

SB3534



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3534

Introduced 2/5/2026, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-135
40 ILCS 5/15-198

from Ch. 108 1/2, par. 15-135

Amends the State Universities Article of the Illinois Pension Code. Provides that a Tier 2 member who has at least 20 years of service in this system as a police officer or firefighter is entitled to a retirement annuity upon written application on or after the attainment of age 55 (instead of age 60) if a specified rule is applicable to the participant. Provides that the changes apply retroactively to January 1, 2011. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase".

LRB104 19242 RPS 32688 b

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 15-135 and 15-198 as follows:

6 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)
7 Sec. 15-135. Retirement annuities; conditions.

8 (a) This subsection (a) applies only to a Tier 1 member. A
9 participant who retires in one of the following specified
10 years with the specified amount of service is entitled to a
11 retirement annuity at any age under the retirement program
12 applicable to the participant:

13 35 years if retirement is in 1997 or before;
14 34 years if retirement is in 1998;
15 33 years if retirement is in 1999;
16 32 years if retirement is in 2000;
17 31 years if retirement is in 2001;
18 30 years if retirement is in 2002 or later.

19 A participant with 8 or more years of service after
20 September 1, 1941, is entitled to a retirement annuity on or
21 after attainment of age 55.

22 A participant with at least 5 but less than 8 years of
23 service after September 1, 1941, is entitled to a retirement

1 annuity on or after attainment of age 62.

2 A participant who has at least 25 years of service in this
3 system as a police officer or firefighter is entitled to a
4 retirement annuity on or after the attainment of age 50, if
5 Rule 4 of Section 15-136 is applicable to the participant.

6 (a-5) A Tier 2 member is entitled to a retirement annuity
7 upon written application if he or she has attained age 67 and
8 has at least 10 years of service credit and is otherwise
9 eligible under the requirements of this Article. A Tier 2
10 member who has attained age 62 and has at least 10 years of
11 service credit and is otherwise eligible under the
12 requirements of this Article may elect to receive the lower
13 retirement annuity provided in subsection (b-5) of Section
14 15-136 of this Article.

15 (a-10) A Tier 2 member who has at least 20 years of service
16 in this system as a police officer or firefighter is entitled
17 to a retirement annuity upon written application on or after
18 the attainment of age 55 ~~60~~ if Rule 4 of Section 15-136 is
19 applicable to the participant. The changes made to this
20 subsection by Public Act 101-610 and this amendatory Act of
21 the 104th General Assembly ~~this amendatory Act of the 101st~~
22 ~~General Assembly~~ apply retroactively to January 1, 2011.

23 (b) The annuity payment period shall begin on the date
24 specified by the participant or the recipient of a disability
25 retirement annuity submitting a written application. For a
26 participant, the date on which the annuity payment period

1 begins shall not be prior to termination of employment or more
2 than one year before the application is received by the board;
3 however, if the participant is not an employee of an employer
4 participating in this System or in a participating system as
5 defined in Article 20 of this Code on April 1 of the calendar
6 year next following the calendar year in which the participant
7 attains the age specified under Section 401(a)(9) of the
8 Internal Revenue Code of 1986, as amended, the annuity payment
9 period shall begin on that date regardless of whether an
10 application has been filed. For a recipient of a disability
11 retirement annuity, the date on which the annuity payment
12 period begins shall not be prior to the discontinuation of the
13 disability retirement annuity under Section 15-153.2.

14 (c) An annuity is not payable if the amount provided under
15 Section 15-136 is less than \$10 per month.

16 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

17 (40 ILCS 5/15-198)

18 Sec. 15-198. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after June 1, 2005 (the
25 effective date of Public Act 94-4). "New benefit increase",

1 however, does not include any benefit increase resulting from
2 the changes made to Article 1 or this Article by Public Act
3 100-23, Public Act 100-587, Public Act 100-769, Public Act
4 101-10, Public Act 101-610, Public Act 102-16, Public Act
5 103-80, ~~or~~ Public Act 103-548, or this amendatory Act of the
6 104th General Assembly.

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

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

16 Every new benefit increase is contingent upon the General
17 Assembly providing the additional funding required under this
18 subsection. The Commission on Government Forecasting and
19 Accountability shall analyze whether adequate additional
20 funding has been provided for the new benefit increase and
21 shall report its analysis to the Public Pension Division of
22 the Department of Insurance. A new benefit increase created by
23 a Public Act that does not include the additional funding
24 required under this subsection is null and void. If the Public
25 Pension Division determines that the additional funding
26 provided for a new benefit increase under this subsection is

1 or has become inadequate, it may so certify to the Governor and
2 the State Comptroller and, in the absence of corrective action
3 by the General Assembly, the new benefit increase shall expire
4 at the end of the fiscal year in which the certification is
5 made.

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

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

22 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;
23 103-548, eff. 8-11-23; 103-605, eff. 7-1-24.)