

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 adding  
5 Sections 3-144.3, 3-144.4, 4-138.15, 4-138.16, 5-218.5,  
6 5-218.6, 6-213.5, 6-213.6, 8-244.5, 8-244.6, 9-134.6, 9-134.7,  
7 10-104.6, 10-104.7, 11-223.5, 11-223.6, 12-133.8, 12-133.9,  
8 17-120.5, and 17-120.6 as follows:

9 (40 ILCS 5/3-144.3 new)

10 Sec. 3-144.3. Accelerated pension benefit payment in lieu  
11 of any pension benefit.

12 (a) As used in this Section:

13 "Eligible person" means a person who:

14 (1) has terminated service;

15 (2) has accrued sufficient service credit to be  
16 eligible to receive a retirement pension under this  
17 Article;

18 (3) has not received any retirement pension under this  
19 Article; and

20 (4) has not made the election under Section 3-144.4.

21 "Pension benefit" means the benefits under this Article,  
22 or Article 1 as it relates to those benefits, including any  
23 anticipated annual increases, that an eligible person is

1 entitled to upon attainment of the applicable retirement age.  
2 "Pension benefit" also includes applicable survivor's or  
3 disability benefits.

4 (b) If an employer has elected to provide funding for an  
5 accelerated pension benefit program, then as soon as practical  
6 after June 30, 2026 or as soon as practical after the employer  
7 has made that election, whichever is later, the fund shall  
8 calculate, using actuarial tables and other assumptions  
9 adopted by the Board, the present value of pension benefits  
10 for each eligible person who requests that information and  
11 shall offer each eligible person the opportunity to  
12 irrevocably elect to receive an amount determined by the fund  
13 to be equal to 60% of the present value of his or her pension  
14 benefits in lieu of receiving any pension benefit. The offer  
15 shall specify the dollar amount that the eligible person will  
16 receive if he or she so elects and shall expire when a  
17 subsequent offer is made to an eligible person. An eligible  
18 person is limited to one calculation and offer per fiscal  
19 year. The fund shall make a good faith effort to contact every  
20 eligible person to notify him or her of the election.

21 Until June 30, 2028, an eligible person may irrevocably  
22 elect to receive an accelerated pension benefit payment in the  
23 amount that the fund offers under this subsection in lieu of  
24 receiving any pension benefit.

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 benefit.

5 (d) If a person who has received an accelerated pension  
6 benefit payment under this Section returns to active service  
7 under this Article, then:

8 (1) Any benefits under the fund earned as a result of  
9 that return to active service shall be based solely on the  
10 person's creditable service arising from the return to  
11 active service.

12 (2) The accelerated pension benefit payment may not be  
13 repaid to the fund, and the terminated creditable service  
14 may not under any circumstances be reinstated.

15 (e) As a condition of receiving an accelerated pension  
16 benefit payment, the accelerated pension benefit payment must  
17 be transferred into a tax qualified retirement plan or  
18 account. The accelerated pension benefit payment under this  
19 Section may be subject to withholding or payment of applicable  
20 taxes, but to the extent permitted by federal law, a person who  
21 receives an accelerated pension benefit payment under this  
22 Section must direct the fund to pay all of that payment as a  
23 rollover into another retirement plan or account qualified  
24 under the Internal Revenue Code of 1986, as amended.

25 (f) Before accepting a member's irrevocable election to  
26 receive an accelerated pension benefit payment under this

1 Section, the fund shall verify that it has a sufficient amount  
2 of moneys to pay for the accelerated pension benefit payment  
3 from the contribution remitted by the employer for that  
4 purpose. Moneys remitted to the fund for the purpose of the  
5 accelerated pension benefit program must be kept in a separate  
6 account. If the fund determines it does not have sufficient  
7 moneys to make the accelerated pension benefit payment, then  
8 the fund shall not accept the member's irrevocable election  
9 and shall notify the member of that fact. The member may  
10 reapply for the accelerated pension benefit payment after that  
11 fiscal year. Elections shall be processed and paid in the  
12 order in which complete applications are received by the fund,  
13 subject to the availability of funds. If the fund accepts the  
14 member's irrevocable election to receive an accelerated  
15 pension benefit payment under this Section, then the fund  
16 shall transfer, from the moneys remitted to the fund for that  
17 purpose, the amount of the accelerated pension benefit payment  
18 into the member's eligible retirement plan or qualified  
19 account. If any moneys remain in the account maintained by the  
20 fund for the purpose of the accelerated pension benefit  
21 program at the end of the fiscal year, the fund must remit  
22 those moneys back to the employer within one month after the  
23 end of the fiscal year, unless the employer notifies the fund  
24 at least one month before the end of the fiscal year that the  
25 funds shall remain in the account to be used for the subsequent  
26 fiscal year.

1       (g) The Board shall adopt any rules, including emergency  
2       rules, necessary to implement this Section.

3       (h) No provision of this Section shall be interpreted in a  
4       way that would cause the applicable fund to cease to be a  
5       qualified plan under the Internal Revenue Code of 1986.

6           (40 ILCS 5/3-144.4 new)

7       Sec. 3-144.4. Accelerated pension benefit payment for a  
8       reduction in annual retirement pension increases.

9       (a) As used in this Section:

10       "Accelerated pension benefit payment" means a lump sum  
11       payment equal to 70% of the difference of the present value of  
12       the automatic annual increases to a Tier 1 member's retirement  
13       pension using the formula applicable to the Tier 1 member and  
14       the present value of the automatic annual increases to the  
15       Tier 1 member's retirement pension using the formula provided  
16       under subsection (b-5).

17       "Eligible person" means a person who:

18           (1) is a Tier 1 member;

19           (2) has submitted an application for a retirement  
20       pension under this Article;

21           (3) meets the age and service requirements for  
22       receiving a retirement pension under this Article;

23           (4) has not received any retirement pension under this  
24       Article; and

25           (5) has not made the election under Section 3-144.3.

1       "Tier 1 member" means a person who first became a police  
2 officer under this Article before January 1, 2011.

3       (b) Until June 30, 2028, if an employer elects to provide  
4 funding for an accelerated pension benefit program, then as  
5 soon as practical after June 30, 2026 or as soon as practical  
6 after the employer makes that election, whichever is later,  
7 the fund shall implement an accelerated pension benefit  
8 payment option for eligible persons. Upon the request of an  
9 eligible person, if the employer has elected to provide  
10 funding for an accelerated pension benefit program, the fund  
11 shall calculate, using actuarial tables and other assumptions  
12 adopted by the Board, an accelerated pension benefit payment  
13 amount and shall offer that eligible person the opportunity to  
14 irrevocably elect to have his or her automatic annual  
15 increases in retirement pension calculated in accordance with  
16 the formula provided under subsection (b-5) in exchange for  
17 the accelerated pension benefit payment. The election under  
18 this subsection must be made before the eligible person  
19 receives the first payment of a retirement pension otherwise  
20 payable under this Article. An eligible person is limited to  
21 one calculation and offer per fiscal year.

22       (b-5) Notwithstanding any other provision of law, the  
23 retirement pension of a person who made the election under  
24 subsection (b) shall be subject to annual increases on the  
25 January 1 occurring either on or after the attainment of age 67  
26 or the first anniversary of the pension start date, whichever

1 is later. Each annual increase shall be calculated at 1.5% of  
2 the originally granted retirement pension.

3 (c) If a person who has received an accelerated pension  
4 benefit payment returns to active service under this Article,  
5 then:

6 (1) the calculation of any future automatic annual  
7 increase in retirement pension shall be calculated in  
8 accordance with the formula provided under subsection  
9 (b-5); and

10 (2) the accelerated pension benefit payment may not be  
11 repaid to the fund.

12 (d) As a condition of receiving an accelerated pension  
13 benefit payment, the accelerated pension benefit payment must  
14 be transferred into a tax qualified retirement plan or  
15 account. The accelerated pension benefit payment under this  
16 Section may be subject to withholding or payment of applicable  
17 taxes, but to the extent permitted by federal law, a person who  
18 receives an accelerated pension benefit payment under this  
19 Section must direct the fund to pay all of that payment as a  
20 rollover into another retirement plan or account qualified  
21 under the Internal Revenue Code of 1986, as amended.

22 (d-5) Before accepting a member's irrevocable election to  
23 receive an accelerated pension benefit payment under this  
24 Section, the fund shall verify that it has a sufficient amount  
25 of moneys to pay for the accelerated pension benefit payment  
26 from the contribution remitted by the employer for that

1 purpose. Moneys remitted to the fund for the purpose of this  
2 program must be kept in a separate account. If the fund  
3 determines it does not have sufficient moneys to make the  
4 accelerated pension benefit payment, then the fund shall not  
5 accept the member's irrevocable election and shall notify the  
6 member of that fact. The member may reapply for the  
7 accelerated pension benefit payment after that fiscal year.  
8 Elections shall be processed and paid in the order in which  
9 complete applications are received by the fund, subject to the  
10 availability of funds. If the fund accepts the member's  
11 irrevocable election to receive an accelerated pension benefit  
12 payment under this Section, then the fund shall transfer, from  
13 the moneys remitted to the fund for that purpose, the amount of  
14 the accelerated pension benefit payment into the member's  
15 eligible retirement plan or qualified account. If any moneys  
16 remain in the account at the end of the fiscal year, the fund  
17 must remit those moneys back to the employer within one month  
18 after the end of the fiscal year, unless the employer notifies  
19 the fund at least one month before the end of the fiscal year  
20 that the funds shall remain in the account to be used for the  
21 accelerated pension benefit program for the subsequent fiscal  
22 year.

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 applicable fund to cease to be a

1 qualified plan under the Internal Revenue Code of 1986.

2 (40 ILCS 5/4-138.15 new)

3 Sec. 4-138.15. 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 pension under this  
10 Article;

11 (3) has not received any retirement pension under this  
12 Article; and

13 (4) has not made the election under Section 4-138.16.

14 "Pension benefit" means the benefits under this Article,  
15 or Article 1 as it relates to those benefits, including any  
16 anticipated annual increases, that an eligible person is  
17 entitled to upon attainment of the applicable retirement age.  
18 "Pension benefit" also includes applicable survivor's or  
19 disability benefits.

20 (b) If an employer has elected to provide funding for an  
21 accelerated pension benefit program, then as soon as practical  
22 after June 30, 2026 or as soon as practical after the employer  
23 has made that election, whichever is later, the fund shall  
24 calculate, using actuarial tables and other assumptions  
25 adopted by the Board, the present value of pension benefits

1 for each eligible person who requests that information and  
2 shall offer each eligible person the opportunity to  
3 irrevocably elect to receive an amount determined by the fund  
4 to be equal to 60% of the present value of his or her pension  
5 benefits in lieu of receiving any pension benefit. The offer  
6 shall specify the dollar amount that the eligible person will  
7 receive if he or she so elects and shall expire when a  
8 subsequent offer is made to an eligible person. An eligible  
9 person is limited to one calculation and offer per fiscal  
10 year. The fund shall make a good faith effort to contact every  
11 eligible person to notify him or her of the election.

12 Until June 30, 2028, an eligible person may irrevocably  
13 elect to receive an accelerated pension benefit payment in the  
14 amount that the fund offers under this subsection in lieu of  
15 receiving any pension benefit.

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.

22 (d) If a person who has received an accelerated pension  
23 benefit payment under this Section returns to active service  
24 under this Article, then:

25 (1) Any benefits under the fund earned as a result of  
26 that return to active service shall be based solely on the

1       person's creditable service arising from the return to  
2       active service.

3           (2) The accelerated pension benefit payment may not be  
4       repaid to the fund, and the terminated creditable service  
5       may not under any circumstances be reinstated.

6       (e) As a condition of receiving an accelerated pension  
7       benefit payment, the accelerated pension benefit payment must  
8       be transferred into a tax qualified retirement plan or  
9       account. The accelerated pension benefit payment under this  
10       Section may be subject to withholding or payment of applicable  
11       taxes, but to the extent permitted by federal law, a person who  
12       receives an accelerated pension benefit payment under this  
13       Section must direct the fund to pay all of that payment as a  
14       rollover into another retirement plan or account qualified  
15       under the Internal Revenue Code of 1986, as amended.

16       (f) Before accepting a member's irrevocable election to  
17       receive an accelerated pension benefit payment under this  
18       Section, the fund shall verify that it has a sufficient amount  
19       of moneys to pay for the accelerated pension benefit payment  
20       from the contribution remitted by the employer for that  
21       purpose. Moneys remitted to the fund for the purpose of the  
22       accelerated pension benefit program must be kept in a separate  
23       account. If the fund determines it does not have sufficient  
24       moneys to make the accelerated pension benefit payment, then  
25       the fund shall not accept the member's irrevocable election  
26       and shall notify the member of that fact. The member may

1 reapply for the accelerated pension benefit payment after that  
2 fiscal year. Elections shall be processed and paid in the  
3 order in which complete applications are received by the fund,  
4 subject to the availability of funds. If the fund accepts the  
5 member's irrevocable election to receive an accelerated  
6 pension benefit payment under this Section, then the fund  
7 shall transfer, from the moneys remitted to the fund for that  
8 purpose, the amount of the accelerated pension benefit payment  
9 into the member's eligible retirement plan or qualified  
10 account. If any moneys remain in the account maintained by the  
11 fund for the purpose of the accelerated pension benefit  
12 program at the end of the fiscal year, the fund must remit  
13 those moneys back to the employer within one month after the  
14 end of the fiscal year, unless the employer notifies the fund  
15 at least one month before the end of the fiscal year that the  
16 funds shall remain in the account to be used for the subsequent  
17 fiscal year.

18 (g) The Board shall adopt any rules, including emergency  
19 rules, necessary to implement this Section.

20 (h) No provision of this Section shall be interpreted in a  
21 way that would cause the applicable fund to cease to be a  
22 qualified plan under the Internal Revenue Code of 1986.

23 (40 ILCS 5/4-138.16 new)

24 Sec. 4-138.16. Accelerated pension benefit payment for a  
25 reduction in annual retirement pension increases.

1       (a) As used in this Section:

2       "Accelerated pension benefit payment" means a lump sum  
3 payment equal to 70% of the difference of the present value of  
4 the automatic annual increases to a Tier 1 member's retirement  
5 pension using the formula applicable to the Tier 1 member and  
6 the present value of the automatic annual increases to the  
7 Tier 1 member's retirement pension using the formula provided  
8 under subsection (b-5).

9       "Eligible person" means a person who:

- 10           (1) is a Tier 1 member;  
11           (2) has submitted an application for a retirement  
12 pension under this Article;  
13           (3) meets the age and service requirements for  
14 receiving a retirement pension under this Article;  
15           (4) has not received any retirement pension under this  
16 Article; and  
17           (5) has not made the election under Section 4-138.15.

18       "Tier 1 member" means a person who first became a  
19 firefighter before January 1, 2011.

20       (b) Until June 30, 2028, if an employer elects to provide  
21 funding for an accelerated pension benefit program, then as  
22 soon as practical after June 30, 2026 or as soon as practical  
23 after the employer makes that election, whichever is later,  
24 the fund shall implement an accelerated pension benefit  
25 payment option for eligible persons. Upon the request of an  
26 eligible person, if the employer has elected to provide

1 funding for an accelerated pension benefit program, the fund  
2 shall calculate, using actuarial tables and other assumptions  
3 adopted by the Board, an accelerated pension benefit payment  
4 amount and shall offer that eligible person the opportunity to  
5 irrevocably elect to have his or her automatic annual  
6 increases in retirement pension calculated in accordance with  
7 the formula provided under subsection (b-5) in exchange for  
8 the accelerated pension benefit payment. The election under  
9 this subsection must be made before the eligible person  
10 receives the first payment of a retirement pension otherwise  
11 payable under this Article. An eligible person is limited to  
12 one calculation and offer per fiscal year.

13 (b-5) Notwithstanding any other provision of law, the  
14 retirement pension of a person who made the election under  
15 subsection (b) shall be subject to annual increases on the  
16 January 1 occurring either on or after the attainment of age 67  
17 or the first anniversary of the pension start date, whichever  
18 is later. Each annual increase shall be calculated at 1.5% of  
19 the originally granted retirement pension.

20 (c) If a person who has received an accelerated pension  
21 benefit payment returns to active service under this Article,  
22 then:

23 (1) the calculation of any future automatic annual  
24 increase in retirement pension shall be calculated in  
25 accordance with the formula provided under subsection  
26 (b-5); and

1           (2) the accelerated pension benefit payment may not be  
2           repaid to the fund.

3           (d) As a condition of receiving an accelerated pension  
4           benefit payment, the accelerated pension benefit payment must  
5           be transferred into a tax qualified retirement plan or  
6           account. The accelerated pension benefit payment under this  
7           Section may be subject to withholding or payment of applicable  
8           taxes, but to the extent permitted by federal law, a person who  
9           receives an accelerated pension benefit payment under this  
10           Section must direct the fund to pay all of that payment as a  
11           rollover into another retirement plan or account qualified  
12           under the Internal Revenue Code of 1986, as amended.

13           (d-5) Before accepting a member's irrevocable election to  
14           receive an accelerated pension benefit payment under this  
15           Section, the fund shall verify that it has a sufficient amount  
16           of moneys to pay for the accelerated pension benefit payment  
17           from the contribution remitted by the employer for that  
18           purpose. Moneys remitted to the fund for the purpose of this  
19           program must be kept in a separate account. If the fund  
20           determines it does not have sufficient moneys to make the  
21           accelerated pension benefit payment, then the fund shall not  
22           accept the member's irrevocable election and shall notify the  
23           member of that fact. The member may reapply for the  
24           accelerated pension benefit payment after that fiscal year.  
25           Elections shall be processed and paid in the order in which  
26           complete applications are received by the fund, subject to the

1 availability of funds. If the fund accepts the member's  
2 irrevocable election to receive an accelerated pension benefit  
3 payment under this Section, then the fund shall transfer, from  
4 the moneys remitted to the fund for that purpose, the amount of  
5 the accelerated pension benefit payment into the member's  
6 eligible retirement plan or qualified account. If any moneys  
7 remain in the account at the end of the fiscal year, the fund  
8 must remit those moneys back to the employer within one month  
9 after the end of the fiscal year, unless the employer notifies  
10 the fund at least one month before the end of the fiscal year  
11 that the funds shall remain in the account to be used for the  
12 accelerated pension benefit program for the subsequent fiscal  
13 year.

14 (e) The Board shall adopt any rules, including emergency  
15 rules, necessary to implement this Section.

16 (f) No provision of this Section shall be interpreted in a  
17 way that would cause the applicable fund to cease to be a  
18 qualified plan under the Internal Revenue Code of 1986.

19 (40 ILCS 5/5-218.5 new)

20 Sec. 5-218.5. Accelerated pension benefit payment in lieu  
21 of any pension benefit.

22 (a) As used in this Section:

23 "Eligible person" means a person who:

24 (1) has terminated service;

25 (2) has accrued sufficient service credit to be

1 eligible to receive a retirement annuity under this  
2 Article;

3 (3) has not received any retirement annuity under this  
4 Article; and

5 (4) has not made the election under Section 5-218.6.

6 "Pension benefit" means the benefits under this Article,  
7 or Article 1 as it relates to those benefits, including any  
8 anticipated annual increases, that an eligible person is  
9 entitled to upon attainment of the applicable retirement age.

10 "Pension benefit" also includes applicable survivor's or  
11 disability benefits.

12 (b) If an employer has elected to provide funding for an  
13 accelerated pension benefit program, then as soon as practical  
14 after June 30, 2026 or as soon as practical after the employer  
15 has made that election, whichever is later, the Fund 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 Fund  
21 to be equal to 60% of the present value of his or her pension  
22 benefits in lieu of receiving any pension benefit. The offer  
23 shall specify the dollar amount that the eligible person will  
24 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 fiscal

1 year. The Fund shall make a good faith effort to contact every  
2 eligible person to notify him or her of the election.

3 Until June 30, 2028, an eligible person may irrevocably  
4 elect to receive an accelerated pension benefit payment in the  
5 amount that the Fund offers under this subsection in lieu of  
6 receiving any pension benefit.

7 (c) A person's creditable service under this Article shall  
8 be terminated upon the person's receipt of an accelerated  
9 pension benefit payment under this Section, and no other  
10 benefit shall be paid under this Article based on the  
11 terminated creditable service, including any retirement,  
12 survivor, or other benefit.

13 (d) If a person who has received an accelerated pension  
14 benefit payment under this Section returns to active service  
15 under this Article, then:

16 (1) Any benefits under the Fund earned as a result of  
17 that return to active service shall be based solely on the  
18 person's creditable service arising from the return to  
19 active service.

20 (2) The accelerated pension benefit payment may not be  
21 repaid to the Fund, and the terminated creditable service  
22 may not under any circumstances be reinstated.

23 (e) As a condition of receiving an accelerated pension  
24 benefit payment, the accelerated pension benefit payment must  
25 be transferred into a tax qualified retirement plan or  
26 account. The accelerated pension benefit payment under this

1 Section may be subject to withholding or payment of applicable  
2 taxes, but to the extent permitted by federal law, a person who  
3 receives an accelerated pension benefit payment under this  
4 Section must direct the Fund to pay all of that payment as a  
5 rollover into another retirement plan or account qualified  
6 under the Internal Revenue Code of 1986, as amended.

7 (f) Before accepting a member's irrevocable election to  
8 receive an accelerated pension benefit payment under this  
9 Section, the Fund shall verify that it has a sufficient amount  
10 of moneys to pay for the accelerated pension benefit payment  
11 from the contribution remitted by the employer for that  
12 purpose. Moneys remitted to the Fund for the purpose of the  
13 accelerated pension benefit program must be kept in a separate  
14 account. If the Fund determines it does not have sufficient  
15 moneys to make the accelerated pension benefit payment, then  
16 the Fund shall not accept the member's irrevocable election  
17 and shall notify the member of that fact. The member may  
18 reapply for the accelerated pension benefit payment after that  
19 fiscal year. Elections shall be processed and paid in the  
20 order in which complete applications are received by the Fund,  
21 subject to the availability of funds. If the Fund accepts the  
22 member's irrevocable election to receive an accelerated  
23 pension benefit payment under this Section, then the Fund  
24 shall transfer, from the moneys remitted to the Fund for that  
25 purpose, the amount of the accelerated pension benefit payment  
26 into the member's eligible retirement plan or qualified

1 account. If any moneys remain in the account maintained by the  
2 Fund for the purpose of the accelerated pension benefit  
3 program at the end of the fiscal year, the Fund must remit  
4 those moneys back to the employer within one month after the  
5 end of the fiscal year, unless the employer notifies the Fund  
6 at least one month before the end of the fiscal year that the  
7 funds shall remain in the account to be used for the subsequent  
8 fiscal year.

9 (g) The Board shall adopt any rules, including emergency  
10 rules, necessary to implement this Section.

11 (h) No provision of this Section shall be interpreted in a  
12 way that would cause the Fund to cease to be a qualified plan  
13 under the Internal Revenue Code of 1986.

14 (40 ILCS 5/5-218.6 new)

15 Sec. 5-218.6. Accelerated pension benefit payment for a  
16 reduction in annual retirement annuity increases.

17 (a) As used in this Section:

18 "Accelerated pension benefit payment" means a lump sum  
19 payment equal to 70% of the difference of the present value of  
20 the automatic annual increases to a Tier 1 member's retirement  
21 annuity and survivor's annuity using the formula applicable to  
22 the Tier 1 member and the present value of the automatic annual  
23 increases to the Tier 1 member's retirement annuity using the  
24 formula provided under subsection (b-5).

25 "Eligible person" means a person who:

1           (1) is a Tier 1 member;

2           (2) has submitted an application for a retirement  
3           annuity under this Article;

4           (3) meets the age and service requirements for  
5           receiving a retirement annuity under this Article;

6           (4) has not received any retirement annuity under this  
7           Article; and

8           (5) has not made the election under Section 5-218.5.

9           "Tier 1 member" means a person who first became a  
10          policeman before January 1, 2011.

11          (b) Until June 30, 2028, if an employer elects to provide  
12          funding for an accelerated pension benefit program, then as  
13          soon as practical after June 30, 2026 or as soon as practical  
14          after the employer makes that election, whichever is later,  
15          the Fund shall implement an accelerated pension benefit  
16          payment option for eligible persons. Upon the request of an  
17          eligible person, if the employer has elected to provide  
18          funding for an accelerated pension benefit program, the Fund  
19          shall calculate, using actuarial tables and other assumptions  
20          adopted by the Board, an accelerated pension benefit payment  
21          amount and shall offer that eligible person the opportunity to  
22          irrevocably elect to have his or her automatic annual  
23          increases in retirement pension calculated in accordance with  
24          the formula provided under subsection (b-5) in exchange for  
25          the accelerated pension benefit payment. The election under  
26          this subsection must be made before the eligible person

1 receives the first payment of a retirement pension otherwise  
2 payable under this Article. An eligible person is limited to  
3 one calculation and offer per fiscal year.

4 (b-5) Notwithstanding any other provision of law, the  
5 retirement annuity of a person who made the election under  
6 subsection (b) shall be subject to annual increases on the  
7 January 1 occurring either on or after the attainment of age 67  
8 or the first anniversary of the annuity start date, whichever  
9 is later. Each annual increase shall be calculated at 1.5% of  
10 the originally granted retirement annuity.

11 (c) If a person who has received an accelerated pension  
12 benefit payment returns to active service under this Article,  
13 then:

14 (1) the calculation of any future automatic annual  
15 increase in retirement annuity shall be calculated in  
16 accordance with the formula provided under subsection  
17 (b-5); and

18 (2) the accelerated pension benefit payment may not be  
19 repaid to the Fund.

20 (d) As a condition of receiving an accelerated pension  
21 benefit payment, the accelerated pension benefit payment must  
22 be transferred into a tax qualified retirement plan or  
23 account. The accelerated pension benefit payment under this  
24 Section may be subject to withholding or payment of applicable  
25 taxes, but to the extent permitted by federal law, a person who  
26 receives an accelerated pension benefit payment under this

1 Section must direct the Fund to pay all of that payment as a  
2 rollover into another retirement plan or account qualified  
3 under the Internal Revenue Code of 1986, as amended.

4 (d-5) Before accepting a member's irrevocable election to  
5 receive an accelerated pension benefit payment under this  
6 Section, the Fund shall verify that it has a sufficient amount  
7 of moneys to pay for the accelerated pension benefit payment  
8 from the contribution remitted by the employer for that  
9 purpose. Moneys remitted to the Fund for the purpose of this  
10 program must be kept in a separate account. If the Fund  
11 determines it does not have sufficient moneys to make the  
12 accelerated pension benefit payment, then the Fund shall not  
13 accept the member's irrevocable election and shall notify the  
14 member of that fact. The member may reapply for the  
15 accelerated pension benefit payment after that fiscal year.  
16 Elections shall be processed and paid in the order in which  
17 complete applications are received by the Fund, subject to the  
18 availability of funds. If the Fund accepts the member's  
19 irrevocable election to receive an accelerated pension benefit  
20 payment under this Section, then the Fund shall transfer, from  
21 the moneys remitted to the Fund for that purpose, the amount of  
22 the accelerated pension benefit payment into the member's  
23 eligible retirement plan or qualified account. If any moneys  
24 remain in the account at the end of the fiscal year, the Fund  
25 must remit those moneys back to the employer within one month  
26 after the end of the fiscal year, unless the employer notifies

1 the Fund at least one month before the end of the fiscal year  
2 that the funds shall remain in the account to be used for the  
3 accelerated pension benefit program for the subsequent fiscal  
4 year.

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 Fund to cease to be a qualified plan  
9 under the Internal Revenue Code of 1986.

10 (40 ILCS 5/6-213.5 new)

11 Sec. 6-213.5. Accelerated pension benefit payment in lieu  
12 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 retirement annuity under this  
18 Article;

19 (3) has not received any retirement annuity under this  
20 Article; and

21 (4) has not made the election under Section 6-213.6.

22 "Pension benefit" means the benefits under this Article,  
23 or Article 1 as it relates to those benefits, including any  
24 anticipated annual increases, that an eligible person is  
25 entitled to upon attainment of the applicable retirement age.

1 "Pension benefit" also includes applicable survivor's or  
2 disability benefits.

3 (b) If an employer has elected to provide funding for an  
4 accelerated pension benefit program, then as soon as practical  
5 after June 30, 2026 or as soon as practical after the employer  
6 has made that election, whichever is later, the Fund shall  
7 calculate, using actuarial tables and other assumptions  
8 adopted by the Board, the present value of pension benefits  
9 for each eligible person who requests that information and  
10 shall offer each eligible person the opportunity to  
11 irrevocably elect to receive an amount determined by the Fund  
12 to be equal to 60% of the present value of his or her pension  
13 benefits in lieu of receiving any pension benefit. The offer  
14 shall specify the dollar amount that the eligible person will  
15 receive if he or she so elects and shall expire when a  
16 subsequent offer is made to an eligible person. An eligible  
17 person is limited to one calculation and offer per fiscal  
18 year. The Fund shall make a good faith effort to contact every  
19 eligible person to notify him or her of the election.

20 Until June 30, 2028, an eligible person may irrevocably  
21 elect to receive an accelerated pension benefit payment in the  
22 amount that the Fund offers under this subsection in lieu of  
23 receiving any pension benefit.

24 (c) A person's creditable service under this Article shall  
25 be terminated upon the person's receipt of an accelerated  
26 pension benefit payment under this Section, and no other

1 benefit shall be paid under this Article based on the  
2 terminated creditable service, including any retirement,  
3 survivor, or other benefit.

4 (d) If a person who has received an accelerated pension  
5 benefit payment under this Section returns to active service  
6 under this Article, then:

7 (1) Any benefits under the Fund earned as a result of  
8 that return to active service shall be based solely on the  
9 person's creditable service arising from the return to  
10 active service.

11 (2) The accelerated pension benefit payment may not be  
12 repaid to the Fund, and the terminated creditable service  
13 may not under any circumstances be reinstated.

14 (e) As a condition of receiving an accelerated pension  
15 benefit payment, the accelerated pension benefit payment must  
16 be transferred into a tax qualified retirement plan or  
17 account. The accelerated pension benefit payment under this  
18 Section may be subject to withholding or payment of applicable  
19 taxes, but to the extent permitted by federal law, a person who  
20 receives an accelerated pension benefit payment under this  
21 Section must direct the Fund to pay all of that payment as a  
22 rollover into another retirement plan or account qualified  
23 under the Internal Revenue Code of 1986, as amended.

24 (f) Before accepting a member's irrevocable election to  
25 receive an accelerated pension benefit payment under this  
26 Section, the Fund shall verify that it has a sufficient amount

of moneys to pay for the accelerated pension benefit payment from the contribution remitted by the employer for that purpose. Moneys remitted to the Fund for the purpose of the accelerated pension benefit program must be kept in a separate account. If the Fund determines it does not have sufficient moneys to make the accelerated pension benefit payment, then the Fund shall not accept the member's irrevocable election and shall notify the member of that fact. The member may reapply for the accelerated pension benefit payment after that fiscal year. Elections shall be processed and paid in the order in which complete applications are received by the Fund, subject to the availability of funds. If the Fund accepts the member's irrevocable election to receive an accelerated pension benefit payment under this Section, then the Fund shall transfer, from the moneys remitted to the Fund for that purpose, the amount of the accelerated pension benefit payment into the member's eligible retirement plan or qualified account. If any moneys remain in the account maintained by the Fund for the purpose of the accelerated pension benefit program at the end of the fiscal year, the Fund must remit those moneys back to the employer within one month after the end of the fiscal year, unless the employer notifies the Fund at least one month before the end of the fiscal year that the funds shall remain in the account to be used for the subsequent fiscal year.

(g) The Board shall adopt any rules, including emergency

1 rules, necessary to implement this Section.

2 (h) No provision of this Section shall be interpreted in a  
3 way that would cause the Fund to cease to be a qualified plan  
4 under the Internal Revenue Code of 1986.

5 (40 ILCS 5/6-213.6 new)

6 Sec. 6-213.6. Accelerated pension benefit payment for a  
7 reduction in annual retirement annuity increases.

8 (a) As used in this Section:

9 "Accelerated pension benefit payment" means a lump sum  
10 payment equal to 70% of the difference of the present value of  
11 the automatic annual increases to a Tier 1 member's retirement  
12 annuity and survivor's annuity using the formula applicable to  
13 the Tier 1 member and the present value of the automatic annual  
14 increases to the Tier 1 member's retirement annuity using the  
15 formula provided under subsection (b-5). "Eligible person"  
16 means a person who:

17 (1) is a Tier 1 member;

18 (2) has submitted an application for a retirement  
19 annuity under this Article;

20 (3) meets the age and service requirements for  
21 receiving a retirement annuity under this Article;

22 (4) has not received any retirement annuity under this  
23 Article; and

24 (5) has not made the election under Section 6-213.5.

25 "Tier 1 member" means a person who first became a fireman

1 under this Article before January 1, 2011.

2 (b) Until June 30, 2028, if an employer elects to provide  
3 funding for an accelerated pension benefit program, then as  
4 soon as practical after June 30, 2026 or as soon as practical  
5 after the employer makes that election, whichever is later,  
6 the Fund shall implement an accelerated pension benefit  
7 payment option for eligible persons. Upon the request of an  
8 eligible person, if the employer has elected to provide  
9 funding for an accelerated pension benefit program, the Fund  
10 shall calculate, using actuarial tables and other assumptions  
11 adopted by the Board, an accelerated pension benefit payment  
12 amount and shall offer that eligible person the opportunity to  
13 irrevocably elect to have his or her automatic annual  
14 increases in retirement pension calculated in accordance with  
15 the formula provided under subsection (b-5) in exchange for  
16 the accelerated pension benefit payment. The election under  
17 this subsection must be made before the eligible person  
18 receives the first payment of a retirement pension otherwise  
19 payable under this Article. An eligible person is limited to  
20 one calculation and offer per fiscal year.

21 (b-5) Notwithstanding any other provision of law, the  
22 retirement annuity of a person who made the election under  
23 subsection (b) shall be subject to annual increases on the  
24 January 1 occurring either on or after the attainment of age 67  
25 or the first anniversary of the annuity start date, whichever  
26 is later. Each annual increase shall be calculated at 1.5% of

1 the originally granted retirement annuity.

2 (c) If a person who has received an accelerated pension  
3 benefit payment returns to active service under this Article,  
4 then:

5 (1) the calculation of any future automatic annual  
6 increase in retirement annuity shall be calculated in  
7 accordance with the formula provided under subsection  
8 (b-5); and

9 (2) the accelerated pension benefit payment may not be  
10 repaid to the Fund.

11 (d) As a condition of receiving an accelerated pension  
12 benefit payment, the accelerated pension benefit payment must  
13 be transferred into a tax qualified retirement plan or  
14 account. The accelerated pension benefit payment under this  
15 Section may be subject to withholding or payment of applicable  
16 taxes, but to the extent permitted by federal law, a person who  
17 receives an accelerated pension benefit payment under this  
18 Section must direct the Fund to pay all of that payment as a  
19 rollover into another retirement plan or account qualified  
20 under the Internal Revenue Code of 1986, as amended.

21 (d-5) Before accepting a member's irrevocable election to  
22 receive an accelerated pension benefit payment under this  
23 Section, the Fund shall verify that it has a sufficient amount  
24 of moneys to pay for the accelerated pension benefit payment  
25 from the contribution remitted by the employer for that  
26 purpose. Moneys remitted to the Fund for the purpose of this

1 program must be kept in a separate account. If the Fund  
2 determines it does not have sufficient moneys to make the  
3 accelerated pension benefit payment, then the Fund shall not  
4 accept the member's irrevocable election and shall notify the  
5 member of that fact. The member may reapply for the  
6 accelerated pension benefit payment after that fiscal year.  
7 Elections shall be processed and paid in the order in which  
8 complete applications are received by the Fund, subject to the  
9 availability of funds. If the Fund accepts the member's  
10 irrevocable election to receive an accelerated pension benefit  
11 payment under this Section, then the Fund shall transfer, from  
12 the moneys remitted to the Fund for that purpose, the amount of  
13 the accelerated pension benefit payment into the member's  
14 eligible retirement plan or qualified account. If any moneys  
15 remain in the account at the end of the fiscal year, the Fund  
16 must remit those moneys back to the employer within one month  
17 after the end of the fiscal year, unless the employer notifies  
18 the Fund at least one month before the end of the fiscal year  
19 that the funds shall remain in the account to be used for the  
20 accelerated pension benefit program for the subsequent fiscal  
21 year.

22 (e) The Board shall adopt any rules, including emergency  
23 rules, necessary to implement this Section.

24 (f) No provision of this Section shall be interpreted in a  
25 way that would cause the Fund to cease to be a qualified plan  
26 under the Internal Revenue Code of 1986.

1 (40 ILCS 5/8-244.5 new)

2 Sec. 8-244.5. Accelerated pension benefit payment in lieu  
3 of any pension benefit.

4 (a) As used in this Section:

5 "Eligible person" means a person who:

6 (1) has terminated service;

7 (2) has accrued sufficient service credit to be  
8 eligible to receive a retirement annuity under this  
9 Article;

10 (3) has not received any retirement annuity under this  
11 Article; and

12 (4) has not made the election under Section 8-244.6.

13 "Pension benefit" means the benefits under this Article,  
14 or Article 1 as it relates to those benefits, including any  
15 anticipated annual increases, that an eligible person is  
16 entitled to upon attainment of the applicable retirement age.  
17 "Pension benefit" also includes applicable survivor's or  
18 disability benefits.

19 (b) If the city has elected to provide funding for an  
20 accelerated pension benefit program, then as soon as practical  
21 after June 30, 2026 or as soon as practical after the city has  
22 made that election, whichever is later, the Fund shall  
23 calculate, using actuarial tables and other assumptions  
24 adopted by the Board, the present value of pension benefits  
25 for each eligible person who requests that information and

1 shall offer each eligible person the opportunity to  
2 irrevocably elect to receive an amount determined by the Fund  
3 to be equal to 60% of the present value of his or her pension  
4 benefits in lieu of receiving any pension benefit. The offer  
5 shall specify the dollar amount that the eligible person will  
6 receive if he or she so elects and shall expire when a  
7 subsequent offer is made to an eligible person. An eligible  
8 person is limited to one calculation and offer per fiscal  
9 year. The Fund shall make a good faith effort to contact every  
10 eligible person to notify him or her of the election.

11 Until June 30, 2028, an eligible person may irrevocably  
12 elect to receive an accelerated pension benefit payment in the  
13 amount that the Fund offers under this subsection in lieu of  
14 receiving any pension benefit. A person who elects to receive  
15 an accelerated pension benefit payment under this Section may  
16 not elect to proceed under the Retirement Systems Reciprocal  
17 Act with respect to service under this Article.

18 (c) A person's creditable service under this Article shall  
19 be terminated upon the person's receipt of an accelerated  
20 pension benefit payment under this Section, and no other  
21 benefit shall be paid under this Article based on the  
22 terminated creditable service, including any retirement,  
23 survivor, or other benefit.

24 (d) If a person who has received an accelerated pension  
25 benefit payment under this Section returns to active service  
26 under this Article, then:

1           (1) Any benefits under the Fund earned as a result of  
2           that return to active service shall be based solely on the  
3           person's creditable service arising from the return to  
4           active service.

5           (2) The accelerated pension benefit payment may not be  
6           repaid to the Fund, and the terminated creditable service  
7           may not under any circumstances be reinstated.

8           (e) As a condition of receiving an accelerated pension  
9           benefit payment, the accelerated pension benefit payment must  
10          be transferred into a tax qualified retirement plan or  
11          account. The accelerated pension benefit payment under this  
12          Section may be subject to withholding or payment of applicable  
13          taxes, but to the extent permitted by federal law, a person who  
14          receives an accelerated pension benefit payment under this  
15          Section must direct the Fund to pay all of that payment as a  
16          rollover into another retirement plan or account qualified  
17          under the Internal Revenue Code of 1986, as amended.

18          (f) Before accepting a member's irrevocable election to  
19          receive an accelerated pension benefit payment under this  
20          Section, the Fund shall verify that it has a sufficient amount  
21          of moneys to pay for the accelerated pension benefit payment  
22          from the contribution remitted by the city for that purpose.  
23          Moneys remitted to the Fund for the purpose of the accelerated  
24          pension benefit program must be kept in a separate account. If  
25          the Fund determines it does not have sufficient moneys to make  
26          the accelerated pension benefit payment, then the Fund shall

1 not accept the member's irrevocable election and shall notify  
2 the member of that fact. The member may reapply for the  
3 accelerated pension benefit payment after that fiscal year.  
4 Elections shall be processed and paid in the order in which  
5 complete applications are received by the Fund, subject to the  
6 availability of funds. If the Fund accepts the member's  
7 irrevocable election to receive an accelerated pension benefit  
8 payment under this Section, then the Fund shall transfer, from  
9 the moneys remitted to the Fund for that purpose, the amount of  
10 the accelerated pension benefit payment into the member's  
11 eligible retirement plan or qualified account. If any moneys  
12 remain in the account maintained by the Fund for the purpose of  
13 the accelerated pension benefit program at the end of the  
14 fiscal year, the Fund must remit those moneys back to the city  
15 within one month after the end of the fiscal year, unless the  
16 city notifies the Fund at least one month before the end of the  
17 fiscal year that the funds shall remain in the account to be  
18 used for the subsequent fiscal year.

19 (g) The Board shall adopt any rules, including emergency  
20 rules, necessary to implement this Section.

21 (h) No provision of this Section shall be interpreted in a  
22 way that would cause the Fund to cease to be a qualified plan  
23 under the Internal Revenue Code of 1986.

24 (40 ILCS 5/8-244.6 new)

25 Sec. 8-244.6. Accelerated pension benefit payment for a

1 reduction in annual retirement annuity.

2 (a) As used in this Section:

3 "Accelerated pension benefit payment" means a lump sum  
4 payment equal to 70% of the difference of the present value of  
5 the automatic annual increases to a Tier 1 member's retirement  
6 annuity using the formula applicable to the Tier 1 member and  
7 the present value of the automatic annual increases to the  
8 Tier 1 member's retirement annuity using the formula provided  
9 under subsection (b-5).

10 "Eligible person" means a person who:

11 (1) is a Tier 1 member;

12 (2) has submitted an application for a retirement  
13 annuity under this Article;

14 (3) meets the age and service requirements for  
15 receiving a retirement annuity under this Article;

16 (4) has not received any retirement annuity under this  
17 Article; and

18 (5) has not made the election under Section 8-244.5.

19 "Tier 1 member" means an employee who first became a  
20 participant under this Article or any reciprocal retirement  
21 system or pension fund established under this Code before  
22 January 1, 2011.

23 (b) Until June 30, 2028, if the city elects to provide  
24 funding for an accelerated pension benefit program, then as  
25 soon as practical after June 30, 2026 or as soon as practical  
26 after the city makes that election, whichever is later, the

1 Fund shall implement an accelerated pension benefit payment  
2 option for eligible persons. Upon the request of an eligible  
3 person, if the city has elected to provide funding for an  
4 accelerated pension benefit program, the Fund shall calculate,  
5 using actuarial tables and other assumptions adopted by the  
6 Board, an accelerated pension benefit payment amount and shall  
7 offer that eligible person the opportunity to irrevocably  
8 elect to have his or her automatic annual increases in  
9 retirement pension calculated in accordance with the formula  
10 provided under subsection (b-5) in exchange for the  
11 accelerated pension benefit payment. The election under this  
12 subsection must be made before the eligible person receives  
13 the first payment of a retirement pension otherwise payable  
14 under this Article. An eligible person is limited to one  
15 calculation and offer per fiscal year.

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 (c) If a person who has received an accelerated pension  
24 benefit payment returns to active service under this Article,  
25 then:

26 (1) the calculation of any future automatic annual

1 increase in retirement annuity shall be calculated in  
2 accordance with the formula provided under subsection  
3 (b-5); and

4 (2) the accelerated pension benefit payment may not be  
5 repaid to the Fund.

6 (d) As a condition of receiving an accelerated pension  
7 benefit payment, the accelerated pension benefit payment must  
8 be transferred into a tax qualified retirement plan or  
9 account. The accelerated pension benefit payment under this  
10 Section may be subject to withholding or payment of applicable  
11 taxes, but to the extent permitted by federal law, a person who  
12 receives an accelerated pension benefit payment under this  
13 Section must direct the Fund to pay all of that payment as a  
14 rollover into another retirement plan or account qualified  
15 under the Internal Revenue Code of 1986, as amended.

16 (d-5) Before accepting a member's irrevocable election to  
17 receive an accelerated pension benefit payment under this  
18 Section, the Fund shall verify that it has a sufficient amount  
19 of moneys to pay for the accelerated pension benefit payment  
20 from the contribution remitted by the city for that purpose.  
21 Moneys remitted to the Fund for the purpose of this program  
22 must be kept in a separate account. If the Fund determines it  
23 does not have sufficient moneys to make the accelerated  
24 pension benefit payment, then the Fund shall not accept the  
25 member's irrevocable election and shall notify the member of  
26 that fact. The member may reapply for the accelerated pension

1 benefit payment after that fiscal year. Elections shall be  
2 processed and paid in the order in which complete applications  
3 are received by the Fund, subject to the availability of  
4 funds. If the Fund accepts the member's irrevocable election  
5 to receive an accelerated pension benefit payment under this  
6 Section, then the Fund shall transfer, from the moneys  
7 remitted to the Fund for that purpose, the amount of the  
8 accelerated pension benefit payment into the member's eligible  
9 retirement plan or qualified account. If any moneys remain in  
10 the account at the end of the fiscal year, the Fund must remit  
11 those moneys back to the city within one month after the end of  
12 the fiscal year, unless the city notifies the Fund at least one  
13 month before the end of the fiscal year that the funds shall  
14 remain in the account to be used for the accelerated pension  
15 benefit program for the subsequent fiscal year.

16 (e) The Board shall adopt any rules, including emergency  
17 rules, necessary to implement this Section.

18 (f) No provision of this Section shall be interpreted in a  
19 way that would cause the Fund to cease to be a qualified plan  
20 under the Internal Revenue Code of 1986.

21 (40 ILCS 5/9-134.6 new)

22 Sec. 9-134.6. Accelerated pension benefit payment in lieu  
23 of any pension benefit.

24 (a) As used in this Section:

25 "Eligible person" means a person who:

1           (1) has terminated service;

2           (2) has accrued sufficient service credit to be  
3           eligible to receive a retirement annuity under this  
4           Article;

5           (3) has not received any retirement annuity under this  
6           Article; and

7           (4) has not made the election under Section 9-134.7.

8           "Pension benefit" means the benefits under this Article,  
9           or Article 1 as it relates to those benefits, including any  
10           anticipated annual increases, that an eligible person is  
11           entitled to upon attainment of the applicable retirement age.  
12           "Pension benefit" also includes applicable survivor's,  
13           widow's, or disability benefits.

14           (b) If an employer has elected to provide funding for an  
15           accelerated pension benefit program, then as soon as practical  
16           after June 30, 2026 or as soon as practical after the employer  
17           has made that election, whichever is later, the Fund shall  
18           calculate, using actuarial tables and other assumptions  
19           adopted by the Board, the present value of pension benefits  
20           for each eligible person who requests that information and  
21           shall offer each eligible person the opportunity to  
22           irrevocably elect to receive an amount determined by the Fund  
23           to be equal to 60% of the present value of his or her pension  
24           benefits in lieu of receiving any pension benefit. The offer  
25           shall specify the dollar amount that the eligible person will  
26           receive if he or she so elects and shall expire when a

1 subsequent offer is made to an eligible person. An eligible  
2 person is limited to one calculation and offer per fiscal  
3 year. The Fund shall make a good faith effort to contact every  
4 eligible person to notify him or her of the election.

5 Until June 30, 2028, an eligible person may irrevocably  
6 elect to receive an accelerated pension benefit payment in the  
7 amount that the Fund offers under this subsection in lieu of  
8 receiving any pension benefit. A person who elects to receive  
9 an accelerated pension benefit payment under this Section may  
10 not elect to proceed under the Retirement Systems Reciprocal  
11 Act with respect to service under this Article.

12 (c) A person's creditable service under this Article shall  
13 be terminated upon the person's receipt of an accelerated  
14 pension benefit payment under this Section, and no other  
15 benefit shall be paid under this Article based on the  
16 terminated creditable service, including any retirement,  
17 survivor, or other benefit.

18 (d) If a person who has received an accelerated pension  
19 benefit payment under this Section returns to active service  
20 under this Article, then:

21 (1) Any benefits under the Fund earned as a result of  
22 that return to active service shall be based solely on the  
23 person's creditable service arising from the return to  
24 active service.

25 (2) The accelerated pension benefit payment may not be  
26 repaid to the Fund, and the terminated creditable service

1       may not under any circumstances be reinstated.

2       (e) As a condition of receiving an accelerated pension  
3 benefit payment, the accelerated pension benefit payment must  
4 be transferred into a tax qualified retirement plan or  
5 account. The accelerated pension benefit payment under this  
6 Section may be subject to withholding or payment of applicable  
7 taxes, but to the extent permitted by federal law, a person who  
8 receives an accelerated pension benefit payment under this  
9 Section must direct the Fund to pay all of that payment as a  
10 rollover into another retirement plan or account qualified  
11 under the Internal Revenue Code of 1986, as amended.

12       (f) Before accepting a member's irrevocable election to  
13 receive an accelerated pension benefit payment under this  
14 Section, the Fund shall verify that it has a sufficient amount  
15 of moneys to pay for the accelerated pension benefit payment  
16 from the contribution remitted by the employer for that  
17 purpose. Moneys remitted to the Fund for the purpose of the  
18 accelerated pension benefit program must be kept in a separate  
19 account. If the Fund determines it does not have sufficient  
20 moneys to make the accelerated pension benefit payment, then  
21 the Fund shall not accept the member's irrevocable election  
22 and shall notify the member of that fact. The member may  
23 reapply for the accelerated pension benefit payment after that  
24 fiscal year. Elections shall be processed and paid in the  
25 order in which complete applications are received by the Fund,  
26 subject to the availability of funds. If the Fund accepts the

1 member's irrevocable election to receive an accelerated  
2 pension benefit payment under this Section, then the Fund  
3 shall transfer, from the moneys remitted to the Fund for that  
4 purpose, the amount of the accelerated pension benefit payment  
5 into the member's eligible retirement plan or qualified  
6 account. If any moneys remain in the account maintained by the  
7 Fund for the purpose of the accelerated pension benefit  
8 program at the end of the fiscal year, the Fund must remit  
9 those moneys back to the employer within one month after the  
10 end of the fiscal year, unless the employer notifies the Fund  
11 at least one month before the end of the fiscal year that the  
12 funds shall remain in the account to be used for the subsequent  
13 fiscal year.

14 (g) The Board shall adopt any rules, including emergency  
15 rules, necessary to implement this Section.

16 (h) No provision of this Section shall be interpreted in a  
17 way that would cause the Fund to cease to be a qualified plan  
18 under the Internal Revenue Code of 1986.

19 (40 ILCS 5/9-134.7 new)

20 Sec. 9-134.7. Accelerated pension benefit payment for a  
21 reduction in annual retirement annuity and widow's annuity  
22 increases.

23 (a) As used in this Section:

24 "Accelerated pension benefit payment" means a lump sum  
25 payment equal to 70% of the difference of the present value of

1 the automatic annual increases to a Tier 1 member's retirement  
2 annuity and widow's annuity using the formula applicable to  
3 the Tier 1 member and the present value of the automatic annual  
4 increases to the Tier 1 member's retirement annuity using the  
5 formula provided under subsection (b-5) and widow's annuity  
6 using the formula provided under subsection (b-6). "Eligible  
7 person" means a person who:

8 (1) is a Tier 1 member;

9 (2) has submitted an application for a retirement  
10 annuity under this Article;

11 (3) meets the age and service requirements for  
12 receiving a retirement annuity under this Article;

13 (4) has not received any retirement annuity under this  
14 Article; and

15 (5) has not made the election under Section 9-134.6.

16 "Tier 1 member" means a person who first became a  
17 participant under this Article or any reciprocal retirement  
18 system or pension fund established under this Code before  
19 January 1, 2011.

20 (b) Until June 30, 2028, if an employer elects to provide  
21 funding for an accelerated pension benefit program, then as  
22 soon as practical after June 30, 2026 or as soon as practical  
23 after the employer makes that election, whichever is later,  
24 the Fund shall implement an accelerated pension benefit  
25 payment option for eligible persons. Upon the request of an  
26 eligible person, if the employer has elected to provide

1 funding for an accelerated pension benefit program, the Fund  
2 shall calculate, using actuarial tables and other assumptions  
3 adopted by the Board, an accelerated pension benefit payment  
4 amount and shall offer that eligible person the opportunity to  
5 irrevocably elect to have his or her automatic annual  
6 increases in retirement pension calculated in accordance with  
7 the formula provided under subsection (b-5) in exchange for  
8 the accelerated pension benefit payment. The election under  
9 this subsection must be made before the eligible person  
10 receives the first payment of a retirement pension otherwise  
11 payable under this Article. An eligible person is limited to  
12 one calculation and offer per fiscal year.

13 (b-5) Notwithstanding any other provision of law, the  
14 retirement annuity of a person who made the election under  
15 subsection (b) shall be subject to annual increases on the  
16 January 1 occurring either on or after the attainment of age 67  
17 or the first anniversary of the annuity start date, whichever  
18 is later. Each annual increase shall be calculated at 1.5% of  
19 the originally granted retirement annuity.

20 (b-6) Notwithstanding any other provision of law, a  
21 widow's annuity payable to a widow's annuity beneficiary of a  
22 person who made the election under subsection (b) shall be  
23 subject to annual increases on the January 1 occurring on or  
24 after the first anniversary of the commencement of the  
25 annuity. Each annual increase shall be calculated at 1.5% of  
26 the originally granted widow's annuity.

1       (c) If a person who has received an accelerated pension  
2 benefit payment returns to active service under this Article,  
3 then:

4           (1) the calculation of any future automatic annual  
5 increase in retirement annuity shall be calculated in  
6 accordance with the formula provided under subsection  
7 (b-5); and

8           (2) the accelerated pension benefit payment may not be  
9 repaid to the Fund.

10       (d) 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 Fund 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       (d-5) Before accepting a member's irrevocable election to  
21 receive an accelerated pension benefit payment under this  
22 Section, the Fund shall verify that it has a sufficient amount  
23 of moneys to pay for the accelerated pension benefit payment  
24 from the contribution remitted by the employer for that  
25 purpose. Moneys remitted to the Fund for the purpose of this  
26 program must be kept in a separate account. If the Fund

1 determines it does not have sufficient moneys to make the  
2 accelerated pension benefit payment, then the Fund shall not  
3 accept the member's irrevocable election and shall notify the  
4 member of that fact. The member may reapply for the  
5 accelerated pension benefit payment after that fiscal year.  
6 Elections shall be processed and paid in the order in which  
7 complete applications are received by the Fund, subject to the  
8 availability of funds. If the Fund accepts the member's  
9 irrevocable election to receive an accelerated pension benefit  
10 payment under this Section, then the Fund shall transfer, from  
11 the moneys remitted to the Fund for that purpose, the amount of  
12 the accelerated pension benefit payment into the member's  
13 eligible retirement plan or qualified account. If any moneys  
14 remain in the account at the end of the fiscal year, the Fund  
15 must remit those moneys back to the employer within one month  
16 after the end of the fiscal year, unless the employer notifies  
17 the Fund at least one month before the end of the fiscal year  
18 that the funds shall remain in the account to be used for the  
19 accelerated pension benefit program for the subsequent fiscal  
20 year.

21 (e) The Board shall adopt any rules, including emergency  
22 rules, necessary to implement this Section.

23 (f) No provision of this Section shall be interpreted in a  
24 way that would cause the Fund to cease to be a qualified plan  
25 under the Internal Revenue Code of 1986.

1 (40 ILCS 5/10-104.6 new)

2 Sec. 10-104.6. Accelerated pension benefit payment in lieu  
3 of any pension benefit.

4 (a) As used in this Section:

5 "Eligible person" means a person who:

6 (1) has terminated service;

7 (2) has accrued sufficient service credit to be  
8 eligible to receive a retirement annuity under this  
9 Article;

10 (3) has not received any retirement annuity under this  
11 Article; and

12 (4) has not made the election under Section 10-104.7.

13 "Pension benefit" means the benefits under this Article,  
14 or Article 1 as it relates to those benefits, including any  
15 anticipated annual increases, that an eligible person is  
16 entitled to upon attainment of the applicable retirement age.  
17 "Pension benefit" also includes applicable survivor's,  
18 widow's, or disability benefits.

19 (b) If an employer has elected to provide funding for an  
20 accelerated pension benefit program, then as soon as practical  
21 after June 30, 2026 or as soon as practical after the employer  
22 has made that election, whichever is later, the Fund shall  
23 calculate, using actuarial tables and other assumptions  
24 adopted by the Board, the present value of pension benefits  
25 for each eligible person who requests that information and  
26 shall offer each eligible person the opportunity to

1 irrevocably elect to receive an amount determined by the Fund  
2 to be equal to 60% of the present value of his or her pension  
3 benefits in lieu of receiving any pension benefit. The offer  
4 shall specify the dollar amount that the eligible person will  
5 receive if he or she so elects and shall expire when a  
6 subsequent offer is made to an eligible person. An eligible  
7 person is limited to one calculation and offer per fiscal  
8 year. The Fund shall make a good faith effort to contact every  
9 eligible person to notify him or her of the election.

10 Until June 30, 2028, an eligible person may irrevocably  
11 elect to receive an accelerated pension benefit payment in the  
12 amount that the Fund offers under this subsection in lieu of  
13 receiving any pension benefit. A person who elects to receive  
14 an accelerated pension benefit payment under this Section may  
15 not elect to proceed under the Retirement Systems Reciprocal  
16 Act with respect to service under this Article.

17 (c) A person's creditable service under this Article shall  
18 be terminated upon the person's receipt of an accelerated  
19 pension benefit payment under this Section, and no other  
20 benefit shall be paid under this Article based on the  
21 terminated creditable service, including any retirement,  
22 survivor, or other benefit.

23 (d) If a person who has received an accelerated pension  
24 benefit payment under this Section returns to active service  
25 under this Article, then:

26 (1) Any benefits under the Fund earned as a result of

1       that return to active service shall be based solely on the  
2       person's creditable service arising from the return to  
3       active service.

4       (2) The accelerated pension benefit payment may not be  
5       repaid to the Fund, and the terminated creditable service  
6       may not under any circumstances be reinstated.

7       (e) As a condition of receiving an accelerated pension  
8       benefit payment, the accelerated pension benefit payment must  
9       be transferred into a tax qualified retirement plan or  
10       account. The accelerated pension benefit payment under this  
11       Section may be subject to withholding or payment of applicable  
12       taxes, but to the extent permitted by federal law, a person who  
13       receives an accelerated pension benefit payment under this  
14       Section must direct the Fund to pay all of that payment as a  
15       rollover into another retirement plan or account qualified  
16       under the Internal Revenue Code of 1986, as amended.

17       (f) Before accepting a member's irrevocable election to  
18       receive an accelerated pension benefit payment under this  
19       Section, the Fund shall verify that it has a sufficient amount  
20       of moneys to pay for the accelerated pension benefit payment  
21       from the contribution remitted by the employer for that  
22       purpose. Moneys remitted to the Fund for the purpose of the  
23       accelerated pension benefit program must be kept in a separate  
24       account. If the Fund determines it does not have sufficient  
25       moneys to make the accelerated pension benefit payment, then  
26       the Fund shall not accept the member's irrevocable election

1 and shall notify the member of that fact. The member may  
2 reapply for the accelerated pension benefit payment after that  
3 fiscal year. Elections shall be processed and paid in the  
4 order in which complete applications are received by the Fund,  
5 subject to the availability of funds. If the Fund accepts the  
6 member's irrevocable election to receive an accelerated  
7 pension benefit payment under this Section, then the Fund  
8 shall transfer, from the moneys remitted to the Fund for that  
9 purpose, the amount of the accelerated pension benefit payment  
10 into the member's eligible retirement plan or qualified  
11 account. If any moneys remain in the account maintained by the  
12 Fund for the purpose of the accelerated pension benefit  
13 program at the end of the fiscal year, the Fund must remit  
14 those moneys back to the employer within one month after the  
15 end of the fiscal year, unless the employer notifies the Fund  
16 at least one month before the end of the fiscal year that the  
17 funds shall remain in the account to be used for the subsequent  
18 fiscal year.

19 (g) The Board shall adopt any rules, including emergency  
20 rules, necessary to implement this Section.

21 (h) No provision of this Section shall be interpreted in a  
22 way that would cause the Fund to cease to be a qualified plan  
23 under the Internal Revenue Code of 1986.

24 (40 ILCS 5/10-104.7 new)

25 Sec. 10-104.7. Accelerated pension benefit payment for a

1 reduction in annual retirement annuity and widow's annuity  
2 increases.

3 (a) As used in this Section:

4 "Accelerated pension benefit payment" means a lump sum  
5 payment equal to 70% of the difference of the present value of  
6 the automatic annual increases to a Tier 1 member's retirement  
7 annuity and widow's annuity using the formula applicable to  
8 the Tier 1 member and the present value of the automatic annual  
9 increases to the Tier 1 member's retirement annuity using the  
10 formula provided under subsection (b-5) and widow's annuity  
11 using the formula provided under subsection (b-6). "Eligible  
12 person" means a person who:

13 (1) is a Tier 1 member;

14 (2) has submitted an application for a retirement  
15 annuity under this Article;

16 (3) meets the age and service requirements for  
17 receiving a retirement annuity under this Article;

18 (4) has not received any retirement annuity under this  
19 Article; and

20 (5) has not made the election under Section 10-104.6.

21 "Tier 1 member" means a person who first became a  
22 participant under this Article or any reciprocal retirement  
23 system or pension fund established under this Code before  
24 January 1, 2011.

25 (b) Until June 30, 2028, if an employer elects to provide  
26 funding for an accelerated pension benefit program, then as

1 soon as practical after June 30, 2026 or as soon as practical  
2 after the employer makes that election, whichever is later,  
3 the Fund shall implement an accelerated pension benefit  
4 payment option for eligible persons. Upon the request of an  
5 eligible person, if the employer has elected to provide  
6 funding for an accelerated pension benefit program, the Fund  
7 shall calculate, using actuarial tables and other assumptions  
8 adopted by the Board, an accelerated pension benefit payment  
9 amount and shall offer that eligible person the opportunity to  
10 irrevocably elect to have his or her automatic annual  
11 increases in retirement annuity calculated in accordance with  
12 the formula provided under subsection (b-5) in exchange for  
13 the accelerated pension benefit payment. The election under  
14 this subsection must be made before the eligible person  
15 receives the first payment of a retirement pension otherwise  
16 payable under this Article. An eligible person is limited to  
17 one calculation and offer per fiscal year.

18 (b-5) Notwithstanding any other provision of law, the  
19 retirement annuity of a person who made the election under  
20 subsection (b) shall be subject to annual increases on the  
21 January 1 occurring either on or after the attainment of age 67  
22 or the first anniversary of the annuity start date, whichever  
23 is later. Each annual increase shall be calculated at 1.5% of  
24 the originally granted retirement annuity.

25 (b-6) Notwithstanding any other provision of law, a  
26 widow's annuity payable to a widow's annuity beneficiary of a

1 person who made the election under subsection (b) shall be  
2 subject to annual increases on the January 1 occurring on or  
3 after the first anniversary of the commencement of the  
4 annuity. Each annual increase shall be calculated at 1.5% of  
5 the originally granted widow's annuity.

6 (c) If a person who has received an accelerated pension  
7 benefit payment returns to active service under this Article,  
8 then:

9 (1) the calculation of any future automatic annual  
10 increase in retirement annuity shall be calculated in  
11 accordance with the formula provided under subsection  
12 (b-5); and

13 (2) the accelerated pension benefit payment may not be  
14 repaid to the Fund.

15 (d) As a condition of receiving an accelerated pension  
16 benefit payment, the accelerated pension benefit payment must  
17 be transferred into a tax qualified retirement plan or  
18 account. The accelerated pension benefit payment under this  
19 Section may be subject to withholding or payment of applicable  
20 taxes, but to the extent permitted by federal law, a person who  
21 receives an accelerated pension benefit payment under this  
22 Section must direct the Fund to pay all of that payment as a  
23 rollover into another retirement plan or account qualified  
24 under the Internal Revenue Code of 1986, as amended.

25 (d-5) Before accepting a member's irrevocable election to  
26 receive an accelerated pension benefit payment under this

1 Section, the Fund shall verify that it has a sufficient amount  
2 of moneys to pay for the accelerated pension benefit payment  
3 from the contribution remitted by the employer for that  
4 purpose. Moneys remitted to the Fund for the purpose of this  
5 program must be kept in a separate account. If the Fund  
6 determines it does not have sufficient moneys to make the  
7 accelerated pension benefit payment, then the Fund shall not  
8 accept the member's irrevocable election and shall notify the  
9 member of that fact. The member may reapply for the  
10 accelerated pension benefit payment after that fiscal year.  
11 Elections shall be processed and paid in the order in which  
12 complete applications are received by the Fund, subject to the  
13 availability of funds. If the Fund accepts the member's  
14 irrevocable election to receive an accelerated pension benefit  
15 payment under this Section, then the Fund shall transfer, from  
16 the moneys remitted to the Fund for that purpose, the amount of  
17 the accelerated pension benefit payment into the member's  
18 eligible retirement plan or qualified account. If any moneys  
19 remain in the account at the end of the fiscal year, the Fund  
20 must remit those moneys back to the employer within one month  
21 after the end of the fiscal year, unless the employer notifies  
22 the Fund at least one month before the end of the fiscal year  
23 that the funds shall remain in the account to be used for the  
24 accelerated pension benefit program for the subsequent fiscal  
25 year.

26 (e) The Board shall adopt any rules, including emergency

1 rules, necessary to implement this Section.

2 (f) No provision of this Section shall be interpreted in a  
3 way that would cause the Fund to cease to be a qualified plan  
4 under the Internal Revenue Code of 1986.

5 (40 ILCS 5/11-223.5 new)

6 Sec. 11-223.5. Accelerated pension benefit payment in lieu  
7 of any pension benefit.

8 (a) As used in this Section:

9 "Eligible person" means a person who:

10 (1) has terminated service;

11 (2) has accrued sufficient service credit to be  
12 eligible to receive a retirement annuity under this  
13 Article;

14 (3) has not received any retirement annuity under this  
15 Article; and

16 (4) has not made the election under Section 11-223.6.

17 "Pension benefit" means the benefits under this Article,  
18 or Article 1 as it relates to those benefits, including any  
19 anticipated annual increases, that an eligible person is  
20 entitled to upon attainment of the applicable retirement age.  
21 "Pension benefit" also includes applicable survivor's,  
22 widow's, or disability benefits.

23 (b) If the city has elected to provide funding for an  
24 accelerated pension benefit program, then as soon as practical  
25 after June 30, 2026 or as soon as practical after the city has

1 made that election, whichever is later, the Fund shall  
2 calculate, using actuarial tables and other assumptions  
3 adopted by the Board, the present value of pension benefits  
4 for each eligible person who requests that information and  
5 shall offer each eligible person the opportunity to  
6 irrevocably elect to receive an amount determined by the Fund  
7 to be equal to 60% of the present value of his or her pension  
8 benefits in lieu of receiving any pension benefit. The offer  
9 shall specify the dollar amount that the eligible person will  
10 receive if he or she so elects and shall expire when a  
11 subsequent offer is made to an eligible person. An eligible  
12 person is limited to one calculation and offer per fiscal  
13 year. The Fund shall make a good faith effort to contact every  
14 eligible person to notify him or her of the election.

15 Until June 30, 2028, an eligible person may irrevocably  
16 elect to receive an accelerated pension benefit payment in the  
17 amount that the Fund offers under this subsection in lieu of  
18 receiving any pension benefit. A person who elects to receive  
19 an accelerated pension benefit payment under this Section may  
20 not elect to proceed under the Retirement Systems Reciprocal  
21 Act with respect to service under this Article.

22 (c) A person's creditable service under this Article shall  
23 be terminated upon the person's receipt of an accelerated  
24 pension benefit payment under this Section, and no other  
25 benefit shall be paid under this Article based on the  
26 terminated creditable service, including any retirement,

1 survivor, widow, or other benefit.

2 (d) If a person who has received an accelerated pension  
3 benefit payment under this Section returns to active service  
4 under this Article, then:

5 (1) Any benefits under the Fund earned as a result of  
6 that return to active service shall be based solely on the  
7 person's creditable service arising from the return to  
8 active service.

9 (2) The accelerated pension benefit payment may not be  
10 repaid to the Fund, and the terminated creditable service  
11 may not under any circumstances be reinstated.

12 (e) As a condition of receiving an accelerated pension  
13 benefit payment, the accelerated pension benefit payment must  
14 be transferred into a tax qualified retirement plan or  
15 account. The accelerated pension benefit payment under this  
16 Section may be subject to withholding or payment of applicable  
17 taxes, but to the extent permitted by federal law, a person who  
18 receives an accelerated pension benefit payment under this  
19 Section must direct the Fund to pay all of that payment as a  
20 rollover into another retirement plan or account qualified  
21 under the Internal Revenue Code of 1986, as amended.

22 (f) Before accepting a member's irrevocable election to  
23 receive an accelerated pension benefit payment under this  
24 Section, the Fund shall verify that it has a sufficient amount  
25 of moneys to pay for the accelerated pension benefit payment  
26 from the contribution remitted by the city for that purpose.

1 Moneys remitted to the Fund for the purpose of the accelerated  
2 pension benefit program must be kept in a separate account. If  
3 the Fund determines it does not have sufficient moneys to make  
4 the accelerated pension benefit payment, then the Fund shall  
5 not accept the member's irrevocable election and shall notify  
6 the member of that fact. The member may reapply for the  
7 accelerated pension benefit payment after that fiscal year.  
8 Elections shall be processed and paid in the order in which  
9 complete applications are received by the Fund, subject to the  
10 availability of funds. If the Fund accepts the member's  
11 irrevocable election to receive an accelerated pension benefit  
12 payment under this Section, then the Fund shall transfer, from  
13 the moneys remitted to the Fund for that purpose, the amount of  
14 the accelerated pension benefit payment into the member's  
15 eligible retirement plan or qualified account. If any moneys  
16 remain in the account maintained by the Fund for the purpose of  
17 the accelerated pension benefit program at the end of the  
18 fiscal year, the Fund must remit those moneys back to the city  
19 within one month after the end of the fiscal year, unless the  
20 city notifies the Fund at least one month before the end of the  
21 fiscal year that the funds shall remain in the account to be  
22 used for the subsequent fiscal year.

23 (g) The Board shall adopt any rules, including emergency  
24 rules, necessary to implement this Section.

25 (h) 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 5/11-223.6 new)

3 Sec. 11-223.6. Accelerated pension benefit payment for a  
4 reduction in annual retirement annuity and widow's annuity  
5 increases.

6 (a) As used in this Section:

7 "Accelerated pension benefit payment" means a lump sum  
8 payment equal to 70% of the difference of the present value of  
9 the automatic annual increases to a Tier 1 member's retirement  
10 annuity and widow's annuity using the formula applicable to  
11 the Tier 1 member and the present value of the automatic annual  
12 increases to the Tier 1 member's retirement annuity using the  
13 formula provided under subsection (b-5).

14 "Eligible person" means a person who:

15 (1) is a Tier 1 member;

16 (2) has submitted an application for a retirement  
17 annuity under this Article;

18 (3) meets the age and service requirements for  
19 receiving a retirement annuity under this Article;

20 (4) has not received any retirement annuity under this  
21 Article; and

22 (5) has not made the election under Section 11-223.5.

23 "Tier 1 member" means a person who first became a  
24 participant under this Article or any reciprocal retirement  
25 system or pension fund established under this Code before

1 January 1, 2011.

2 (b) Until June 30, 2028, if the city elects to provide  
3 funding for an accelerated pension benefit program, then as  
4 soon as practical after June 30, 2026 or as soon as practical  
5 after the city makes that election, whichever is later, the  
6 Fund shall implement an accelerated pension benefit payment  
7 option for eligible persons. Upon the request of an eligible  
8 person, if the city has elected to provide funding for an  
9 accelerated pension benefit program, the Fund shall calculate,  
10 using actuarial tables and other assumptions adopted by the  
11 Board, an accelerated pension benefit payment amount and shall  
12 offer that eligible person the opportunity to irrevocably  
13 elect to have his or her automatic annual increases in  
14 retirement pension calculated in accordance with the formula  
15 provided under subsection (b-5) in exchange for the  
16 accelerated pension benefit payment. The election under this  
17 subsection must be made before the eligible person receives  
18 the first payment of a retirement pension otherwise payable  
19 under this Article. An eligible person is limited to one  
20 calculation and offer per fiscal year.

21 (b-5) Notwithstanding any other provision of law, the  
22 retirement annuity of a person who made the election under  
23 subsection (b) shall be subject to annual increases on the  
24 January 1 occurring either on or after the attainment of age 67  
25 or the first anniversary of the annuity start date, whichever  
26 is later. Each annual increase shall be calculated at 1.5% of

1 the originally granted retirement annuity.

2 (c) If a person who has received an accelerated pension  
3 benefit payment returns to active service under this Article,  
4 then:

5 (1) the calculation of any future automatic annual  
6 increase in retirement annuity shall be calculated in  
7 accordance with the formula provided under subsection  
8 (b-5); and

9 (2) the accelerated pension benefit payment may not be  
10 repaid to the Fund.

11 (d) As a condition of receiving an accelerated pension  
12 benefit payment, the accelerated pension benefit payment must  
13 be transferred into a tax qualified retirement plan or  
14 account. The accelerated pension benefit payment under this  
15 Section may be subject to withholding or payment of applicable  
16 taxes, but to the extent permitted by federal law, a person who  
17 receives an accelerated pension benefit payment under this  
18 Section must direct the Fund to pay all of that payment as a  
19 rollover into another retirement plan or account qualified  
20 under the Internal Revenue Code of 1986, as amended.

21 (d-5) Before accepting a member's irrevocable election to  
22 receive an accelerated pension benefit payment under this  
23 Section, the Fund shall verify that it has a sufficient amount  
24 of moneys to pay for the accelerated pension benefit payment  
25 from the contribution remitted by the city for that purpose.  
26 Moneys remitted to the Fund for the purpose of this program

1 must be kept in a separate account. If the Fund determines it  
2 does not have sufficient moneys to make the accelerated  
3 pension benefit payment, then the Fund shall not accept the  
4 member's irrevocable election and shall notify the member of  
5 that fact. The member may reapply for the accelerated pension  
6 benefit payment after that fiscal year. Elections shall be  
7 processed and paid in the order in which complete applications  
8 are received by the Fund, subject to the availability of  
9 funds. If the Fund accepts the member's irrevocable election  
10 to receive an accelerated pension benefit payment under this  
11 Section, then the Fund shall transfer, from the moneys  
12 remitted to the Fund for that purpose, the amount of the  
13 accelerated pension benefit payment into the member's eligible  
14 retirement plan or qualified account. If any moneys remain in  
15 the account at the end of the fiscal year, the Fund must remit  
16 those moneys back to the city within one month after the end of  
17 the fiscal year, unless the city notifies the Fund at least one  
18 month before the end of the fiscal year that the funds shall  
19 remain in the account to be used for the accelerated pension  
20 benefit program for the subsequent fiscal year.

21 (e) The Board shall adopt any rules, including emergency  
22 rules, necessary to implement this Section.

23 (f) No provision of this Section shall be interpreted in a  
24 way that would cause the Fund to cease to be a qualified plan  
25 under the Internal Revenue Code of 1986.

1 (40 ILCS 5/12-133.8 new)

2 Sec. 12-133.8. Accelerated pension benefit payment in lieu  
3 of any pension benefit.

4 (a) As used in this Section:

5 "Eligible person" means a person who:

6 (1) has terminated service;

7 (2) has accrued sufficient service credit to be  
8 eligible to receive a retirement annuity under this  
9 Article;

10 (3) has not received any retirement annuity under this  
11 Article; and

12 (4) has not made the election under Section 12-133.9.

13 "Pension benefit" means the benefits under this Article,  
14 or Article 1 as it relates to those benefits, including any  
15 anticipated annual increases, that an eligible person is  
16 entitled to upon attainment of the applicable retirement age.  
17 "Pension benefit" also includes applicable survivor's,  
18 surviving spouse's, or disability benefits.

19 (b) If the city has elected to provide funding for an  
20 accelerated pension benefit program, then as soon as practical  
21 after June 30, 2026 or as soon as practical after the city has  
22 made that election, whichever is later, the Fund shall  
23 calculate, using actuarial tables and other assumptions  
24 adopted by the Board, the present value of pension benefits  
25 for each eligible person who requests that information and  
26 shall offer each eligible person the opportunity to

1 irrevocably elect to receive an amount determined by the Fund  
2 to be equal to 60% of the present value of his or her pension  
3 benefits in lieu of receiving any pension benefit. The offer  
4 shall specify the dollar amount that the eligible person will  
5 receive if he or she so elects and shall expire when a  
6 subsequent offer is made to an eligible person. An eligible  
7 person is limited to one calculation and offer per fiscal  
8 year. The Fund shall make a good faith effort to contact every  
9 eligible person to notify him or her of the election.

10 Until June 30, 2028, an eligible person may irrevocably  
11 elect to receive an accelerated pension benefit payment in the  
12 amount that the Fund offers under this subsection in lieu of  
13 receiving any pension benefit. A person who elects to receive  
14 an accelerated pension benefit payment under this Section may  
15 not elect to proceed under the Retirement Systems Reciprocal  
16 Act with respect to service under this Article.

17 (c) A person's creditable service under this Article shall  
18 be terminated upon the person's receipt of an accelerated  
19 pension benefit payment under this Section, and no other  
20 benefit shall be paid under this Article based on the  
21 terminated creditable service, including any retirement,  
22 survivor, or other benefit.

23 (d) If a person who has received an accelerated pension  
24 benefit payment under this Section returns to active service  
25 under this Article, then:

26 (1) Any benefits under the Fund earned as a result of

1       that return to active service shall be based solely on the  
2       person's creditable service arising from the return to  
3       active service.

4       (2) The accelerated pension benefit payment may not be  
5       repaid to the Fund, and the terminated creditable service  
6       may not under any circumstances be reinstated.

7       (e) As a condition of receiving an accelerated pension  
8       benefit payment, the accelerated pension benefit payment must  
9       be transferred into a tax qualified retirement plan or  
10       account. The accelerated pension benefit payment under this  
11       Section may be subject to withholding or payment of applicable  
12       taxes, but to the extent permitted by federal law, a person who  
13       receives an accelerated pension benefit payment under this  
14       Section must direct the Fund to pay all of that payment as a  
15       rollover into another retirement plan or account qualified  
16       under the Internal Revenue Code of 1986, as amended.

17       (f) Before accepting a member's irrevocable election to  
18       receive an accelerated pension benefit payment under this  
19       Section, the Fund shall verify that it has a sufficient amount  
20       of moneys to pay for the accelerated pension benefit payment  
21       from the contribution remitted by the city for that purpose.  
22       Moneys remitted to the Fund for the purpose of the accelerated  
23       pension benefit program must be kept in a separate account. If  
24       the Fund determines it does not have sufficient moneys to make  
25       the accelerated pension benefit payment, then the Fund shall  
26       not accept the member's irrevocable election and shall notify

1 the member of that fact. The member may reapply for the  
2 accelerated pension benefit payment after that fiscal year.  
3 Elections shall be processed and paid in the order in which  
4 complete applications are received by the Fund, subject to the  
5 availability of funds. If the Fund accepts the member's  
6 irrevocable election to receive an accelerated pension benefit  
7 payment under this Section, then the Fund shall transfer, from  
8 the moneys remitted to the Fund for that purpose, the amount of  
9 the accelerated pension benefit payment into the member's  
10 eligible retirement plan or qualified account. If any moneys  
11 remain in the account maintained by the Fund for the purpose of  
12 the accelerated pension benefit program at the end of the  
13 fiscal year, the Fund must remit those moneys back to the city  
14 within one month after the end of the fiscal year, unless the  
15 city notifies the Fund at least one month before the end of the  
16 fiscal year that the funds shall remain in the account to be  
17 used for the subsequent fiscal year.

18 (g) The Board shall adopt any rules, including emergency  
19 rules, necessary to implement this Section.

20 (h) No provision of this Section shall be interpreted in a  
21 way that would cause the Fund to cease to be a qualified plan  
22 under the Internal Revenue Code of 1986.

23 (40 ILCS 5/12-133.9 new)

24 Sec. 12-133.9. Accelerated pension benefit payment for a  
25 reduction in annual retirement annuity and surviving spouse's

1 annuity increases.

2 (a) As used in this Section:

3 "Accelerated pension benefit payment" means a lump sum  
4 payment equal to 70% of the difference of the present value of  
5 the automatic annual increases to a Tier 1 member's retirement  
6 annuity and surviving spouse's annuity using the formula  
7 applicable to the Tier 1 member and the present value of the  
8 automatic annual increases to the Tier 1 member's retirement  
9 annuity using the formula provided under subsection (b-5) and  
10 surviving spouse's annuity using the formula provided under  
11 subsection (b-6). "Eligible person" means a person who:

12 (1) is a Tier 1 member;

13 (2) has submitted an application for a retirement  
14 annuity under this Article;

15 (3) meets the age and service requirements for  
16 receiving a retirement annuity under this Article;

17 (4) has not received any retirement annuity under this  
18 Article; and

19 (5) has not made the election under Section 12-133.8.

20 "Tier 1 member" means a person who first became a  
21 participant under this Article or any reciprocal retirement  
22 system or pension fund established under this Code before  
23 January 1, 2011.

24 (b) Until June 30, 2028, if the city elects to provide  
25 funding for an accelerated pension benefit program, then as  
26 soon as practical after June 30, 2026 or as soon as practical

1 after the city makes that election, whichever is later, the  
2 Fund shall implement an accelerated pension benefit payment  
3 option for eligible persons. Upon the request of an eligible  
4 person, if the city has elected to provide funding for an  
5 accelerated pension benefit program, the Fund shall calculate,  
6 using actuarial tables and other assumptions adopted by the  
7 Board, an accelerated pension benefit payment amount and shall  
8 offer that eligible person the opportunity to irrevocably  
9 elect to have his or her automatic annual increases in  
10 retirement pension calculated in accordance with the formula  
11 provided under subsection (b-5) in exchange for the  
12 accelerated pension benefit payment. The election under this  
13 subsection must be made before the eligible person receives  
14 the first payment of a retirement pension otherwise payable  
15 under this Article. An eligible person is limited to one  
16 calculation and offer per fiscal year.

17 (b-5) Notwithstanding any other provision of law, the  
18 retirement annuity of a person who made the election under  
19 subsection (b) shall be subject to annual increases on the  
20 January 1 occurring either on or after the attainment of age 67  
21 or the first anniversary of the annuity start date, whichever  
22 is later. Each annual increase shall be calculated at 1.5% of  
23 the originally granted retirement annuity.

24 (b-6) Notwithstanding any other provision of law, a  
25 surviving spouse's annuity payable to a surviving spouse's  
26 annuity beneficiary of a person who made the election under

1 subsection (b) shall be subject to annual increases on the  
2 January 1 occurring on or after the first anniversary of the  
3 commencement of the annuity. Each annual increase shall be  
4 calculated at 1.5% of the originally granted surviving  
5 spouse's annuity.

6 (c) If a person who has received an accelerated pension  
7 benefit payment returns to active service under this Article,  
8 then:

9 (1) the calculation of any future automatic annual  
10 increase in retirement annuity shall be calculated in  
11 accordance with the formula provided under subsection  
12 (b-5); and

13 (2) the accelerated pension benefit payment may not be  
14 repaid to the Fund.

15 (d) As a condition of receiving an accelerated pension  
16 benefit payment, the accelerated pension benefit payment must  
17 be transferred into a tax qualified retirement plan or  
18 account. The accelerated pension benefit payment under this  
19 Section may be subject to withholding or payment of applicable  
20 taxes, but to the extent permitted by federal law, a person who  
21 receives an accelerated pension benefit payment under this  
22 Section must direct the Fund to pay all of that payment as a  
23 rollover into another retirement plan or account qualified  
24 under the Internal Revenue Code of 1986, as amended.

25 (d-5) Before accepting a member's irrevocable election to  
26 receive an accelerated pension benefit payment under this

1 Section, the Fund shall verify that it has a sufficient amount  
2 of moneys to pay for the accelerated pension benefit payment  
3 from the contribution remitted by the city for that purpose.  
4 Moneys remitted to the Fund for the purpose of this program  
5 must be kept in a separate account. If the Fund determines it  
6 does not have sufficient moneys to make the accelerated  
7 pension benefit payment, then the Fund shall not accept the  
8 member's irrevocable election and shall notify the member of  
9 that fact. The member may reapply for the accelerated pension  
10 benefit payment after that fiscal year. Elections shall be  
11 processed and paid in the order in which complete applications  
12 are received by the Fund, subject to the availability of  
13 funds. If the Fund accepts the member's irrevocable election  
14 to receive an accelerated pension benefit payment under this  
15 Section, then the Fund shall transfer, from the moneys  
16 remitted to the Fund for that purpose, the amount of the  
17 accelerated pension benefit payment into the member's eligible  
18 retirement plan or qualified account. If any moneys remain in  
19 the account at the end of the fiscal year, the Fund must remit  
20 those moneys back to the city within one month after the end of  
21 the fiscal year, unless the city notifies the Fund at least one  
22 month before the end of the fiscal year that the funds shall  
23 remain in the account to be used for the accelerated pension  
24 benefit program for the subsequent fiscal year.

25 (e) The Board shall adopt any rules, including emergency  
26 rules, necessary to implement this Section.

1       (f) No provision of this Section shall be interpreted in a  
2       way that would cause the Fund to cease to be a qualified plan  
3       under the Internal Revenue Code of 1986.

4       (40 ILCS 5/17-120.5 new)  
5       Sec. 17-120.5. Accelerated pension benefit payment in lieu  
6       of any pension benefit.

7       (a) As used in this Section:

8       "Eligible person" means a person who:

9           (1) has terminated service;

10          (2) has accrued sufficient service credit to be  
11          eligible to receive a retirement annuity under this  
12          Article;

13          (3) has not received any retirement annuity under this  
14          Article; and

15          (4) has not made the election under Section 17-120.6.

16       "Pension benefit" means the benefits under this Article,  
17       or Article 1 as it relates to those benefits, including any  
18       anticipated annual increases, that an eligible person is  
19       entitled to upon attainment of the applicable retirement age.  
20       "Pension benefit" also includes applicable survivor's,  
21       surviving spouse's, or disability benefits.

22       (b) If an employer has elected to provide funding for an  
23       accelerated pension benefit program, then as soon as practical  
24       after June 30, 2026 or as soon as practical after the employer  
25       has made that election, whichever is later, the Fund shall

1 calculate, using actuarial tables and other assumptions  
2 adopted by the Board, the present value of pension benefits  
3 for each eligible person who requests that information and  
4 shall offer each eligible person the opportunity to  
5 irrevocably elect to receive an amount determined by the Fund  
6 to be equal to 60% of the present value of his or her pension  
7 benefits in lieu of receiving any pension benefit. The offer  
8 shall specify the dollar amount that the eligible person will  
9 receive if he or she so elects and shall expire when a  
10 subsequent offer is made to an eligible person. An eligible  
11 person is limited to one calculation and offer per fiscal  
12 year. The Fund shall make a good faith effort to contact every  
13 eligible person to notify him or her of the election.

14 Until June 30, 2028, an eligible person may irrevocably  
15 elect to receive an accelerated pension benefit payment in the  
16 amount that the Fund offers under this subsection in lieu of  
17 receiving any pension benefit. A person who elects to receive  
18 an accelerated pension benefit payment under this Section may  
19 not elect to proceed under the Retirement Systems Reciprocal  
20 Act with respect to service under this Article.

21 (c) A person's creditable service under this Article shall  
22 be terminated upon the person's receipt of an accelerated  
23 pension benefit payment under this Section, and no other  
24 benefit shall be paid under this Article based on the  
25 terminated creditable service, including any retirement,  
26 survivor, or other benefit.

1       (d) If a person who has received an accelerated pension  
2 benefit payment under this Section returns to active service  
3 under this Article, then:

4           (1) Any benefits under the Fund earned as a result of  
5 that return to active service shall be based solely on the  
6 person's creditable service arising from the return to  
7 active service.

8           (2) The accelerated pension benefit payment may not be  
9 repaid to the Fund, and the terminated creditable service  
10 may not under any circumstances be reinstated.

11       (e) As a condition of receiving an accelerated pension  
12 benefit payment, the accelerated pension benefit payment must  
13 be transferred into a tax qualified retirement plan or  
14 account. The accelerated pension benefit payment under this  
15 Section may be subject to withholding or payment of applicable  
16 taxes, but to the extent permitted by federal law, a person who  
17 receives an accelerated pension benefit payment under this  
18 Section must direct the Fund to pay all of that payment as a  
19 rollover into another retirement plan or account qualified  
20 under the Internal Revenue Code of 1986, as amended.

21       (f) Before accepting a member's irrevocable election to  
22 receive an accelerated pension benefit payment under this  
23 Section, the Fund shall verify that it has a sufficient amount  
24 of moneys to pay for the accelerated pension benefit payment  
25 from the contribution remitted by the employer for that  
26 purpose. Moneys remitted to the Fund for the purpose of the

1 accelerated pension benefit program must be kept in a separate  
2 account. If the Fund determines it does not have sufficient  
3 moneys to make the accelerated pension benefit payment, then  
4 the Fund shall not accept the member's irrevocable election  
5 and shall notify the member of that fact. The member may  
6 reapply for the accelerated pension benefit payment after that  
7 fiscal year. Elections shall be processed and paid in the  
8 order in which complete applications are received by the Fund,  
9 subject to the availability of funds. If the Fund accepts the  
10 member's irrevocable election to receive an accelerated  
11 pension benefit payment under this Section, then the Fund  
12 shall transfer, from the moneys remitted to the Fund for that  
13 purpose, the amount of the accelerated pension benefit payment  
14 into the member's eligible retirement plan or qualified  
15 account. If any moneys remain in the account maintained by the  
16 Fund for the purpose of the accelerated pension benefit  
17 program at the end of the fiscal year, the Fund must remit  
18 those moneys back to the employer within one month after the  
19 end of the fiscal year, unless the employer notifies the Fund  
20 at least one month before the end of the fiscal year that the  
21 funds shall remain in the account to be used for the subsequent  
22 fiscal year.

23 (g) The Board shall adopt any rules, including emergency  
24 rules, necessary to implement this Section.

25 (h) 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 5/17-120.6 new)

3 Sec. 17-120.6. Accelerated pension benefit payment for a  
4 reduction in annual retirement annuity and surviving spouse's  
5 annuity increases.

6 (a) As used in this Section:

7 "Accelerated pension benefit payment" means a lump sum  
8 payment equal to 70% of the difference of the present value of  
9 the automatic annual increases to a Tier 1 member's retirement  
10 annuity and surviving spouse's annuity using the formula  
11 applicable to the Tier 1 member and the present value of the  
12 automatic annual increases to the Tier 1 member's retirement  
13 annuity using the formula provided under subsection (b-5) and  
14 surviving spouse's annuity using the formula provided under  
15 subsection (b-6). "Eligible person" means a person who:

16 (1) is a Tier 1 member;

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 17-120.5.

24 "Tier 1 member" means a person who first became a  
25 participant under this Article or any reciprocal retirement

1 system or pension fund established under this Code before  
2 January 1, 2011.

3 (b) Until June 30, 2028, if an employer elects to provide  
4 funding for an accelerated pension benefit program, then as  
5 soon as practical after June 30, 2026 or as soon as practical  
6 after the employer makes that election, whichever is later,  
7 the Fund shall implement an accelerated pension benefit  
8 payment option for eligible persons. Upon the request of an  
9 eligible person, if the employer has elected to provide  
10 funding for an accelerated pension benefit program, the Fund  
11 shall calculate, using actuarial tables and other assumptions  
12 adopted by the Board, an accelerated pension benefit payment  
13 amount and shall offer that eligible person the opportunity to  
14 irrevocably elect to have his or her automatic annual  
15 increases in retirement pension calculated in accordance with  
16 the formula provided under subsection (b-5) in exchange for  
17 the accelerated pension benefit payment. The election under  
18 this subsection must be made before the eligible person  
19 receives the first payment of a retirement pension otherwise  
20 payable under this Article. An eligible person is limited to  
21 one calculation and offer per fiscal year.

22 (b-5) Notwithstanding any other provision of law, the  
23 retirement annuity of a person who made the election under  
24 subsection (b) shall be subject to annual increases on the  
25 January 1 occurring either on or after the attainment of age 67  
26 or the first anniversary of the annuity start date, whichever

1 is later. Each annual increase shall be calculated at 1.5% of  
2 the originally granted retirement annuity.

3 (b-6) Notwithstanding any other provision of law, a  
4 surviving spouse's annuity payable to a surviving spouse's  
5 annuity beneficiary of a person who made the election under  
6 subsection (b) shall be subject to annual increases on the  
7 January 1 occurring on or after the first anniversary of the  
8 commencement of the annuity. Each annual increase shall be  
9 calculated at 1.5% of the originally granted surviving  
10 spouse's annuity.

11 (c) If a person who has received an accelerated pension  
12 benefit payment returns to active service under this Article,  
13 then:

14 (1) the calculation of any future automatic annual  
15 increase in retirement annuity shall be calculated in  
16 accordance with the formula provided under subsection  
17 (b-5); and

18 (2) the accelerated pension benefit payment may not be  
19 repaid to the Fund.

20 (d) As a condition of receiving an accelerated pension  
21 benefit payment, the accelerated pension benefit payment must  
22 be transferred into a tax qualified retirement plan or  
23 account. The accelerated pension benefit payment under this  
24 Section may be subject to withholding or payment of applicable  
25 taxes, but to the extent permitted by federal law, a person who  
26 receives an accelerated pension benefit payment under this

1 Section must direct the Fund to pay all of that payment as a  
2 rollover into another retirement plan or account qualified  
3 under the Internal Revenue Code of 1986, as amended.

4 (d-5) Before accepting a member's irrevocable election to  
5 receive an accelerated pension benefit payment under this  
6 Section, the Fund shall verify that it has a sufficient amount  
7 of moneys to pay for the accelerated pension benefit payment  
8 from the contribution remitted by the employer for that  
9 purpose. Moneys remitted to the Fund for the purpose of this  
10 program must be kept in a separate account. If the Fund  
11 determines it does not have sufficient moneys to make the  
12 accelerated pension benefit payment, then the Fund shall not  
13 accept the member's irrevocable election and shall notify the  
14 member of that fact. The member may reapply for the  
15 accelerated pension benefit payment after that fiscal year.  
16 Elections shall be processed and paid in the order in which  
17 complete applications are received by the Fund, subject to the  
18 availability of funds. If the Fund accepts the member's  
19 irrevocable election to receive an accelerated pension benefit  
20 payment under this Section, then the Fund shall transfer, from  
21 the moneys remitted to the Fund for that purpose, the amount of  
22 the accelerated pension benefit payment into the member's  
23 eligible retirement plan or qualified account. If any moneys  
24 remain in the account at the end of the fiscal year, the Fund  
25 must remit those moneys back to the employer within one month  
26 after the end of the fiscal year, unless the employer notifies

1 the Fund at least one month before the end of the fiscal year  
2 that the funds shall remain in the account to be used for the  
3 accelerated pension benefit program for the subsequent fiscal  
4 year.

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 Fund to cease to be a qualified plan  
9 under the Internal Revenue Code of 1986.

10 Section 10. The Counties Code is amended by adding Section  
11 3-14050 as follows:

12 (55 ILCS 5/3-14050 new)

13 Sec. 3-14050. Accelerated pension benefit program;  
14 counties with more than 3,000,000 inhabitants.

15 (a) The county board of a county of more than 3,000,000  
16 inhabitants may establish an accelerated pension benefit  
17 program for the pension funds established under Articles 9 and  
18 10 of the Illinois Pension Code. The accelerated pension  
19 benefit program shall provide eligible participants the option  
20 to elect an accelerated pension benefit payment in accordance  
21 with the applicable provisions of Articles 9 and 10 of the  
22 Illinois Pension Code authorizing accelerated pension benefit  
23 payments.

24 (b) If the county elects to establish the accelerated

1 pension benefit program for a fiscal year beginning in 2026,  
2 the county must notify the pension fund and remit a  
3 contribution to the pension fund in an amount determined by  
4 the county at least 30 days before the program is to be  
5 implemented. If the county elects to establish the accelerated  
6 pension benefit program for a fiscal year beginning in 2027,  
7 the county shall remit to the pension fund, not later than 30  
8 days prior to the beginning of the fiscal year for which the  
9 accelerated pension benefit program is to be made available, a  
10 contribution to the pension fund in an amount determined by  
11 the county. The contribution shall constitute the total  
12 funding available to that pension fund for accelerated pension  
13 benefit payments for that fiscal year, and accelerated pension  
14 benefit payments shall be issued by the applicable pension  
15 fund in accordance with the provisions concerning accelerated  
16 pension benefit payment until the contributed amount is  
17 exhausted. The contribution for the accelerated pension  
18 benefit payments may be made using any lawful funding  
19 mechanism authorized under this Code, including, but not  
20 limited to:

21 (1) the issuance of bonds authorized under this Code;

22 (2) lawful appropriations from available county  
23 revenues;

24 (3) transfers from lawfully available funds; or

25 (4) any combination thereof.

26 Nothing in this Section shall be construed to expand or

1 limit the county's authority to issue bonds beyond those  
2 otherwise provided in this Code.

3 At least one month prior to the end of the fiscal year, the  
4 county must notify the pension fund if the county would desire  
5 any remaining moneys to be rolled over into the next fiscal  
6 year for the accelerated pension benefit program. If the  
7 county does not notify the pension fund, the moneys shall be  
8 remitted back to the county. If an accelerated pension benefit  
9 program is not authorized under the applicable Article of the  
10 Illinois Pension Code for the following fiscal year, then the  
11 pension fund shall remit the moneys back to the county.

12 (c) This Section shall be construed as supplemental to  
13 existing county powers and shall not be interpreted to impair  
14 any existing contractual obligation or pension benefit  
15 protected under the Illinois Constitution.

16 Section 15. The Illinois Municipal Code is amended by  
17 adding Section 10-4-13 as follows:

18 (65 ILCS 5/10-4-13 new)

19 Sec. 10-4-13. Accelerated pension benefit program.

20 (a) The corporate authorities of a municipality may  
21 establish an accelerated pension benefit program for the  
22 pension funds established under Article 3, 4, 5, 6, 8, 11, or  
23 12 of the Illinois Pension Code to which the municipality  
24 contributes. The accelerated pension benefit program shall

1 provide eligible participants the option to elect an  
2 accelerated pension benefit payment with regard to employees  
3 of that municipality who participate in a pension fund  
4 established under Article 3, 4, 5, 6, 8, 11, or 12 of the  
5 Illinois Pension Code in accordance with the applicable  
6 provisions of the Illinois Pension Code authorizing  
7 accelerated pension benefit payments.

8 (b) If the municipality elects to establish the  
9 accelerated pension benefit program for a fiscal year  
10 beginning in 2026, the municipality must notify the pension  
11 fund and remit a contribution to the pension fund in an amount  
12 determined by the municipality at least 30 days before the  
13 program is to be implemented. If the municipality elects to  
14 establish the accelerated pension benefit program for a fiscal  
15 year beginning in 2027, the municipality shall remit to the  
16 pension fund, not later than 30 days prior to the beginning of  
17 the fiscal year for which the accelerated pension benefit  
18 program is to be made available, a contribution to the pension  
19 fund in an amount determined by the municipality. The  
20 contribution shall constitute the total funding available to  
21 that pension fund for accelerated pension benefit payments for  
22 that fiscal year, and accelerated pension benefit payments  
23 shall be issued by the applicable pension fund in accordance  
24 with the provisions concerning accelerated pension benefit  
25 payment until the contributed amount is exhausted. The  
26 contribution for the accelerated pension benefit payments may

1 be made using any lawful funding mechanism authorized under  
2 this Code, including, but not limited to:

- 3 (1) the issuance of bonds authorized under this Code;  
4 (2) lawful appropriations from available municipal  
5 revenues;  
6 (3) transfers from lawfully available funds; or  
7 (4) any combination thereof.

8 Nothing in this Section shall be construed to expand or  
9 limit the municipality's authority to issue bonds beyond those  
10 otherwise provided in this Code.

11 At least one month prior to the end of the fiscal year, the  
12 municipality must notify the pension fund if it would desire  
13 any remaining moneys to be rolled over into the next fiscal  
14 year for the accelerated pension benefit program. If the  
15 municipality does not notify the pension fund, the moneys  
16 shall be remitted back to the municipality. If an accelerated  
17 pension benefit program is not authorized under the applicable  
18 Article of the Illinois Pension Code for the following fiscal  
19 year, then the pension fund shall remit the moneys back to the  
20 municipality.

21 (c) This Section shall be construed as supplemental to  
22 existing municipal powers and shall not be interpreted to  
23 impair any existing contractual obligation or pension benefit  
24 protected under the Illinois Constitution.

25 Section 20. The School Code is amended by adding Section

1 34-89 as follows:

2 (105 ILCS 5/34-89 new)

3 Sec. 34-89. Accelerated pension benefit program.

4 (a) The board may establish an accelerated pension benefit  
5 program for the pension fund established under Article 17 of  
6 the Illinois Pension Code. The accelerated pension benefit  
7 program shall provide eligible participants the option to  
8 elect an accelerated pension benefit payment with regard to  
9 teachers who participate under Article 17 of the Illinois  
10 Pension Code in accordance with the applicable provisions of  
11 Article 17 of the Illinois Pension Code authorizing  
12 accelerated pension benefit payments.

13 (b) If the board elects to establish the accelerated  
14 pension benefit program for a fiscal year beginning in 2026,  
15 the board must notify the pension fund and remit a  
16 contribution to the pension fund in an amount determined by  
17 the board at least 30 days before the program is to be  
18 implemented. If the board elects to establish the accelerated  
19 pension benefit program for a fiscal year beginning in 2027,  
20 the board shall remit to the pension fund, not later than 30  
21 days prior to the beginning of the fiscal year for which the  
22 accelerated pension benefit program is to be made available, a  
23 contribution to the pension fund in an amount determined by  
24 the board. The contribution shall constitute the total funding  
25 available to that pension fund for accelerated pension benefit

1 payments for that fiscal year, and accelerated pension benefit  
2 payments shall be issued by the applicable pension fund in  
3 accordance with the provisions concerning accelerated pension  
4 benefit payment until the contributed amount is exhausted. The  
5 contribution for the accelerated pension benefit payments may  
6 be made using any lawful funding mechanism authorized under  
7 this Code, including, but not limited to:

8 (1) the issuance of bonds authorized under this Code;

9 (2) lawful appropriations from available municipal  
10 revenues;

11 (3) transfers from lawfully available funds; or

12 (4) any combination thereof.

13 Nothing in this Section shall be construed to expand or  
14 limit the board's authority to issue bonds beyond those  
15 otherwise provided in this Code.

16 At least one month prior to the end of the fiscal year, the  
17 board must notify the pension fund if it would like any  
18 remaining moneys rolled over into the next fiscal year for the  
19 accelerated pension benefit program. If the board does not  
20 notify the pension fund, the moneys shall be remitted back to  
21 the board. If an accelerated pension benefit program is not  
22 authorized under Article 17 of the Illinois Pension Code for  
23 the following fiscal year, then the pension fund shall remit  
24 the moneys back to the board.

25 (c) This Section shall be construed as supplemental to  
26 existing board powers and shall not be interpreted to impair

1 any existing contractual obligation or pension benefit  
2 protected under the Illinois Constitution.

3 Section 90. The State Mandates Act is amended by adding  
4 Section 8.50 as follows:

5 (30 ILCS 805/8.50 new)

6 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and  
7 8 of this Act, no reimbursement by the State is required for  
8 the implementation of any mandate created by this amendatory  
9 Act of the 104th General Assembly.

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