



## 100TH GENERAL ASSEMBLY

### State of Illinois

### 2017 and 2018

### HB4813

by Rep. Michael J. Zalewski

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-109.1  
30 ILCS 805/8.42 new

from Ch. 108 1/2, par. 4-109.1

Amends the Downstate Firefighters Article of the Illinois Pension Code. Provides that each annual increase for Tier 2 members shall be calculated at 3% of the originally granted pension (rather than the lesser of 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for a 12-month period ending in September preceding each November 1). Provides that the changes shall apply without regard to whether a Tier 2 member is in active service under the Article on or after the effective date of the amendatory Act. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB100 18789 MJP 34027 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 changing  
5 Section 4-109.1 as follows:

6 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

7 Sec. 4-109.1. Increase in pension.

8 (a) Except as provided in subsection (e), the monthly  
9 pension of a firefighter who retires after July 1, 1971 and  
10 prior to January 1, 1986, shall, upon either the first of the  
11 month following the first anniversary of the date of retirement  
12 if 60 years of age or over at retirement date, or upon the  
13 first day of the month following attainment of age 60 if it  
14 occurs after the first anniversary of retirement, be increased  
15 by 2% of the originally granted monthly pension and by an  
16 additional 2% in each January thereafter. Effective January  
17 1976, the rate of the annual increase shall be 3% of the  
18 originally granted monthly pension.

19 (b) The monthly pension of a firefighter who retired from  
20 service with 20 or more years of service, on or before July 1,  
21 1971, shall be increased, in January of the year following the  
22 year of attaining age 65 or in January 1972, if then over age  
23 65, by 2% of the originally granted monthly pension, for each

1 year the firefighter received pension payments. In each January  
2 thereafter, he or she shall receive an additional increase of  
3 2% of the original monthly pension. Effective January 1976, the  
4 rate of the annual increase shall be 3%.

5 (c) The monthly pension of a firefighter who is receiving a  
6 disability pension under this Article shall be increased, in  
7 January of the year following the year the firefighter attains  
8 age 60, or in January 1974, if then over age 60, by 2% of the  
9 originally granted monthly pension for each year he or she  
10 received pension payments. In each January thereafter, the  
11 firefighter shall receive an additional increase of 2% of the  
12 original monthly pension. Effective January 1976, the rate of  
13 the annual increase shall be 3%.

14 (c-1) On January 1, 1998, every child's disability benefit  
15 payable on that date under Section 4-110 or 4-110.1 shall be  
16 increased by an amount equal to 1/12 of 3% of the amount of the  
17 benefit, multiplied by the number of months for which the  
18 benefit has been payable. On each January 1 thereafter, every  
19 child's disability benefit payable under Section 4-110 or  
20 4-110.1 shall be increased by 3% of the amount of the benefit  
21 then being paid, including any previous increases received  
22 under this Article. These increases are not subject to any  
23 limitation on the maximum benefit amount included in Section  
24 4-110 or 4-110.1.

25 (c-2) On July 1, 2004, every pension payable to or on  
26 behalf of a minor or disabled surviving child that is payable

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

11 (d) The monthly pension of a firefighter who retires after  
12 January 1, 1986, shall, upon either the first of the month  
13 following the first anniversary of the date of retirement if 55  
14 years of age or over, or upon the first day of the month  
15 following attainment of age 55 if it occurs after the first  
16 anniversary of retirement, be increased by 1/12 of 3% of the  
17 originally granted monthly pension for each full month that has  
18 elapsed since the pension began, and by an additional 3% in  
19 each January thereafter.

20 The changes made to this subsection (d) by this amendatory  
21 Act of the 91st General Assembly apply to all initial increases  
22 that become payable under this subsection on or after January  
23 1, 1999. All initial increases that became payable under this  
24 subsection on or after January 1, 1999 and before the effective  
25 date of this amendatory Act shall be recalculated and the  
26 additional amount accruing for that period, if any, shall be

1 payable to the pensioner in a lump sum.

2 (e) Notwithstanding the provisions of subsection (a), upon  
3 the first day of the month following (1) the first anniversary  
4 of the date of retirement, or (2) the attainment of age 55, or  
5 (3) July 1, 1987, whichever occurs latest, the monthly pension  
6 of a firefighter who retired on or after January 1, 1977 and on  
7 or before January 1, 1986 and did not receive an increase under  
8 subsection (a) before July 1, 1987, shall be increased by 3% of  
9 the originally granted monthly pension for each full year that  
10 has elapsed since the pension began, and by an additional 3% in  
11 each January thereafter. The increases provided under this  
12 subsection are in lieu of the increases provided in subsection  
13 (a).

14 (f) In July 2009, the monthly pension of a firefighter who  
15 retired before July 1, 1977 shall be recalculated and increased  
16 to reflect the amount that the firefighter would have received  
17 in July 2009 had the firefighter been receiving a 3% compounded  
18 increase for each year he or she received pension payments  
19 after January 1, 1986, plus any increases in pension received  
20 for each year prior to January 1, 1986. In each January  
21 thereafter, he or she shall receive an additional increase of  
22 3% of the amount of the pension then being paid. The changes  
23 made to this Section by this amendatory Act of the 96th General  
24 Assembly apply without regard to whether the firefighter was in  
25 service on or after its effective date.

26 (g) Notwithstanding any other provision of this Article,

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

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

23 Notwithstanding Section 1-103.1, the changes made by this  
24 amendatory Act of the 100th General Assembly apply without  
25 regard to whether the person who first became a firefighter  
26 under this Article on or after January 1, 2011 is in active

1 service under this Article on or after the effective date of  
2 this amendatory Act of the 100th General Assembly.

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

4 Section 90. The State Mandates Act is amended by adding  
5 Section 8.42 as follows:

6 (30 ILCS 805/8.42 new)

7 Sec. 8.42. Exempt mandate. Notwithstanding Sections 6 and 8  
8 of this Act, no reimbursement by the State is required for the  
9 implementation of any mandate created by this amendatory Act of  
10 the 100th General Assembly.

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