

104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1934

Introduced 2/6/2025, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-160
30 ILCS 805/8.49 new

Amends the General Provisions Article of the Illinois Pension Code. In provisions concerning Tier 2 benefits, provides that the initial survivor's or widow's benefit (instead of the initial benefit) shall be 66 2/3% of the earned annuity without a reduction due to age. Provides that a child's annuity of an otherwise eligible child shall be in the amount and using the formula prescribed under the applicable Article of the Code, and such formula shall be used for calculation of the child's annuity only. Provides that, if a benefit is paid to both a widow or survivor and a child or multiple children, the widow's portion shall be calculated in the amount of 66 2/3% and reduced by the pro rata portion of any child or children's portion as calculated in accordance with the terms of the Article of the Code that is applicable to the pension fund or retirement system that is providing the benefit using the method prescribed in the applicable Article of the Code. Adds child's annuities to provisions concerning automatic annual increases. Amends the State Mandates Act to require implementation without reimbursement.

LRB104 10087 RPS 20159 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 1-160 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 (b) "Final average salary" means, except as otherwise
9 provided in this subsection, the average monthly (or annual)
10 salary obtained by dividing the total salary or earnings
11 calculated under the Article applicable to the member or
12 participant during the 96 consecutive months (or 8 consecutive
13 years) of service within the last 120 months (or 10 years) of
14 service in which the total salary or earnings calculated under
15 the applicable Article was the highest by the number of months
16 (or years) of service in that period. For the purposes of a
17 person who first becomes a member or participant of any
18 retirement system or pension fund to which this Section
19 applies on or after January 1, 2011, in this Code, "final
20 average salary" shall be substituted for the following:

21 (1) (Blank).

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

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

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

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

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

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

11 (A) the amount otherwise calculated under the first
12 paragraph of this subsection; or

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

22 (b-5) Beginning on January 1, 2011, for all purposes under
23 this Code (including without limitation the calculation of
24 benefits and employee contributions), the annual earnings,
25 salary, or wages (based on the plan year) of a member or
26 participant to whom this Section applies shall not exceed

1 \$106,800; however, that amount shall annually thereafter be
2 increased by the lesser of (i) 3% of that amount, including all
3 previous adjustments, or (ii) 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, including all previous adjustments.

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

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

1 federal Social Security Act.

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

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

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

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

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

20 (d) The retirement annuity of a member or participant who
21 is retiring after attaining age 62 (age 60, 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) with at least 10 years of service

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

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

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

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

25 (ii) to not agree to item (i) of this subsection
26 (d-15), in which case the member or participant shall not

1 be eligible for the reduced retirement age specified in
2 subsections (c) and (d) of this Section and shall not be
3 subject to the increase in employee contributions for
4 service annuities specified in subsection (b) of Section
5 12-150.

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

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

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

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

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

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

1 survivor's or widow's annuity shall be determined by the
2 applicable Article of this Code. The initial survivor's or
3 widow's benefit shall be 66 2/3% of the earned annuity without
4 a reduction due to age. A child's annuity of an otherwise
5 eligible child shall be in the amount and using the formula
6 prescribed under the applicable ~~each~~ Article of this Code, and
7 such formula shall be used for calculation of the child's
8 annuity only if applicable. If a benefit is paid to both a
9 widow or survivor and a child or multiple children, the
10 widow's portion shall be calculated in the amount of 66 2/3%
11 and reduced by the pro rata portion of any child or children's
12 portion as calculated in accordance with the terms of the
13 Article of this Code that is applicable to the pension fund or
14 retirement system that is providing the benefit using the
15 method prescribed in the applicable Article of this Code. Any
16 survivor's, ~~or~~ widow's or child's annuity shall be increased
17 (1) on each January 1 occurring on or after the commencement of
18 the annuity if the deceased member died while receiving a
19 retirement annuity or (2) in other cases, on each January 1
20 occurring after the first anniversary of the commencement of
21 the annuity. Each annual increase shall be calculated at 3% or
22 one-half the annual unadjusted percentage increase (but not
23 less than zero) in the consumer price index-u for the 12 months
24 ending with the September preceding each November 1, whichever
25 is less, of the originally granted survivor's widow's, or
26 child's annuity. If the annual unadjusted percentage change in

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

4 (g) The benefits in Section 14-110 apply if the person is a
5 fire fighter in the fire protection service of a department, a
6 security employee of the Department of Corrections or the
7 Department of Juvenile Justice, or a security employee of the
8 Department of Innovation and Technology, as those terms are
9 defined in subsection (b) and subsection (c) of Section
10 14-110. A person who meets the requirements of this Section is
11 entitled to an annuity calculated under the provisions of
12 Section 14-110, in lieu of the regular or minimum retirement
13 annuity, only if the person has withdrawn from service with
14 not less than 20 years of eligible creditable service and has
15 attained age 60, regardless of whether the attainment of age
16 60 occurs while the person is still in service.

17 (g-5) The benefits in Section 14-110 apply if the person
18 is a State policeman, investigator for the Secretary of State,
19 conservation police officer, investigator for the Department
20 of Revenue or the Illinois Gaming Board, investigator for the
21 Office of the Attorney General, Commerce Commission police
22 officer, or arson investigator, as those terms are defined in
23 subsection (b) and subsection (c) of Section 14-110. A person
24 who meets the requirements of this Section is entitled to an
25 annuity calculated under the provisions of Section 14-110, in
26 lieu of the regular or minimum retirement annuity, only if the

1 person has withdrawn from service with not less than 20 years
2 of eligible creditable service and has attained age 55,
3 regardless of whether the attainment of age 55 occurs while
4 the person is still in service.

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

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

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

12 (i) (Blank).

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

16 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
17 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
18 5-6-22; 103-529, eff. 8-11-23.)

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

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
24 fund established under this Code, other than a retirement
25 system or pension fund established under Article 2, 3, 4, 5, 6,

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

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

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

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

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

1 person who first becomes a member or participant of any
2 retirement system or pension fund to which this Section
3 applies on or after January 1, 2011, in this Code, "final
4 average salary" shall be substituted for the following:

5 (1) (Blank).

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

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

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

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

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

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

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

23 (B) an amount calculated by the Teachers' Retirement
24 System of the State of Illinois using the average of the
25 monthly (or annual) salary obtained by dividing the total
26 salary or earnings calculated under Article 16 applicable

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

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

17 For the purposes of this Section, "consumer price index-u"
18 means the index published by the Bureau of Labor Statistics of
19 the United States Department of Labor that measures the
20 average change in prices of goods and services purchased by
21 all urban consumers, United States city average, all items,
22 1982-84 = 100. The new amount resulting from each annual
23 adjustment shall be determined by the Public Pension Division
24 of the Department of Insurance and made available to the
25 boards of the retirement systems and pension funds by November
26 1 of each year.

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

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

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

1 January 1, 2024.

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

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

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

1 10 years of service credit and is otherwise eligible under the
2 requirements of Article 8 or Article 11 of this Code,
3 whichever is applicable.

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

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

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

1 either:

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

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

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

25 (d-15) Each person who first becomes a member or
26 participant under Article 12 on or after January 1, 2011 and

1 prior to January 1, 2022 shall make an irrevocable election
2 either:

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

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

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

23 (e) Any retirement annuity or supplemental annuity shall
24 be subject to annual increases on the January 1 occurring
25 either on or after the attainment of age 67 (age 65, with
26 respect to service under Article 12 that is subject to this

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

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

24 For the purposes of Section 1-103.1 of this Code, the
25 changes made to this Section by Public Act 100-23 are
26 applicable without regard to whether the employee was in

1 active service on or after July 6, 2017 (the effective date of
2 Public Act 100-23).

3 (f) The initial survivor's or widow's annuity of an
4 otherwise eligible survivor or widow of a retired member or
5 participant who first became a member or participant on or
6 after January 1, 2011 shall be in the amount of 66 2/3% of the
7 retired member's or participant's retirement annuity at the
8 date of death. In the case of the death of a member or
9 participant who has not retired and who first became a member
10 or participant on or after January 1, 2011, eligibility for a
11 survivor's or widow's annuity shall be determined by the
12 applicable Article of this Code. The initial survivor's or
13 widow's benefit shall be 66 2/3% of the earned annuity without
14 a reduction due to age. A child's annuity of an otherwise
15 eligible child shall be in the amount and using the formula
16 prescribed under the applicable each Article of this Code, and
17 such formula shall be used for calculation of the child's
18 annuity only if applicable. If a benefit is paid to both a
19 widow or survivor and a child or multiple children, the
20 widow's portion shall be calculated in the amount of 66 2/3%
21 and reduced by the pro rata portion of any child or children's
22 portion as calculated in accordance with the terms of the
23 Article of this Code that is applicable to the pension fund or
24 retirement system that is providing the benefit using the
25 method prescribed in the applicable Article of this Code. Any
26 survivor's, ~~or~~ widow's or child's annuity shall be increased

1 (1) on each January 1 occurring on or after the commencement of
2 the 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 widow's, or
10 child's annuity. If the annual unadjusted percentage change in
11 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 (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 arson
18 investigator, a Commerce Commission police officer,
19 investigator for the Department of Revenue or the Illinois
20 Gaming Board, a security employee of the Department of
21 Corrections or the Department of Juvenile Justice, or a
22 security employee of the Department of Innovation and
23 Technology, as those terms are defined in subsection (b) and
24 subsection (c) of Section 14-110. A person who meets the
25 requirements of this Section is entitled to an annuity
26 calculated under the provisions of Section 14-110, in lieu of

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

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

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then
26 that person's annuity or retirement pension earned as an

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

13 (i) (Blank).

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

17 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
18 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
19 5-13-22; 103-529, eff. 8-11-23.)

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

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

22 (a) The provisions of this Section apply to a person who,
23 on or after January 1, 2011, first becomes a member or a
24 participant under any reciprocal retirement system or pension
25 fund established under this Code, other than a retirement

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

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

1 Article.

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

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

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

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

6 (1) (Blank).

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

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

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

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

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

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 of each year.

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

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

Nothing in this subsection (b-10) shall cause or otherwise result in any retroactive adjustment of any employee contributions. Nothing in this subsection (b-10) shall cause 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 survivor's or
14 widow's benefit shall be 66 2/3% of the earned annuity without
15 a reduction due to age. A child's annuity of an otherwise
16 eligible child shall be in the amount and using the formula
17 prescribed under the applicable ~~each~~ Article of this Code, and
18 such formula shall be used for calculation of the child's
19 annuity only if applicable. If a benefit is paid to both a
20 widow or survivor and a child or multiple children, the
21 widow's portion shall be calculated in the amount of 66 2/3%
22 and reduced by the pro rata portion of any child or children's
23 portion as calculated in accordance with the terms of the
24 Article of this Code that is applicable to the pension fund or
25 retirement system that is providing the benefit using the
26 method prescribed in the applicable Article of this Code. Any

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

15 (g) The benefits in Section 14-110 apply only if the
16 person is a State policeman, a fire fighter in the fire
17 protection service of a department, a conservation police
18 officer, an investigator for the Secretary of State, an
19 investigator for the Office of the Attorney General, 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. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
20 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
21 8-11-23.)

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

24 (30 ILCS 805/8.49 new)

1 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and
2 8 of this Act, no reimbursement by the State is required for
3 the implementation of any mandate created by this amendatory
4 Act of the 104th General Assembly.