 30, 2017. Determining
22 earnings that would have been paid to a participant had the
23 participant not taken periods of voluntary or involuntary
24 furlough or periods of voluntary pay reduction shall be the
25 responsibility of the employer, and shall be reported in a
26 manner prescribed by the System.

1 This subsection (g) does not apply to (1) Tier 2 hybrid
2 plan members and (2) Tier 2 defined benefit members who first
3 participate under this Article on or after the implementation
4 date of the Optional Hybrid Plan.

5 (g-1) (Blank).

6 (h) This subsection (h) applies only to payments made or
7 salary increases given on or after June 1, 2005 ~~but before July~~
8 ~~1, 2011~~. The changes made by Public Act 94-1057 shall not
9 require the System to refund any payments received before July
10 31, 2006 (the effective date of Public Act 94-1057).

11 When assessing payment for any amount due under subsection
12 (g), the System shall exclude earnings increases paid to
13 participants under contracts or collective bargaining
14 agreements entered into, amended, or renewed before June 1,
15 2005.

16 When assessing payment for any amount due under subsection
17 (g), the System shall exclude earnings increases paid to a
18 participant at a time when the participant is 10 or more years
19 from retirement eligibility under Section 15-135.

20 When assessing payment for any amount due under subsection
21 (g), the System shall exclude earnings increases resulting
22 from overload work, including a contract for summer teaching,
23 or overtime when the employer has certified to the System, and
24 the System has approved the certification, that: (i) in the
25 case of overloads (A) the overload work is for the sole purpose
26 of academic instruction in excess of the standard number of

1 instruction hours for a full-time employee occurring during
2 the academic year that the overload is paid and (B) the
3 earnings increases are equal to or less than the rate of pay
4 for academic instruction computed using the participant's
5 current salary rate and work schedule; and (ii) in the case of
6 overtime, the overtime was necessary for the educational
7 mission.

8 When assessing payment for any amount due under subsection
9 (g), the System shall exclude any earnings increase resulting
10 from (i) a promotion for which the employee moves from one
11 classification to a higher classification under the State
12 Universities Civil Service System, (ii) a promotion in
13 academic rank for a tenured or tenure-track faculty position,
14 or (iii) a promotion that the Illinois Community College Board
15 has recommended in accordance with subsection (k) of this
16 Section. These earnings increases shall be excluded only if
17 the promotion is to a position that has existed and been filled
18 by a member for no less than one complete academic year and the
19 earnings increase as a result of the promotion is an increase
20 that results in an amount no greater than the average salary
21 paid for other similar positions.

22 (h-5) When assessing payment for any amount due under
23 subsection (g), the System shall exclude any earnings increase
24 paid in an academic year beginning on or after July 1, 2020
25 resulting from overload work performed in an academic year
26 subsequent to an academic year in which the employer was

1 unable to offer or allow to be conducted overload work due to
2 an emergency declaration limiting such activities.

3 (i) (Blank). ~~When assessing payment for any amount due~~
4 ~~under subsection (g), the System shall exclude any salary~~
5 ~~increase described in subsection (h) of this Section given on~~
6 ~~or after July 1, 2011 but before July 1, 2014 under a contract~~
7 ~~or collective bargaining agreement entered into, amended, or~~
8 ~~renewed on or after June 1, 2005 but before July 1, 2011.~~
9 ~~Except as provided in subsection (h 5), any payments made or~~
10 ~~salary increases given after June 30, 2014 shall be used in~~
11 ~~assessing payment for any amount due under subsection (g) of~~
12 ~~this Section.~~

13 (j) The System shall prepare a report and file copies of
14 the report with the Governor and the General Assembly by
15 January 1, 2007 that contains all of the following
16 information:

17 (1) The number of recalculations required by the
18 changes made to this Section by Public Act 94-1057 for
19 each employer.

20 (2) The dollar amount by which each employer's
21 contribution to the System was changed due to
22 recalculations required by Public Act 94-1057.

23 (3) The total amount the System received from each
24 employer as a result of the changes made to this Section by
25 Public Act 94-4.

26 (4) The increase in the required State contribution

1 resulting from the changes made to this Section by Public
2 Act 94-1057.

3 (j-5) For State fiscal years beginning on or after July 1,
4 2017, if the amount of a participant's earnings for any State
5 fiscal year exceeds the amount of the salary set by law for the
6 Governor that is in effect on July 1 of that fiscal year, the
7 participant's employer shall pay to the System, in addition to
8 all other payments required under this Section and in
9 accordance with guidelines established by the System, an
10 amount determined by the System to be equal to the employer
11 normal cost, as established by the System and expressed as a
12 total percentage of payroll, multiplied by the amount of
13 earnings in excess of the amount of the salary set by law for
14 the Governor. This amount shall be computed by the System on
15 the basis of the actuarial assumptions and tables used in the
16 most recent actuarial valuation of the System that is
17 available at the time of the computation. The System may
18 require the employer to provide any pertinent information or
19 documentation.

20 Whenever it determines that a payment is or may be
21 required under this subsection, the System shall calculate the
22 amount of the payment and bill the employer for that amount.
23 The bill shall specify the calculation used to determine the
24 amount due. If the employer disputes the amount of the bill, it
25 may, within 30 days after receipt of the bill, apply to the
26 System in writing for a recalculation. The application must

1 specify in detail the grounds of the dispute. Upon receiving a
2 timely application for recalculation, the System shall review
3 the application and, if appropriate, recalculate the amount
4 due.

5 The employer contributions required under this subsection
6 may be paid in the form of a lump sum within 90 days after
7 issuance of the bill. If the employer contributions are not
8 paid within 90 days after issuance of the bill, then interest
9 will be charged at a rate equal to the System's annual
10 actuarially assumed rate of return on investment compounded
11 annually from the 91st day after issuance of the bill. All
12 payments must be received within 3 years after issuance of the
13 bill. If the employer fails to make complete payment,
14 including applicable interest, within 3 years, then the System
15 may, after giving notice to the employer, certify the
16 delinquent amount to the State Comptroller, and the
17 Comptroller shall thereupon deduct the certified delinquent
18 amount from State funds payable to the employer and pay them
19 instead to the System.

20 This subsection (j-5) does not apply to a participant's
21 earnings to the extent an employer pays the employer normal
22 cost of such earnings.

23 The changes made to this subsection (j-5) by Public Act
24 100-624 are intended to apply retroactively to July 6, 2017
25 (the effective date of Public Act 100-23).

26 (k) The Illinois Community College Board shall adopt rules

1 for recommending lists of promotional positions submitted to
2 the Board by community colleges and for reviewing the
3 promotional lists on an annual basis. When recommending
4 promotional lists, the Board shall consider the similarity of
5 the positions submitted to those positions recognized for
6 State universities by the State Universities Civil Service
7 System. The Illinois Community College Board shall file a copy
8 of its findings with the System. The System shall consider the
9 findings of the Illinois Community College Board when making
10 determinations under this Section. The System shall not
11 exclude any earnings increases resulting from a promotion when
12 the promotion was not submitted by a community college.
13 Nothing in this subsection (k) shall require any community
14 college to submit any information to the Community College
15 Board.

16 (1) For purposes of determining the required State
17 contribution to the System, the value of the System's assets
18 shall be equal to the actuarial value of the System's assets,
19 which shall be calculated as follows:

20 As of June 30, 2008, the actuarial value of the System's
21 assets shall be equal to the market value of the assets as of
22 that date. In determining the actuarial value of the System's
23 assets for fiscal years after June 30, 2008, any actuarial
24 gains or losses from investment return incurred in a fiscal
25 year shall be recognized in equal annual amounts over the
26 5-year period following that fiscal year.

1 (m) For purposes of determining the required State
2 contribution to the system for a particular year, the
3 actuarial value of assets shall be assumed to earn a rate of
4 return equal to the system's actuarially assumed rate of
5 return.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
7 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.
8 5-13-22.)

9 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

10 Sec. 16-158. Contributions by State and other employing
11 units.

12 (a) The State shall make contributions to the System by
13 means of appropriations from the Common School Fund and other
14 State funds of amounts which, together with other employer
15 contributions, employee contributions, investment income, and
16 other income, will be sufficient to meet the cost of
17 maintaining and administering the System on a 90% funded basis
18 in accordance with actuarial recommendations.

19 The Board shall determine the amount of State
20 contributions required for each fiscal year on the basis of
21 the actuarial tables and other assumptions adopted by the
22 Board and the recommendations of the actuary, using the
23 formula in subsection (b-3).

24 (a-1) Annually, on or before November 15 until November
25 15, 2011, the Board shall certify to the Governor the amount of

1 the required State contribution for the coming fiscal year.
2 The certification under this subsection (a-1) shall include a
3 copy of the actuarial recommendations upon which it is based
4 and shall specifically identify the System's projected State
5 normal cost for that fiscal year.

6 On or before May 1, 2004, the Board shall recalculate and
7 recertify to the Governor the amount of the required State
8 contribution to the System for State fiscal year 2005, taking
9 into account the amounts appropriated to and received by the
10 System under subsection (d) of Section 7.2 of the General
11 Obligation Bond Act.

12 On or before July 1, 2005, the Board shall recalculate and
13 recertify to the Governor the amount of the required State
14 contribution to the System for State fiscal year 2006, taking
15 into account the changes in required State contributions made
16 by Public Act 94-4.

17 On or before April 1, 2011, the Board shall recalculate
18 and recertify to the Governor the amount of the required State
19 contribution to the System for State fiscal year 2011,
20 applying the changes made by Public Act 96-889 to the System's
21 assets and liabilities as of June 30, 2009 as though Public Act
22 96-889 was approved on that date.

23 (a-5) On or before November 1 of each year, beginning
24 November 1, 2012, the Board shall submit to the State Actuary,
25 the Governor, and the General Assembly a proposed
26 certification of the amount of the required State contribution

1 to the System for the next fiscal year, along with all of the
2 actuarial assumptions, calculations, and data upon which that
3 proposed certification is based. On or before January 1 of
4 each year, beginning January 1, 2013, the State Actuary shall
5 issue a preliminary report concerning the proposed
6 certification and identifying, if necessary, recommended
7 changes in actuarial assumptions that the Board must consider
8 before finalizing its certification of the required State
9 contributions. On or before January 15, 2013 and each January
10 15 thereafter, the Board shall certify to the Governor and the
11 General Assembly the amount of the required State contribution
12 for the next fiscal year. The Board's certification must note
13 any deviations from the State Actuary's recommended changes,
14 the reason or reasons for not following the State Actuary's
15 recommended changes, and the fiscal impact of not following
16 the State Actuary's recommended changes on the required State
17 contribution.

18 (a-10) By November 1, 2017, the Board shall recalculate
19 and recertify to the State Actuary, the Governor, and the
20 General Assembly the amount of the State contribution to the
21 System for State fiscal year 2018, taking into account the
22 changes in required State contributions made by Public Act
23 100-23. The State Actuary shall review the assumptions and
24 valuations underlying the Board's revised certification and
25 issue a preliminary report concerning the proposed
26 recertification and identifying, if necessary, recommended

1 changes in actuarial assumptions that the Board must consider
2 before finalizing its certification of the required State
3 contributions. The Board's final certification must note any
4 deviations from the State Actuary's recommended changes, the
5 reason or reasons for not following the State Actuary's
6 recommended changes, and the fiscal impact of not following
7 the State Actuary's recommended changes on the required State
8 contribution.

9 (a-15) On or after June 15, 2019, but no later than June
10 30, 2019, the Board shall recalculate and recertify to the
11 Governor and the General Assembly the amount of the State
12 contribution to the System for State fiscal year 2019, taking
13 into account the changes in required State contributions made
14 by Public Act 100-587. The recalculation shall be made using
15 assumptions adopted by the Board for the original fiscal year
16 2019 certification. The monthly voucher for the 12th month of
17 fiscal year 2019 shall be paid by the Comptroller after the
18 recertification required pursuant to this subsection is
19 submitted to the Governor, Comptroller, and General Assembly.
20 The recertification submitted to the General Assembly shall be
21 filed with the Clerk of the House of Representatives and the
22 Secretary of the Senate in electronic form only, in the manner
23 that the Clerk and the Secretary shall direct.

24 (b) Through State fiscal year 1995, the State
25 contributions shall be paid to the System in accordance with
26 Section 18-7 of the School Code.

1 (b-1) Unless otherwise directed by the Comptroller under
2 subsection (b-1.1), the Board shall submit vouchers for
3 payment of State contributions to the System for the
4 applicable month on the 15th day of each month, or as soon
5 thereafter as may be practicable. The amount vouchered for a
6 monthly payment shall total one-twelfth of the required annual
7 State contribution certified under subsection (a-1).

8 (b-1.1) Beginning in State fiscal year 2025, if the
9 Comptroller requests that the Board submit, during a State
10 fiscal year, vouchers for multiple monthly payments for the
11 advance payment of State contributions due to the System for
12 that State fiscal year, then the Board shall submit those
13 additional vouchers as directed by the Comptroller,
14 notwithstanding subsection (b-1). Unless an act of
15 appropriations provides otherwise, nothing in this Section
16 authorizes the Board to submit, in a State fiscal year,
17 vouchers for the payment of State contributions to the System
18 in an amount that exceeds the rate of payroll that is certified
19 by the System under this Section for that State fiscal year.

20 (b-1.2) The vouchers described in subsections (b-1) and
21 (b-1.1) shall be paid by the State Comptroller and Treasurer
22 by warrants drawn on the funds appropriated to the System for
23 that fiscal year.

24 If in any month the amount remaining unexpended from all
25 other appropriations to the System for the applicable fiscal
26 year (including the appropriations to the System under Section

1 8.12 of the State Finance Act and Section 1 of the State
2 Pension Funds Continuing Appropriation Act) is less than the
3 amount lawfully vouchered under this subsection, the
4 difference shall be paid from the Common School Fund under the
5 continuing appropriation authority provided in Section 1.1 of
6 the State Pension Funds Continuing Appropriation Act.

7 (b-2) Allocations from the Common School Fund apportioned
8 to school districts not coming under this System shall not be
9 diminished or affected by the provisions of this Article.

10 (b-3) For State fiscal years 2012 through 2045, the
11 minimum contribution to the System to be made by the State for
12 each fiscal year shall be an amount determined by the System to
13 be sufficient to bring the total assets of the System up to 90%
14 of the total actuarial liabilities of the System by the end of
15 State fiscal year 2045. In making these determinations, the
16 required State contribution shall be calculated each year as a
17 level percentage of payroll over the years remaining to and
18 including fiscal year 2045 and shall be determined under the
19 projected unit credit actuarial cost method.

20 For each of State fiscal years 2018, 2019, and 2020, the
21 State shall make an additional contribution to the System
22 equal to 2% of the total payroll of each employee who is deemed
23 to have elected the benefits under Section 1-161 or who has
24 made the election under subsection (c) of Section 1-161.

25 A change in an actuarial or investment assumption that
26 increases or decreases the required State contribution and

1 first applies in State fiscal year 2018 or thereafter shall be
2 implemented in equal annual amounts over a 5-year period
3 beginning in the State fiscal year in which the actuarial
4 change first applies to the required State contribution.

5 A change in an actuarial or investment assumption that
6 increases or decreases the required State contribution and
7 first applied to the State contribution in fiscal year 2014,
8 2015, 2016, or 2017 shall be implemented:

9 (i) as already applied in State fiscal years before
10 2018; and

11 (ii) in the portion of the 5-year period beginning in
12 the State fiscal year in which the actuarial change first
13 applied that occurs in State fiscal year 2018 or
14 thereafter, by calculating the change in equal annual
15 amounts over that 5-year period and then implementing it
16 at the resulting annual rate in each of the remaining
17 fiscal years in that 5-year period.

18 For State fiscal years 1996 through 2005, the State
19 contribution to the System, as a percentage of the applicable
20 employee payroll, shall be increased in equal annual
21 increments so that by State fiscal year 2011, the State is
22 contributing at the rate required under this Section; except
23 that in the following specified State fiscal years, the State
24 contribution to the System shall not be less than the
25 following indicated percentages of the applicable employee
26 payroll, even if the indicated percentage will produce a State

1 contribution in excess of the amount otherwise required under
2 this subsection and subsection (a), and notwithstanding any
3 contrary certification made under subsection (a-1) before May
4 27, 1998 (the effective date of Public Act 90-582): 10.02% in
5 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
6 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2006
9 is \$534,627,700.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2007
12 is \$738,014,500.

13 For each of State fiscal years 2008 through 2009, the
14 State contribution to the System, as a percentage of the
15 applicable employee payroll, shall be increased in equal
16 annual increments from the required State contribution for
17 State fiscal year 2007, so that by State fiscal year 2011, the
18 State is contributing at the rate otherwise required under
19 this Section.

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2010
22 is \$2,089,268,000 and shall be made from the proceeds of bonds
23 sold in fiscal year 2010 pursuant to Section 7.2 of the General
24 Obligation Bond Act, less (i) the pro rata share of bond sale
25 expenses determined by the System's share of total bond
26 proceeds, (ii) any amounts received from the Common School

1 Fund in fiscal year 2010, and (iii) any reduction in bond
2 proceeds due to the issuance of discounted bonds, if
3 applicable.

4 Notwithstanding any other provision of this Article, the
5 total required State contribution for State fiscal year 2011
6 is the amount recertified by the System on or before April 1,
7 2011 pursuant to subsection (a-1) of this Section and shall be
8 made from the proceeds of bonds sold in fiscal year 2011
9 pursuant to Section 7.2 of the General Obligation Bond Act,
10 less (i) the pro rata share of bond sale expenses determined by
11 the System's share of total bond proceeds, (ii) any amounts
12 received from the Common School Fund in fiscal year 2011, and
13 (iii) any reduction in bond proceeds due to the issuance of
14 discounted bonds, if applicable. This amount shall include, in
15 addition to the amount certified by the System, an amount
16 necessary to meet employer contributions required by the State
17 as an employer under paragraph (e) of this Section, which may
18 also be used by the System for contributions required by
19 paragraph (a) of Section 16-127.

20 Beginning in State fiscal year 2046, the minimum State
21 contribution for each fiscal year shall be the amount needed
22 to maintain the total assets of the System at 90% of the total
23 actuarial liabilities of the System.

24 Amounts received by the System pursuant to Section 25 of
25 the Budget Stabilization Act or Section 8.12 of the State
26 Finance Act in any fiscal year do not reduce and do not

1 constitute payment of any portion of the minimum State
2 contribution required under this Article in that fiscal year.
3 Such amounts shall not reduce, and shall not be included in the
4 calculation of, the required State contributions under this
5 Article in any future year until the System has reached a
6 funding ratio of at least 90%. A reference in this Article to
7 the "required State contribution" or any substantially similar
8 term does not include or apply to any amounts payable to the
9 System under Section 25 of the Budget Stabilization Act.

10 Notwithstanding any other provision of this Section, the
11 required State contribution for State fiscal year 2005 and for
12 fiscal year 2008 and each fiscal year thereafter, as
13 calculated under this Section and certified under subsection
14 (a-1), shall not exceed an amount equal to (i) the amount of
15 the required State contribution that would have been
16 calculated under this Section for that fiscal year if the
17 System had not received any payments under subsection (d) of
18 Section 7.2 of the General Obligation Bond Act, minus (ii) the
19 portion of the State's total debt service payments for that
20 fiscal year on the bonds issued in fiscal year 2003 for the
21 purposes of that Section 7.2, as determined and certified by
22 the Comptroller, that is the same as the System's portion of
23 the total moneys distributed under subsection (d) of Section
24 7.2 of the General Obligation Bond Act. In determining this
25 maximum for State fiscal years 2008 through 2010, however, the
26 amount referred to in item (i) shall be increased, as a

1 percentage of the applicable employee payroll, in equal
2 increments calculated from the sum of the required State
3 contribution for State fiscal year 2007 plus the applicable
4 portion of the State's total debt service payments for fiscal
5 year 2007 on the bonds issued in fiscal year 2003 for the
6 purposes of Section 7.2 of the General Obligation Bond Act, so
7 that, by State fiscal year 2011, the State is contributing at
8 the rate otherwise required under this Section.

9 (b-4) Beginning in fiscal year 2018, each employer under
10 this Article shall pay to the System a required contribution
11 determined as a percentage of projected payroll and sufficient
12 to produce an annual amount equal to:

13 (i) for each of fiscal years 2018, 2019, and 2020, the
14 defined benefit normal cost of the defined benefit plan,
15 less the employee contribution, for each employee of that
16 employer who has elected or who is deemed to have elected
17 the benefits under Section 1-161 or who has made the
18 election under subsection (b) of Section 1-161; for fiscal
19 year 2021 and each fiscal year thereafter, the defined
20 benefit normal cost of the defined benefit plan, less the
21 employee contribution, plus 2%, for each employee of that
22 employer who has elected or who is deemed to have elected
23 the benefits under Section 1-161 or who has made the
24 election under subsection (b) of Section 1-161; plus

25 (ii) the amount required for that fiscal year to
26 amortize any unfunded actuarial accrued liability

1 associated with the present value of liabilities
2 attributable to the employer's account under Section
3 16-158.3, determined as a level percentage of payroll over
4 a 30-year rolling amortization period.

5 In determining contributions required under item (i) of
6 this subsection, the System shall determine an aggregate rate
7 for all employers, expressed as a percentage of projected
8 payroll.

9 In determining the contributions required under item (ii)
10 of this subsection, the amount shall be computed by the System
11 on the basis of the actuarial assumptions and tables used in
12 the most recent actuarial valuation of the System that is
13 available at the time of the computation.

14 The contributions required under this subsection (b-4)
15 shall be paid by an employer concurrently with that employer's
16 payroll payment period. The State, as the actual employer of
17 an employee, shall make the required contributions under this
18 subsection.

19 (c) Payment of the required State contributions and of all
20 pensions, retirement annuities, death benefits, refunds, and
21 other benefits granted under or assumed by this System, and
22 all expenses in connection with the administration and
23 operation thereof, are obligations of the State.

24 If members are paid from special trust or federal funds
25 which are administered by the employing unit, whether school
26 district or other unit, the employing unit shall pay to the

1 System from such funds the full accruing retirement costs
2 based upon that service, which, beginning July 1, 2017, shall
3 be at a rate, expressed as a percentage of salary, equal to the
4 total employer's normal cost, expressed as a percentage of
5 payroll, as determined by the System. Employer contributions,
6 based on salary paid to members from federal funds, may be
7 forwarded by the distributing agency of the State of Illinois
8 to the System prior to allocation, in an amount determined in
9 accordance with guidelines established by such agency and the
10 System. Any contribution for fiscal year 2015 collected as a
11 result of the change made by Public Act 98-674 shall be
12 considered a State contribution under subsection (b-3) of this
13 Section.

14 (d) Effective July 1, 1986, any employer of a teacher as
15 defined in paragraph (8) of Section 16-106 shall pay the
16 employer's normal cost of benefits based upon the teacher's
17 service, in addition to employee contributions, as determined
18 by the System. Such employer contributions shall be forwarded
19 monthly in accordance with guidelines established by the
20 System.

21 However, with respect to benefits granted under Section
22 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
23 of Section 16-106, the employer's contribution shall be 12%
24 (rather than 20%) of the member's highest annual salary rate
25 for each year of creditable service granted, and the employer
26 shall also pay the required employee contribution on behalf of

1 the teacher. For the purposes of Sections 16-133.4 and
2 16-133.5, a teacher as defined in paragraph (8) of Section
3 16-106 who is serving in that capacity while on leave of
4 absence from another employer under this Article shall not be
5 considered an employee of the employer from which the teacher
6 is on leave.

7 (e) Beginning July 1, 1998, every employer of a teacher
8 shall pay to the System an employer contribution computed as
9 follows:

10 (1) Beginning July 1, 1998 through June 30, 1999, the
11 employer contribution shall be equal to 0.3% of each
12 teacher's salary.

13 (2) Beginning July 1, 1999 and thereafter, the
14 employer contribution shall be equal to 0.58% of each
15 teacher's salary.

16 The school district or other employing unit may pay these
17 employer contributions out of any source of funding available
18 for that purpose and shall forward the contributions to the
19 System on the schedule established for the payment of member
20 contributions.

21 These employer contributions are intended to offset a
22 portion of the cost to the System of the increases in
23 retirement benefits resulting from Public Act 90-582.

24 Each employer of teachers is entitled to a credit against
25 the contributions required under this subsection (e) with
26 respect to salaries paid to teachers for the period January 1,

1 2002 through June 30, 2003, equal to the amount paid by that
2 employer under subsection (a-5) of Section 6.6 of the State
3 Employees Group Insurance Act of 1971 with respect to salaries
4 paid to teachers for that period.

5 The additional 1% employee contribution required under
6 Section 16-152 by Public Act 90-582 is the responsibility of
7 the teacher and not the teacher's employer, unless the
8 employer agrees, through collective bargaining or otherwise,
9 to make the contribution on behalf of the teacher.

10 If an employer is required by a contract in effect on May
11 1, 1998 between the employer and an employee organization to
12 pay, on behalf of all its full-time employees covered by this
13 Article, all mandatory employee contributions required under
14 this Article, then the employer shall be excused from paying
15 the employer contribution required under this subsection (e)
16 for the balance of the term of that contract. The employer and
17 the employee organization shall jointly certify to the System
18 the existence of the contractual requirement, in such form as
19 the System may prescribe. This exclusion shall cease upon the
20 termination, extension, or renewal of the contract at any time
21 after May 1, 1998.

22 (f) If the amount of a teacher's salary for any school year
23 used to determine final average salary exceeds the member's
24 annual full-time salary rate with the same employer for the
25 previous school year by more than 6%, the teacher's employer
26 shall pay to the System, in addition to all other payments

1 required under this Section and in accordance with guidelines
2 established by the System, the present value of the increase
3 in benefits resulting from the portion of the increase in
4 salary that is in excess of 6%. This present value shall be
5 computed by the System on the basis of the actuarial
6 assumptions and tables used in the most recent actuarial
7 valuation of the System that is available at the time of the
8 computation. If a teacher's salary for the 2005-2006 school
9 year is used to determine final average salary under this
10 subsection (f), then the changes made to this subsection (f)
11 by Public Act 94-1057 shall apply in calculating whether the
12 increase in his or her salary is in excess of 6%. For the
13 purposes of this Section, change in employment under Section
14 10-21.12 of the School Code on or after June 1, 2005 shall
15 constitute a change in employer. The System may require the
16 employer to provide any pertinent information or
17 documentation. The changes made to this subsection (f) by
18 Public Act 94-1111 apply without regard to whether the teacher
19 was in service on or after its effective date.

20 Whenever it determines that a payment is or may be
21 required under this subsection, the System shall calculate the
22 amount of the payment and bill the employer for that amount.
23 The bill shall specify the calculations used to determine the
24 amount due. If the employer disputes the amount of the bill, it
25 may, within 30 days after receipt of the bill, apply to the
26 System in writing for a recalculation. The application must

1 specify in detail the grounds of the dispute and, if the
2 employer asserts that the calculation is subject to subsection
3 (g), (g-5), (g-10), (g-15), (g-20), or (h) of this Section,
4 must include an affidavit setting forth and attesting to all
5 facts within the employer's knowledge that are pertinent to
6 the applicability of that subsection. Upon receiving a timely
7 application for recalculation, the System shall review the
8 application and, if appropriate, recalculate the amount due.

9 The employer contributions required under this subsection
10 (f) may be paid in the form of a lump sum within 90 days after
11 receipt of the bill. If the employer contributions are not
12 paid within 90 days after receipt of the bill, then interest
13 will be charged at a rate equal to the System's annual
14 actuarially assumed rate of return on investment compounded
15 annually from the 91st day after receipt of the bill. Payments
16 must be concluded within 3 years after the employer's receipt
17 of the bill.

18 (f-1) (Blank).

19 (g) This subsection (g) applies only to payments made or
20 salary increases given on or after June 1, 2005 ~~but before July~~
21 ~~1, 2011~~. The changes made by Public Act 94-1057 shall not
22 require the System to refund any payments received before July
23 31, 2006 (the effective date of Public Act 94-1057).

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude salary increases paid to
26 teachers under contracts or collective bargaining agreements

1 entered into, amended, or renewed before June 1, 2005.

2 When assessing payment for any amount due under subsection
3 (f), the System shall exclude salary increases paid to a
4 teacher at a time when the teacher is 10 or more years from
5 retirement eligibility under Section 16-132 or 16-133.2.

6 When assessing payment for any amount due under subsection
7 (f), the System shall exclude salary increases resulting from
8 overload work, including summer school, when the school
9 district has certified to the System, and the System has
10 approved the certification, that (i) the overload work is for
11 the sole purpose of classroom instruction in excess of the
12 standard number of classes for a full-time teacher in a school
13 district during a school year and (ii) the salary increases
14 are equal to or less than the rate of pay for classroom
15 instruction computed on the teacher's current salary and work
16 schedule.

17 When assessing payment for any amount due under subsection
18 (f), the System shall exclude a salary increase resulting from
19 a promotion (i) for which the employee is required to hold a
20 certificate or supervisory endorsement issued by the State
21 Teacher Certification Board that is a different certification
22 or supervisory endorsement than is required for the teacher's
23 previous position and (ii) to a position that has existed and
24 been filled by a member for no less than one complete academic
25 year and the salary increase from the promotion is an increase
26 that results in an amount no greater than the lesser of the

1 average salary paid for other similar positions in the
2 district requiring the same certification or the amount
3 stipulated in the collective bargaining agreement for a
4 similar position requiring the same certification.

5 When assessing payment for any amount due under subsection
6 (f), the System shall exclude any payment to the teacher from
7 the State of Illinois or the State Board of Education over
8 which the employer does not have discretion, notwithstanding
9 that the payment is included in the computation of final
10 average salary.

11 (g-5) When assessing payment for any amount due under
12 subsection (f), the System shall exclude salary increases
13 resulting from overload or stipend work performed in a school
14 year subsequent to a school year in which the employer was
15 unable to offer or allow to be conducted overload or stipend
16 work due to an emergency declaration limiting such activities.

17 (g-10) When assessing payment for any amount due under
18 subsection (f), the System shall exclude salary increases
19 resulting from increased instructional time that exceeded the
20 instructional time required during the 2019-2020 school year
21 or any school year thereafter.

22 (g-15) When assessing payment for any amount due under
23 subsection (f), the System shall exclude salary increases
24 resulting from teaching summer school on or after May 1, 2021
25 ~~and before September 15, 2022.~~

26 (g-20) When assessing payment for any amount due under

1 subsection (f), the System shall exclude salary increases
2 necessary to bring a school board in compliance with Public
3 Act 101-443 or this amendatory Act of the 103rd General
4 Assembly.

5 (h) (Blank). ~~When assessing payment for any amount due~~
6 ~~under subsection (f), the System shall exclude any salary~~
7 ~~increase described in subsection (g) of this Section given on~~
8 ~~or after July 1, 2011 but before July 1, 2014 under a contract~~
9 ~~or collective bargaining agreement entered into, amended, or~~
10 ~~renewed on or after June 1, 2005 but before July 1, 2011.~~
11 ~~Notwithstanding any other provision of this Section, any~~
12 ~~payments made or salary increases given after June 30, 2014~~
13 ~~shall be used in assessing payment for any amount due under~~
14 ~~subsection (f) of this Section.~~

15 (i) The System shall prepare a report and file copies of
16 the report with the Governor and the General Assembly by
17 January 1, 2007 that contains all of the following
18 information:

19 (1) The number of recalculations required by the
20 changes made to this Section by Public Act 94-1057 for
21 each employer.

22 (2) The dollar amount by which each employer's
23 contribution to the System was changed due to
24 recalculations required by Public Act 94-1057.

25 (3) The total amount the System received from each
26 employer as a result of the changes made to this Section by

1 Public Act 94-4.

2 (4) The increase in the required State contribution
3 resulting from the changes made to this Section by Public
4 Act 94-1057.

5 (i-5) For school years beginning on or after July 1, 2017,
6 if the amount of a participant's salary for any school year
7 exceeds the amount of the salary set for the Governor, the
8 participant's employer shall pay to the System, in addition to
9 all other payments required under this Section and in
10 accordance with guidelines established by the System, an
11 amount determined by the System to be equal to the employer
12 normal cost, as established by the System and expressed as a
13 total percentage of payroll, multiplied by the amount of
14 salary in excess of the amount of the salary set for the
15 Governor. This amount shall be computed by the System on the
16 basis of the actuarial assumptions and tables used in the most
17 recent actuarial valuation of the System that is available at
18 the time of the computation. The System may require the
19 employer to provide any pertinent information or
20 documentation.

21 Whenever it determines that a payment is or may be
22 required under this subsection, the System shall calculate the
23 amount of the payment and bill the employer for that amount.
24 The bill shall specify the calculations used to determine the
25 amount due. If the employer disputes the amount of the bill, it
26 may, within 30 days after receipt of the bill, apply to the

1 System in writing for a recalculation. The application must
2 specify in detail the grounds of the dispute. Upon receiving a
3 timely application for recalculation, the System shall review
4 the application and, if appropriate, recalculate the amount
5 due.

6 The employer contributions required under this subsection
7 may be paid in the form of a lump sum within 90 days after
8 receipt of the bill. If the employer contributions are not
9 paid within 90 days after receipt of the bill, then interest
10 will be charged at a rate equal to the System's annual
11 actuarially assumed rate of return on investment compounded
12 annually from the 91st day after receipt of the bill. Payments
13 must be concluded within 3 years after the employer's receipt
14 of the bill.

15 (j) For purposes of determining the required State
16 contribution to the System, the value of the System's assets
17 shall be equal to the actuarial value of the System's assets,
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's
20 assets shall be equal to the market value of the assets as of
21 that date. In determining the actuarial value of the System's
22 assets for fiscal years after June 30, 2008, any actuarial
23 gains or losses from investment return incurred in a fiscal
24 year shall be recognized in equal annual amounts over the
25 5-year period following that fiscal year.

26 (k) For purposes of determining the required State

1 contribution to the system for a particular year, the
2 actuarial value of assets shall be assumed to earn a rate of
3 return equal to the system's actuarially assumed rate of
4 return.

5 (Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21;
6 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff.
7 8-11-23; 103-588, eff. 6-5-24.)

8 Article 14.

9 Section 14-5. The Illinois Pension Code is amended by
10 changing Section 7-142.1 as follows:

11 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

12 Sec. 7-142.1. Sheriff's law enforcement employees.

13 (a) In lieu of the retirement annuity provided by
14 subparagraph 1 of paragraph (a) of Section 7-142:

15 Any sheriff's law enforcement employee who has 20 or more
16 years of service in that capacity and who terminates service
17 prior to January 1, 1988 shall be entitled at his option to
18 receive a monthly retirement annuity for his service as a
19 sheriff's law enforcement employee computed by multiplying 2%
20 for each year of such service up to 10 years, 2 1/4% for each
21 year of such service above 10 years and up to 20 years, and 2
22 1/2% for each year of such service above 20 years, by his
23 annual final rate of earnings and dividing by 12.

1 Any sheriff's law enforcement employee who has 20 or more
2 years of service in that capacity and who terminates service
3 on or after January 1, 1988 and before July 1, 2004 shall be
4 entitled at his option to receive a monthly retirement annuity
5 for his service as a sheriff's law enforcement employee
6 computed by multiplying 2.5% for each year of such service up
7 to 20 years, 2% for each year of such service above 20 years
8 and up to 30 years, and 1% for each year of such service above
9 30 years, by his annual final rate of earnings and dividing by
10 12.

11 Any sheriff's law enforcement employee who has 20 or more
12 years of service in that capacity and who terminates service
13 on or after July 1, 2004 shall be entitled at his or her option
14 to receive a monthly retirement annuity for service as a
15 sheriff's law enforcement employee computed by multiplying
16 2.5% for each year of such service by his annual final rate of
17 earnings and dividing by 12.

18 If a sheriff's law enforcement employee has service in any
19 other capacity, his retirement annuity for service as a
20 sheriff's law enforcement employee may be computed under this
21 Section and the retirement annuity for his other service under
22 Section 7-142.

23 In no case shall the total monthly retirement annuity for
24 persons who retire before July 1, 2004 exceed 75% of the
25 monthly final rate of earnings. In no case shall the total
26 monthly retirement annuity for persons who retire on or after

1 July 1, 2004 exceed 80% of the monthly final rate of earnings.

2 (b) Whenever continued group insurance coverage is elected
3 in accordance with the provisions of Section 367h of the
4 Illinois Insurance Code, as now or hereafter amended, the
5 total monthly premium for such continued group insurance
6 coverage or such portion thereof as is not paid by the
7 municipality shall, upon request of the person electing such
8 continued group insurance coverage, be deducted from any
9 monthly pension benefit otherwise payable to such person
10 pursuant to this Section, to be remitted by the Fund to the
11 insurance company or other entity providing the group
12 insurance coverage.

13 (c) A sheriff's law enforcement employee who began service
14 in that capacity prior to the effective date of this
15 amendatory Act of the 97th General Assembly and who has
16 service in any other capacity may convert up to 10 years of
17 that service into service as a sheriff's law enforcement
18 employee by paying to the Fund an amount equal to (1) the
19 additional employee contribution required under Section
20 7-173.1, plus (2) the additional employer contribution
21 required under Section 7-172, plus (3) interest on items (1)
22 and (2) at the prescribed rate from the date of the service to
23 the date of payment. Application must be received by the Board
24 while the employee is an active participant in the Fund.
25 Payment must be received while the member is an active
26 participant, except that one payment will be permitted after

1 termination of participation.

2 (d) The changes to subsections (a) and (b) of this Section
3 made by this amendatory Act of the 94th General Assembly apply
4 only to persons in service on or after July 1, 2004. In the
5 case of such a person who begins to receive a retirement
6 annuity before the effective date of this amendatory Act of
7 the 94th General Assembly, the annuity shall be recalculated
8 prospectively to reflect those changes, with the resulting
9 increase beginning to accrue on the first annuity payment date
10 following the effective date of this amendatory Act.

11 (e) Any elected county officer who was entitled to receive
12 a stipend from the State on or after July 1, 2009 and on or
13 before June 30, 2010 may establish earnings credit for the
14 amount of stipend not received, if the elected county official
15 applies in writing to the fund within 6 months after the
16 effective date of this amendatory Act of the 96th General
17 Assembly and pays to the fund an amount equal to (i) employee
18 contributions on the amount of stipend not received, (ii)
19 employer contributions determined by the Board equal to the
20 employer's normal cost of the benefit on the amount of stipend
21 not received, plus (iii) interest on items (i) and (ii) at the
22 actuarially assumed rate.

23 (f) Notwithstanding any other provision of this Article,
24 the provisions of this subsection (f) apply to a person who
25 first becomes a sheriff's law enforcement employee under this
26 Article on or after January 1, 2011 and does not have any prior

1 service with any other pension fund or retirement system
2 established under this Code.

3 A sheriff's law enforcement employee age 55 or more who
4 has 10 or more years of service in that capacity shall be
5 entitled at his option to receive a monthly retirement annuity
6 for his or her service as a sheriff's law enforcement employee
7 computed by multiplying 2.5% for each year of such service by
8 his or her final rate of earnings.

9 The retirement annuity of a sheriff's law enforcement
10 employee who is retiring after attaining age 50 with 10 or more
11 years of creditable service shall be reduced by one-half of 1%
12 for each month that the sheriff's law enforcement employee's
13 age is under age 55.

14 The maximum retirement annuity under this subsection (f)
15 shall be 75% of final rate of earnings.

16 For the purposes of this subsection (f), "final rate of
17 earnings" means the average monthly earnings obtained by
18 dividing the total salary of the sheriff's law enforcement
19 employee during the 96 consecutive months of service within
20 the last 120 months of service in which the total earnings was
21 the highest by the number of months of service in that period.

22 Notwithstanding any other provision of this Article,
23 beginning on January 1, 2011, for all purposes under this Code
24 (including without limitation the calculation of benefits and
25 employee contributions), the annual earnings of a sheriff's
26 law enforcement employee to whom this Section applies shall

1 not include overtime and shall not exceed \$106,800; however,
2 that amount shall annually thereafter be increased by the
3 lesser of (i) 3% of that amount, including all previous
4 adjustments, or (ii) one-half the annual unadjusted percentage
5 increase (but not less than zero) in the consumer price
6 index-u for the 12 months ending with the September preceding
7 each November 1, including all previous adjustments.

8 (g) Notwithstanding any other provision of this Article,
9 the monthly annuity of a person who first becomes a sheriff's
10 law enforcement employee under this Article on or after
11 January 1, 2011 shall be increased on the January 1 occurring
12 either on or after the attainment of age 60 or the first
13 anniversary of the annuity start date, whichever is later.
14 Each annual increase shall be calculated at 3% or one-half the
15 annual unadjusted percentage increase (but not less than zero)
16 in the consumer price index-u for the 12 months ending with the
17 September preceding each November 1, whichever is less, of the
18 originally granted retirement annuity. If the annual
19 unadjusted percentage change in the consumer price index-u for
20 a 12-month period ending in September is zero or, when
21 compared with the preceding period, decreases, then the
22 annuity shall not be increased.

23 (h) Notwithstanding any other provision of this Article,
24 for a person who first becomes a sheriff's law enforcement
25 employee under this Article on or after January 1, 2011, the
26 annuity to which the surviving spouse, children, or parents

1 are entitled under this subsection (h) shall be in the amount
2 of 66 2/3% of the sheriff's law enforcement employee's earned
3 annuity at the date of death.

4 (i) Notwithstanding any other provision of this Article,
5 the monthly annuity of a survivor of a person who first becomes
6 a sheriff's law enforcement employee under this Article on or
7 after January 1, 2011 shall be increased on the January 1 after
8 attainment of age 60 by the recipient of the survivor's
9 annuity and each January 1 thereafter by 3% or one-half the
10 annual unadjusted percentage increase in the consumer price
11 index-u for the 12 months ending with the September preceding
12 each November 1, whichever is less, of the originally granted
13 pension. If the annual unadjusted percentage change in the
14 consumer price index-u for a 12-month period ending in
15 September is zero or, when compared with the preceding period,
16 decreases, then the annuity shall not be increased.

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

26 (Source: P.A. 100-148, eff. 8-18-17.)

1 Article 90.

2 Section 90-5. The Illinois Pension Code is amended by
3 changing Sections 2-162, 12-195, 14-152.1, 15-198, 16-203, and
4 18-169 as follows:

5 (40 ILCS 5/2-162)

6 Sec. 2-162. Application and expiration of new benefit
7 increases.

8 (a) As used in this Section, "new benefit increase" means
9 an increase in the amount of any benefit provided under this
10 Article, or an expansion of the conditions of eligibility for
11 any benefit under this Article, that results from an amendment
12 to this Code that takes effect after the effective date of this
13 amendatory Act of the 94th General Assembly. "New benefit
14 increase", however, does not include any benefit increase
15 resulting from the changes made to this Article by this
16 amendatory Act of the 104th General Assembly.

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

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

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

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

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

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

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

9 (Source: P.A. 103-426, eff. 8-4-23.)

10 (40 ILCS 5/12-195)

11 Sec. 12-195. Application and expiration of new benefit
12 increases.

13 (a) As used in this Section, "new benefit increase" means
14 an increase in the amount of any benefit provided under this
15 Article, or an expansion of the conditions of eligibility for
16 any benefit under this Article, that results from an amendment
17 to this Code that takes effect after the effective date of this
18 amendatory Act of the 98th General Assembly. "New benefit
19 increase", however, does not include any benefit increase
20 resulting from the changes made to this Article by this
21 amendatory Act of the 104th General Assembly.

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

1 compliance with the provisions of this Section.

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

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

19 (Source: P.A. 102-263, eff. 8-6-21.)

20 (40 ILCS 5/14-152.1)

21 Sec. 14-152.1. Application and expiration of new benefit
22 increases.

23 (a) As used in this Section, "new benefit increase" means
24 an increase in the amount of any benefit provided under this
25 Article, or an expansion of the conditions of eligibility for

1 any benefit under this Article, that results from an amendment
2 to this Code that takes effect after June 1, 2005 (the
3 effective date of Public Act 94-4). "New benefit increase",
4 however, does not include any benefit increase resulting from
5 the changes made to Article 1 or this Article by Public Act
6 96-37, Public Act 100-23, Public Act 100-587, Public Act
7 100-611, Public Act 101-10, Public Act 101-610, Public Act
8 102-210, Public Act 102-856, Public Act 102-956, or this
9 amendatory Act of the 104th General Assembly ~~this amendatory~~
10 ~~Act of the 102nd General Assembly.~~

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

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

20 Every new benefit increase is contingent upon the General
21 Assembly providing the additional funding required under this
22 subsection. The Commission on Government Forecasting and
23 Accountability shall analyze whether adequate additional
24 funding has been provided for the new benefit increase and
25 shall report its analysis to the Public Pension Division of
26 the Department of Insurance. A new benefit increase created by

1 a Public Act that does not include the additional funding
2 required under this subsection is null and void. If the Public
3 Pension Division determines that the additional funding
4 provided for a new benefit increase under this subsection is
5 or has become inadequate, it may so certify to the Governor and
6 the State Comptroller and, in the absence of corrective action
7 by the General Assembly, the new benefit increase shall expire
8 at the end of the fiscal year in which the certification is
9 made.

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

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

26 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;

1 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
2 1-1-23; 102-956, eff. 5-27-22.)

3 (40 ILCS 5/15-198)

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

6 (a) As used in this Section, "new benefit increase" means
7 an increase in the amount of any benefit provided under this
8 Article, or an expansion of the conditions of eligibility for
9 any benefit under this Article, that results from an amendment
10 to this Code that takes effect after June 1, 2005 (the
11 effective date of Public Act 94-4). "New benefit increase",
12 however, does not include any benefit increase resulting from
13 the changes made to Article 1 or this Article by Public Act
14 100-23, Public Act 100-587, Public Act 100-769, Public Act
15 101-10, Public Act 101-610, Public Act 102-16, Public Act
16 103-80, ~~or~~ Public Act 103-548, or this amendatory Act of the
17 104th General Assembly.

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

23 (c) The Public Act enacting a new benefit increase must
24 identify and provide for payment to the System of additional
25 funding at least sufficient to fund the resulting annual

1 increase in cost to the System as it accrues.

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

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

24 (e) Except as otherwise provided in the language creating
25 the new benefit increase, a new benefit increase that expires
26 under this Section continues to apply to persons who applied

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

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

10 (40 ILCS 5/16-203)

11 Sec. 16-203. Application and expiration of new benefit
12 increases.

13 (a) As used in this Section, "new benefit increase" means
14 an increase in the amount of any benefit provided under this
15 Article, or an expansion of the conditions of eligibility for
16 any benefit under this Article, that results from an amendment
17 to this Code that takes effect after June 1, 2005 (the
18 effective date of Public Act 94-4). "New benefit increase",
19 however, does not include any benefit increase resulting from
20 the changes made to Article 1 or this Article by Public Act
21 95-910, Public Act 100-23, Public Act 100-587, Public Act
22 100-743, Public Act 100-769, Public Act 101-10, Public Act
23 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
24 amendatory Act of the 104th General Assembly.

25 (b) Notwithstanding any other provision of this Code or

1 any subsequent amendment to this Code, every new benefit
2 increase is subject to this Section and shall be deemed to be
3 granted only in conformance with and contingent upon
4 compliance with the provisions of this Section.

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

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

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

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

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

18 (40 ILCS 5/18-169)

19 Sec. 18-169. Application and expiration of new benefit
20 increases.

21 (a) As used in this Section, "new benefit increase" means
22 an increase in the amount of any benefit provided under this
23 Article, or an expansion of the conditions of eligibility for
24 any benefit under this Article, that results from an amendment
25 to this Code that takes effect after the effective date of this

1 amendatory Act of the 94th General Assembly. "New benefit
2 increase", however, does not include any benefit increase
3 resulting from the changes made to this Article by this
4 amendatory Act of the 104th General Assembly.

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

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

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

1 by the General Assembly, the new benefit increase shall expire
2 at the end of the fiscal year in which the certification is
3 made.

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

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

20 (Source: P.A. 103-426, eff. 8-4-23.)

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

23 (30 ILCS 805/8.49 new)

24 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and

1 8 of this Act, no reimbursement by the State is required for
2 the implementation of any mandate created by this amendatory
3 Act of the 104th General Assembly.

4 Article 99.

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

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40 ILCS 5/1-160

4

40 ILCS 5/1-163 new

5

40 ILCS 5/2-108.1

from Ch. 108 1/2, par. 2-108.1

6

40 ILCS 5/3-153 new

7

40 ILCS 5/4-145 new

8

40 ILCS 5/5-239 new

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40 ILCS 5/6-231 new

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40 ILCS 5/7-226 new

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40 ILCS 5/8-251.5 new

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40 ILCS 5/9-242 new

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40 ILCS 5/10-110 new

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40 ILCS 5/11-233 new

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40 ILCS 5/13-217 new

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40 ILCS 5/14-157 new

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40 ILCS 5/16-207 new

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40 ILCS 5/17-160 new

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