



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB3430

Introduced 2/4/2026, by Sen. Chris Balkema

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Downstate Police, Downstate Firefighter, Chicago Police, Chicago Firefighter, Illinois Municipal Retirement Fund (IMRF), Chicago Municipal, and Chicago Laborers Articles of the Illinois Pension Code. Establishes an accelerated pension benefit payment in lieu of any pension benefit under which an eligible person may elect to receive an amount determined by the Fund to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. Establishes an accelerated pension benefit payment for a reduction in annual retirement annuity and survivor's annuity increases, as applicable, under which a Tier 1 member may elect to receive an accelerated pension benefit payment equal to 70% of the difference of the present value of the automatic annual increases to a Tier 1 member's retirement annuity and survivor's annuity using the formula applicable to the Tier 1 member and the present value of the automatic annual increases to the Tier 1 member's retirement annuity using a specified formula and survivor's annuity using a specified formula. Amends the General Obligation Bond Act to authorize \$700,000,000 to be sold to pay for the accelerated pension benefit payments. Provides that the Comptroller shall deduct the amount for the payment of principal and interest due on Local Pension Obligation Acceleration Bonds from any payment out of the Local Government Distributive Fund to the employer and shall pay the amount so deducted toward the principal and interest due on Local Pension Obligation Bonds. Amends the State Finance Act to make a conforming change. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 19288 RPS 32734 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 1. The State Finance Act is amended by adding  
5 Section 5.1038 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The Local Pension Obligation Acceleration  
8 Bond Fund.

9 Section 5. The General Obligation Bond Act is amended by  
10 changing Sections 2 and 2.5 and by adding Section 7.8 as  
11 follows:

12 (30 ILCS 330/2) (from Ch. 127, par. 652)

13 Sec. 2. Authorization for Bonds. The State of Illinois is  
14 authorized to issue, sell and provide for the retirement of  
15 General Obligation Bonds of the State of Illinois for the  
16 categories and specific purposes expressed in Sections 2  
17 through 8 of this Act, in the total amount of \$83,364,839,969  
18 ~~\$82,664,839,969~~.

19 The bonds authorized in this Section 2 and in Section 16 of  
20 this Act are herein called "Bonds".

21 Of the total amount of Bonds authorized in this Act, up to

1 \$2,200,000,000 in aggregate original principal amount may be  
2 issued and sold in accordance with the Baccalaureate Savings  
3 Act in the form of General Obligation College Savings Bonds.

4 Of the total amount of Bonds authorized in this Act, up to  
5 \$300,000,000 in aggregate original principal amount may be  
6 issued and sold in accordance with the Retirement Savings Act  
7 in the form of General Obligation Retirement Savings Bonds.

8 Of the total amount of Bonds authorized in this Act, the  
9 additional \$10,000,000,000 authorized by Public Act 93-2, the  
10 \$3,466,000,000 authorized by Public Act 96-43, and the  
11 \$4,096,348,300 authorized by Public Act 96-1497 shall be used  
12 solely as provided in Section 7.2.

13 Of the total amount of Bonds authorized in this Act, the  
14 additional \$6,000,000,000 authorized by Public Act 100-23  
15 shall be used solely as provided in Section 7.6 and shall be  
16 issued by December 31, 2017.

17 Of the total amount of Bonds authorized in this Act,  
18 \$2,200,000,000 of the additional amount authorized by Public  
19 Act 100-587, Public Act 102-718, and this amendatory Act of  
20 the 104th General Assembly shall be used solely as provided in  
21 Section 7.7.

22 Of the total amount of Bonds authorized in this Act,  
23 \$700,000,000 of the additional amount authorized by this  
24 amendatory Act of the 104th General Assembly shall be used  
25 solely as provided in Section 7.8.

26 The issuance and sale of Bonds pursuant to the General

1 Obligation Bond Act is an economical and efficient method of  
2 financing the long-term capital needs of the State. This Act  
3 will permit the issuance of a multi-purpose General Obligation  
4 Bond with uniform terms and features. This will not only lower  
5 the cost of registration but also reduce the overall cost of  
6 issuing debt by improving the marketability of Illinois  
7 General Obligation Bonds.

8 (Source: P.A. 103-7, eff. 7-1-23; 103-591, eff. 7-1-24; 104-8,  
9 eff. 1-1-26.)

10 (30 ILCS 330/2.5)

11 Sec. 2.5. Limitation on issuance of Bonds.

12 (a) Except as provided in subsection (b), no Bonds may be  
13 issued if, after the issuance, in the next State fiscal year  
14 after the issuance of the Bonds, the amount of debt service  
15 (including principal, whether payable at maturity or pursuant  
16 to mandatory sinking fund installments, and interest) on all  
17 then-outstanding Bonds, other than (i) Bonds authorized by  
18 Public Act 100-23, (ii) Bonds issued by Public Act 96-43,  
19 (iii) Bonds authorized by Public Act 96-1497, (iv) Bonds  
20 authorized by Public Act 100-587, ~~and~~ (v) Bonds authorized by  
21 Public Act 102-718 ~~this amendatory Act of the 102nd General~~  
22 ~~Assembly,~~ and (vi) Bonds authorized by this amendatory Act of  
23 the 104th General Assembly, would exceed 7% of the aggregate  
24 appropriations from the general funds, the State Construction  
25 Account Fund, and the Road Fund for the fiscal year

1 immediately prior to the fiscal year of the issuance. For the  
2 purposes of this subsection (a), "general funds" has the same  
3 meaning as ascribed to that term under Section 50-40 of the  
4 State Budget Law of the Civil Administrative Code of Illinois.

5 (b) If the Comptroller and Treasurer each consent in  
6 writing, Bonds may be issued even if the issuance does not  
7 comply with subsection (a). In addition, \$2,000,000,000 in  
8 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,  
9 and \$2,000,000,000 in Refunding Bonds under Section 16, may be  
10 issued during State fiscal year 2017 without complying with  
11 subsection (a). In addition, \$2,000,000,000 in Bonds for the  
12 purposes set forth in Sections 3, 4, 5, 6, and 7, and  
13 \$2,000,000,000 in Refunding Bonds under Section 16, may be  
14 issued during State fiscal year 2018 without complying with  
15 subsection (a).

16 (Source: P.A. 101-30, eff. 6-28-19; 102-718, eff. 5-5-22.)

17 (30 ILCS 330/7.8 new)

18 Sec. 7.8. Local Pension Obligation Acceleration Bonds.

19 (a) As used in this Section, "Local Pension Obligation  
20 Acceleration Bonds" means Bonds authorized by this amendatory  
21 Act of the 104th General Assembly and used for the purpose of  
22 making accelerated pension benefit payments under Articles 3,  
23 4, 5, 6, 7, 8, and 11 of the Illinois Pension Code.

24 (b) Local Pension Obligation Acceleration Bonds in the  
25 amount of \$700,000,000 are hereby authorized to be used for

1 the purpose of making accelerated pension benefit payments  
2 under Articles 3, 4, 5, 6, 7, 8, and 11 of the Illinois Pension  
3 Code.

4 (c) The proceeds of Local Pension Obligation Acceleration  
5 Bonds authorized in subsection (b) of this Section, less the  
6 amounts authorized in the Bond Sale Order to be directly paid  
7 out for bond sale expenses under Section 8, shall be deposited  
8 directly into the Local Pension Obligation Acceleration Bond  
9 Fund, and the Comptroller and the Treasurer shall, as soon as  
10 practical, make accelerated pension benefit payments under  
11 Articles 3, 4, 5, 6, 7, 8, and 11 of the Illinois Pension Code.

12 (d) There is created the Local Pension Obligation  
13 Acceleration Bond Fund as a special fund in the State  
14 treasury. Funds deposited into the Local Pension Obligation  
15 Acceleration Bond Fund may only be used for the purpose of  
16 making accelerated pension benefit payments under Articles 3,  
17 4, 5, 6, 7, 8, and 11 of the Illinois Pension Code. This  
18 subsection shall constitute an irrevocable and continuing  
19 appropriation of all amounts necessary for such purposes.

20 (e) The Comptroller shall deduct the amount for the  
21 payment of principal and interest due on Local Pension  
22 Obligation Acceleration Bonds from any payment out of the  
23 Local Government Distributive Fund to the employer and shall  
24 pay the amount so deducted toward the principal and interest  
25 due on Local Pension Obligation Bonds.

1 Section 10. The Illinois Pension Code is amended by adding  
2 Sections 3-144.3, 3-144.4, 4-138.15, 4-138.16, 5-218.5,  
3 5-218.6, 6-213.5, 6-213.6, 7-217.5, 7-217.6, 8-244.5, 8-244.6,  
4 11-223.5, and 11-223.6 as follows:

5 (40 ILCS 5/3-144.3 new)

6 Sec. 3-144.3. 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 pension under this  
13 Article;

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

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

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 or  
22 disability benefits.

23 (b) As soon as practical after the effective date of this  
24 amendatory Act of the 104th General Assembly, the fund shall  
25 calculate, using actuarial tables and other assumptions

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

13 Until June 30, 2030, an eligible person may irrevocably  
14 elect to receive an accelerated pension benefit payment in the  
15 amount that the fund offers under this subsection in lieu of  
16 receiving any pension benefit.

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) Upon receipt of a member's irrevocable election to  
18       receive an accelerated pension benefit payment under this  
19       Section, the fund shall submit a voucher to the Comptroller  
20       for payment of the member's accelerated pension benefit  
21       payment. The Comptroller shall transfer the amount of the  
22       voucher from the Local Pension Obligation Acceleration Bond  
23       Fund to the fund, and the fund shall transfer the amount into  
24       the member's eligible retirement plan or qualified account.

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

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

4           (40 ILCS 5/3-144.4 new)

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

7       (a) As used in this Section:

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

15       "Eligible person" means a person who:

16           (1) is a Tier 1 member;

17           (2) has submitted an application for a retirement  
18 pension under this Article;

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

21           (4) has not received any retirement pension under this  
22 Article; and

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

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

1       (b) As soon as practical after the effective date of this  
2 amendatory Act of the 104th General Assembly and until June  
3 30, 2030, the fund shall implement an accelerated pension  
4 benefit payment option for eligible persons. Upon the request  
5 of an eligible person, the fund shall calculate, using  
6 actuarial tables and other assumptions adopted by the Board,  
7 an accelerated pension benefit payment amount and shall offer  
8 that eligible person the opportunity to irrevocably elect to  
9 have his or her automatic annual increases in retirement  
10 pension calculated in accordance with the formula provided  
11 under subsection (b-5) in exchange for the accelerated pension  
12 benefit payment. The election under this subsection must be  
13 made before the eligible person receives the first payment of  
14 a retirement pension otherwise payable under this Article.

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

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

25             (1) the calculation of any future automatic annual  
26 increase in retirement pension shall be calculated in

1 accordance with the formula provided under subsection  
2 (b-5); and

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

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

15 (d-5) Upon receipt of a member's irrevocable election to  
16 receive an accelerated pension benefit payment under this  
17 Section, the fund shall submit a voucher to the Comptroller  
18 for payment of the member's accelerated pension benefit  
19 payment. The Comptroller shall transfer the amount of the  
20 voucher to the fund, and the fund shall transfer the amount  
21 into a member's eligible retirement plan or qualified account.

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 applicable fund to cease to be a  
26 qualified plan under the Internal Revenue Code of 1986.

1 (40 ILCS 5/4-138.15 new)

2 Sec. 4-138.15. 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 pension under this  
9 Article;

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

12 (4) has not made the election under Section 4-138.16;  
13 and

14 (5) is the employee of a unit of local government that  
15 receives payments out of the Local Government Distributive  
16 Fund.

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 or  
22 disability benefits.

23 (b) As soon as practical after the effective date of this  
24 amendatory Act of the 104th General Assembly, the fund shall  
25 calculate, using actuarial tables and other assumptions

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

13 Until June 30, 2030, an eligible person may irrevocably  
14 elect to receive an accelerated pension benefit payment in the  
15 amount that the fund offers under this subsection in lieu of  
16 receiving any pension benefit.

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) Upon receipt of a member's irrevocable election to  
18       receive an accelerated pension benefit payment under this  
19       Section, the fund shall submit a voucher to the Comptroller  
20       for payment of the member's accelerated pension benefit  
21       payment. The Comptroller shall transfer the amount of the  
22       voucher from the Local Pension Obligation Acceleration Bond  
23       Fund to the fund, and the fund shall transfer the amount into  
24       the member's eligible retirement plan or qualified account.

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

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

4           (40 ILCS 5/4-138.16 new)

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

7       (a) As used in this Section:

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

15       "Eligible person" means a person who:

16           (1) is a Tier 1 member;

17           (2) has submitted an application for a retirement  
18 pension under this Article;

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

21           (4) has not received any retirement pension under this  
22 Article;

23           (5) has not made the election under Section 4-138.15;  
24 and

25           (6) is the employee of a unit of local government that

1 receives payments out of the Local Government Distributive  
2 Fund.

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

5 (b) As soon as practical after the effective date of this  
6 amendatory Act of the 104th General Assembly and until June  
7 30, 2030, the fund shall implement an accelerated pension  
8 benefit payment option for eligible persons. Upon the request  
9 of an eligible person, the fund shall calculate, using  
10 actuarial tables and other assumptions adopted by the Board,  
11 an accelerated pension benefit payment amount and shall offer  
12 that eligible person the opportunity to irrevocably elect to  
13 have his or her automatic annual increases in retirement  
14 pension calculated in accordance with the formula provided  
15 under subsection (b-5) in exchange for the accelerated pension  
16 benefit payment. The election under this subsection must be  
17 made before the eligible person receives the first payment of  
18 a retirement pension otherwise payable under this Article.

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

26 (c) If a person who has received an accelerated pension

1 benefit payment returns to active service under this Article,  
2 then:

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

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

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

19 (d-5) Upon receipt of a member's irrevocable election to  
20 receive an accelerated pension benefit payment under this  
21 Section, the fund shall submit a voucher to the Comptroller  
22 for payment of the member's accelerated pension benefit  
23 payment. The Comptroller shall transfer the amount of the  
24 voucher to the fund, and the fund shall transfer the amount  
25 into a member's eligible retirement plan or qualified account.

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 applicable fund to cease to be a  
4 qualified plan under the Internal Revenue Code of 1986.

5 (40 ILCS 5/5-218.5 new)

6 Sec. 5-218.5. 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 5-218.6.

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 or  
22 disability benefits.

23 (b) As soon as practical after the effective date of this  
24 amendatory Act of the 104th General Assembly, the fund shall  
25 calculate, using actuarial tables and other assumptions

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

13 Until June 30, 2030, an eligible person may irrevocably  
14 elect to receive an accelerated pension benefit payment in the  
15 amount that the fund offers under this subsection in lieu of  
16 receiving any pension benefit.

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) Upon receipt of a member's irrevocable election to  
18       receive an accelerated pension benefit payment under this  
19       Section, the fund shall submit a voucher to the Comptroller  
20       for payment of the member's accelerated pension benefit  
21       payment. The Comptroller shall transfer the amount of the  
22       voucher from the Local Pension Obligation Acceleration Bond  
23       Fund to the fund, and the fund shall transfer the amount into  
24       the member's eligible retirement plan or qualified account.

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

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

4           (40 ILCS 5/5-218.6 new)

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

7       (a) As used in this Section:

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

15       "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 5-218.5.

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

1       (b) As soon as practical after the effective date of this  
2 amendatory Act of the 104th General Assembly and until June  
3 30, 2030, the Fund shall implement an accelerated pension  
4 benefit payment option for eligible persons. Upon the request  
5 of an eligible person, the Fund shall calculate, using  
6 actuarial tables and other assumptions adopted by the Board,  
7 an accelerated pension benefit payment amount and shall offer  
8 that eligible person the opportunity to irrevocably elect to  
9 have his or her automatic annual increases in retirement  
10 annuity calculated in accordance with the formula provided  
11 under subsection (b-5) in exchange for the accelerated pension  
12 benefit payment. The election under this subsection must be  
13 made before the eligible person receives the first payment of  
14 a retirement annuity otherwise payable under this Article.

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

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

25           (1) the calculation of any future automatic annual  
26 increase in retirement annuity shall be calculated in

1 accordance with the formula provided under subsection  
2 (b-5); and

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

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

15 (d-5) Upon receipt of a member's irrevocable election to  
16 receive an accelerated pension benefit payment under this  
17 Section, the Fund shall submit a voucher to the Comptroller  
18 for payment of the member's accelerated pension benefit  
19 payment. The Comptroller shall transfer the amount of the  
20 voucher to the Fund, and the Fund shall transfer the amount  
21 into a member's eligible retirement plan or qualified account.

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

1 (40 ILCS 5/6-213.5 new)

2 Sec. 6-213.5. 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 6-213.6.

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) As soon as practical after the effective date of this  
20 amendatory Act of the 104th General Assembly, the Fund shall  
21 calculate, using actuarial tables and other assumptions  
22 adopted by the Board, the present value of pension benefits  
23 for each eligible person who requests that information and  
24 shall offer each eligible person the opportunity to  
25 irrevocably elect to receive an amount determined by the Fund

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

9 Until June 30, 2030, an eligible person may irrevocably  
10 elect to receive an accelerated pension benefit payment in the  
11 amount that the Fund offers under this subsection in lieu of  
12 receiving any pension benefit.

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

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

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

26 (2) The accelerated pension benefit payment may not be

1       repaid to the Fund, and the terminated creditable service  
2       may not under any circumstances be reinstated.

3       (e) 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       (f) Upon receipt of a member's irrevocable election to  
14       receive an accelerated pension benefit payment under this  
15       Section, the Fund shall submit a voucher to the Comptroller  
16       for payment of the member's accelerated pension benefit  
17       payment. The Comptroller shall transfer the amount of the  
18       voucher from the Local Pension Obligation Acceleration Bond  
19       Fund to the Fund, and the Fund shall transfer the amount into  
20       the member's eligible retirement plan or qualified account.

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

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

1 (40 ILCS 5/6-213.6 new)

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

4 (a) As used in this Section:

5 "Accelerated pension benefit payment" means a lump-sum  
6 payment equal to 70% of the difference of the present value of  
7 the automatic annual increases to a Tier 1 member's retirement  
8 annuity and survivor's annuity using the formula applicable to  
9 the Tier 1 member and the present value of the automatic annual  
10 increases to the Tier 1 member's retirement annuity using the  
11 formula provided under subsection (b-5). "Eligible person"  
12 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 6-213.5.

21 "Tier 1 member" means a person who first became a fireman  
22 under this Article before January 1, 2011.

23 (b) As soon as practical after the effective date of this  
24 amendatory Act of the 104th General Assembly and until June  
25 30, 2030, the Fund shall implement an accelerated pension  
26 benefit payment option for eligible persons. Upon the request

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

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

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

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

25 (2) the accelerated pension benefit payment may not be  
26 repaid to the Fund.

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

11       (d-5) Upon receipt of a member's irrevocable election to  
12 receive an accelerated pension benefit payment under this  
13 Section, the Fund shall submit a voucher to the Comptroller  
14 for payment of the member's accelerated pension benefit  
15 payment. The Comptroller shall transfer the amount of the  
16 voucher to the Fund, and the Fund shall transfer the amount  
17 into a member's eligible retirement plan or qualified account.

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

20       (f) 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 5/7-217.5 new)

24       Sec. 7-217.5. Accelerated pension benefit payment in lieu  
25 of any pension benefit.

1       (a) As used in this Section:

2       "Eligible person" means a person who:

3               (1) has terminated service;

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

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

9               (4) has not made the election under Section 7-217.6.

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

16       (b) As soon as practical after the effective date of this  
17       amendatory Act of the 104th General Assembly, 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 calendar  
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, 2030, 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) Upon receipt of a member's irrevocable election to  
13 receive an accelerated pension benefit payment under this  
14 Section, the Fund shall submit a voucher to the Comptroller  
15 for payment of the member's accelerated pension benefit  
16 payment. The Comptroller shall transfer the amount of the  
17 voucher from the Local Pension Obligation Acceleration Bond  
18 Fund to the Fund, and the Fund shall transfer the amount into  
19 the member's eligible retirement plan or qualified account.

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

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

25       (40 ILCS 5/7-217.6 new)

1       Sec. 7-217.6. Accelerated pension benefit payment for a  
2 reduction in annual retirement annuity and survivor's annuity  
3 increases.

4       (a) As used in this Section:

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

15           (1) is a Tier 1 regular employee;

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 7-217.5.

23       (b) As soon as practical after the effective date of this  
24 amendatory Act of the 104th General Assembly and until June  
25 30, 2030, the Fund shall implement an accelerated pension  
26 benefit payment option for eligible persons. Upon the request

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

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

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

1 the originally granted survivor's 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) Upon receipt of a member's irrevocable election to  
22 receive an accelerated pension benefit payment under this  
23 Section, the Fund shall submit a voucher to the Comptroller  
24 for payment of the member's accelerated pension benefit  
25 payment. The Comptroller shall transfer the amount of the  
26 voucher to the Fund, and the Fund shall transfer the amount

1 into a member's eligible retirement plan or qualified account.

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

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

7 (40 ILCS 5/8-244.5 new)

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

10 (a) As used in this Section:

11 "Eligible person" means a person who:

12 (1) has terminated service;

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

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

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

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

23 "Pension benefit" also includes applicable survivor's or  
24 disability benefits.

25 (b) As soon as practical after the effective date of this

1 amendatory Act of the 104th General Assembly, 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 calendar  
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, 2030, 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, 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) Upon receipt of a member's irrevocable election to  
23 receive an accelerated pension benefit payment under this  
24 Section, the Fund shall submit a voucher to the Comptroller  
25 for payment of the member's accelerated pension benefit  
26 payment. The Comptroller shall transfer the amount of the

1 voucher from the Local Pension Obligation Acceleration Bond  
2 Fund to the Fund, and the Fund shall transfer the amount into  
3 the member's eligible retirement plan or qualified account.

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

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

9 (40 ILCS 5/8-244.6 new)

10 Sec. 8-244.6. Accelerated pension benefit payment for a  
11 reduction in annual retirement annuity.

12 (a) As used in this Section:

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

20 "Eligible person" means a person who:

21 (1) is a Tier 1 member;

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

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

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

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

4           "Tier 1 member" means an employee who first became a  
5           participant under this Article or any reciprocal retirement  
6           system or pension fund established under this Code before  
7           January 1, 2011.

8           (b) As soon as practical after the effective date of this  
9           amendatory Act of the 104th General Assembly and until June  
10           30, 2030, the Fund shall implement an accelerated pension  
11           benefit payment option for eligible persons. Upon the request  
12           of an eligible person, the Fund shall calculate, using  
13           actuarial tables and other assumptions adopted by the Board,  
14           an accelerated pension benefit payment amount and shall offer  
15           that eligible person the opportunity to irrevocably elect to  
16           have his or her automatic annual increases in retirement  
17           annuity calculated in accordance with the formula provided  
18           under subsection (b-5) in exchange for the accelerated pension  
19           benefit payment. The election under this subsection must be  
20           made before the eligible person receives the first payment of  
21           a retirement annuity otherwise payable under this Article.

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 (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 annuity 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) Upon receipt of a member's irrevocable election to  
23 receive an accelerated pension benefit payment under this  
24 Section, the Fund shall submit a voucher to the Comptroller  
25 for payment of the member's accelerated pension benefit  
26 payment. The Comptroller shall transfer the amount of the

1 voucher to the Fund, and the Fund shall transfer the amount  
2 into a member's eligible retirement plan or qualified account.

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

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

8 (40 ILCS 5/11-223.5 new)

9 Sec. 11-223.5. Accelerated pension benefit payment in lieu  
10 of any pension benefit.

11 (a) As used in this Section:

12 "Eligible person" means a person who:

13 (1) has terminated service;

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

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

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

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

24 "Pension benefit" also includes applicable survivor's,  
25 widow's, or disability benefits.

1       (b) As soon as practical after the effective date of this  
2 amendatory Act of the 104th General Assembly, the Fund shall  
3 calculate, using actuarial tables and other assumptions  
4 adopted by the Board, the present value of pension benefits  
5 for each eligible person who requests that information and  
6 shall offer each eligible person the opportunity to  
7 irrevocably elect to receive an amount determined by the Fund  
8 to be equal to 60% of the present value of his or her pension  
9 benefits in lieu of receiving any pension benefit. The offer  
10 shall specify the dollar amount that the eligible person will  
11 receive if he or she so elects and shall expire when a  
12 subsequent offer is made to an eligible person. An eligible  
13 person is limited to one calculation and offer per calendar  
14 year. The Fund shall make a good faith effort to contact every  
15 eligible person to notify him or her of the election.

16       Until June 30, 2030, an eligible person may irrevocably  
17 elect to receive an accelerated pension benefit payment in the  
18 amount that the Fund offers under this subsection in lieu of  
19 receiving any pension benefit. A person who elects to receive  
20 an accelerated pension benefit payment under this Section may  
21 not elect to proceed under the Retirement Systems Reciprocal  
22 Act with respect to service under this Article.

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

1 terminated creditable service, including any retirement,  
2 survivor, widow, or other benefit.

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

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

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

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

23 (f) Upon receipt of a member's irrevocable election to  
24 receive an accelerated pension benefit payment under this  
25 Section, the Fund shall submit a voucher to the Comptroller  
26 for payment of the member's accelerated pension benefit

1 payment. The Comptroller shall transfer the amount of the  
2 voucher from the Local Pension Obligation Acceleration Bond  
3 Fund to the Fund, and the Fund shall transfer the amount into  
4 the member's eligible retirement plan or qualified account.

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

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

10 (40 ILCS 5/11-223.6 new)

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

14 (a) As used in this Section:

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

22 "Eligible person" means a person who:

23 (1) is a Tier 1 member;

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

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

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

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

6           "Tier 1 member" means a person who first became a  
7           participant under this Article or any reciprocal retirement  
8           system or pension fund established under this Code before  
9           January 1, 2011.

10          (b) As soon as practical after the effective date of this  
11          amendatory Act of the 104th General Assembly and until June  
12          30, 2030, the Fund shall implement an accelerated pension  
13          benefit payment option for eligible persons. Upon the request  
14          of an eligible person, the Fund shall calculate, using  
15          actuarial tables and other assumptions adopted by the Board,  
16          an accelerated pension benefit payment amount and shall offer  
17          that eligible person the opportunity to irrevocably elect to  
18          have his or her automatic annual increases in retirement  
19          annuity calculated in accordance with the formula provided  
20          under subsection (b-5) in exchange for the accelerated pension  
21          benefit payment. The election under this subsection must be  
22          made before the eligible person receives the first payment of  
23          a retirement annuity otherwise payable under this Article.

24          (b-5) Notwithstanding any other provision of law, the  
25          retirement annuity of a person who made the election under  
26          subsection (b) shall be subject to annual increases on the

1 January 1 occurring either on or after the attainment of age 67  
2 or the first anniversary of the annuity start date, whichever  
3 is later. Each annual increase shall be calculated at 1.5% of  
4 the originally granted retirement annuity.

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

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

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

14 (d) 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 (d-5) Upon receipt of a member's irrevocable election to  
25 receive an accelerated pension benefit payment under this  
26 Section, the Fund shall submit a voucher to the Comptroller

1 for payment of the member's accelerated pension benefit  
2 payment. The Comptroller shall transfer the amount of the  
3 voucher to the Fund, and the Fund shall transfer the amount  
4 into a member's eligible retirement plan or qualified account.

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

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

10 Section 90. The State Mandates Act is amended by adding  
11 Section 8.50 as follows:

12 (30 ILCS 805/8.50 new)

13 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and  
14 8 of this Act, no reimbursement by the State is required for  
15 the implementation of any mandate created by this amendatory  
16 Act of the 104th General Assembly.

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	30 ILCS 105/5.1038 new	
4	30 ILCS 330/2	from Ch. 127, par. 652
5	30 ILCS 330/2.5	
6	30 ILCS 330/7.8 new	
7	40 ILCS 5/3-144.3 new	
8	40 ILCS 5/3-144.4 new	
9	40 ILCS 5/4-138.15 new	
10	40 ILCS 5/4-138.16 new	
11	40 ILCS 5/5-218.5 new	
12	40 ILCS 5/5-218.6 new	
13	40 ILCS 5/6-213.5 new	
14	40 ILCS 5/6-213.6 new	
15	40 ILCS 5/7-217.5 new	
16	40 ILCS 5/7-217.6 new	
17	40 ILCS 5/8-244.5 new	
18	40 ILCS 5/8-244.6 new	
19	40 ILCS 5/11-223.5 new	
20	40 ILCS 5/11-223.6 new	
21	30 ILCS 805/8.50 new	