



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### HB4065

Introduced 5/4/2023, by Rep. Justin Slaughter - John M. Cabello

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the General Provisions, Downstate Police, Downstate Firefighter, Chicago Police, Chicago Firefighter, Illinois Municipal Retirement Fund (IMRF), State Employees, and State Universities Articles of the Illinois Pension Code. With regard to police officers, firefighters, and similar public safety employees, removes Tier 2 limitations on the amount of salary for annuity purposes; provides that the automatic annual increases to a retirement pension or survivor pension are calculated under the Tier 1 formulas; and provides that the amount of and eligibility for a retirement annuity are calculated under the Tier 1 provisions. Amends the State Finance Act. Provides that each fiscal year, the Comptroller shall pay to each unit of local government that makes a certification of certain employer costs under the Illinois Pension Code or under a specified provision of the Public Safety Employee Benefits Act an amount equal to 40% of the total amount certified by the unit of local government. Creates a continuing appropriation of that amount. Amends the Public Safety Employee Benefits Act. Provides that a unit of local government that provides health insurance to police officers and firefighters shall maintain the health insurance plans of these employees after retirement and shall contribute toward the cost of the annuitant's coverage under the unit of local government's health insurance plan an amount equal to 4% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based. Makes other and conforming changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB103 31966 RPS 60743 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The State Finance Act is amended by adding  
5 Sections 5.990 and 6z-139 as follows:

6 (30 ILCS 105/5.990 new)

7 Sec. 5.990. The Local Government Retirement Fund.

8 (30 ILCS 105/6z-139 new)

9 Sec. 6z-139. The Local Government Retirement Fund.

10 (a) There is created in the State treasury a special fund  
11 known as the Local Government Retirement Fund for the purpose  
12 of receiving funds from any source for the purposes of making  
13 payments toward public safety employee health insurance costs  
14 and retirement contributions as provided in this Section.

15 (b) Each fiscal year beginning with fiscal year 2024, the  
16 State Treasurer shall direct the State Comptroller to pay to  
17 each unit of local government that makes a certification under  
18 Sections 3-125, 4-118, 5-168, 6-165, and 7-172 of the Illinois  
19 Pension Code or under Section 11 of the Public Safety Employee  
20 Benefits Act an amount equal to 40% of the total amount  
21 certified by that unit of local government under all of the  
22 applicable Sections.

1       (c) If, for any reason, the aggregate appropriations made  
2       available are insufficient to meet the amount required in  
3       subsection (b), this Section shall constitute a continuing  
4       appropriation of the amount required under subsection (b).

5       Section 10. The Illinois Pension Code is amended by  
6       changing Sections 1-160, 3-111, 3-111.1, 3-112, 3-125, 4-109,  
7       4-109.1, 4-114, 4-118, 5-155, 5-167.1, 5-168, 5-169, 6-165,  
8       6-210, 7-142.1, 7-171, 7-172, 14-152.1, 15-108.1, 15-108.2,  
9       15-135, 15-136, and 15-198 and by adding Sections 3-148.5,  
10       4-138.15, 5-239, 6-231, and 15-203 as follows:

11       (40 ILCS 5/1-160)

12       (Text of Section from P.A. 102-719)

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

14       (a) The provisions of this Section apply to a person who,  
15       on or after January 1, 2011, first becomes a member or a  
16       participant under any reciprocal retirement system or pension  
17       fund established under this Code, other than a retirement  
18       system or pension fund established under Article 2, 3, 4, 5, 6,  
19       7, 15, or 18 of this Code, notwithstanding any other provision  
20       of this Code to the contrary, but do not apply to any  
21       self-managed plan established under this Code or to any  
22       participant of the retirement plan established under Section  
23       22-101; except that this Section applies to a person who  
24       elected to establish alternative credits by electing in

1 writing after January 1, 2011, but before August 8, 2011,  
2 under Section 7-145.1 of this Code. Notwithstanding anything  
3 to the contrary in this Section, for purposes of this Section,  
4 a person who is a Tier 1 regular employee as defined in Section  
5 7-109.4 of this Code or who participated in a retirement  
6 system under Article 15 prior to January 1, 2011 shall be  
7 deemed a person who first became a member or participant prior  
8 to January 1, 2011 under any retirement system or pension fund  
9 subject to this Section. The changes made to this Section by  
10 Public Act 98-596 are a clarification of existing law and are  
11 intended to be retroactive to January 1, 2011 (the effective  
12 date of Public Act 96-889), notwithstanding the provisions of  
13 Section 1-103.1 of this Code.

14 This Section does not apply to a person who first becomes a  
15 noncovered employee under Article 14 on or after the  
16 implementation date of the plan created under Section 1-161  
17 for that Article, unless that person elects under subsection  
18 (b) of Section 1-161 to instead receive the benefits provided  
19 under this Section and the applicable provisions of that  
20 Article.

21 This Section does not apply to a person who first becomes a  
22 member or participant under Article 16 on or after the  
23 implementation date of the plan created under Section 1-161  
24 for that Article, unless that person elects under subsection  
25 (b) of Section 1-161 to instead receive the benefits provided  
26 under this Section and the applicable provisions of that

1 Article.

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

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

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

25 (1) (Blank).

26 (2) In Articles 8, 9, 10, 11, and 12, "highest average

1 annual salary for any 4 consecutive years within the last  
2 10 years of service immediately preceding the date of  
3 withdrawal".

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

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

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

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

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

15 (A) the amount otherwise calculated under the first  
16 paragraph of this subsection; or

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

26 (b-5) Beginning on January 1, 2011, for all purposes under

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

11 For the purposes of this Section, "consumer price index-u"  
12 means the index published by the Bureau of Labor Statistics of  
13 the United States Department of Labor that measures the  
14 average change in prices of goods and services purchased by  
15 all urban consumers, United States city average, all items,  
16 1982-84 = 100. The new amount resulting from each annual  
17 adjustment shall be determined by the Public Pension Division  
18 of the Department of Insurance and made available to the  
19 boards of the retirement systems and pension funds by November  
20 1 of each year.

21 (c) A member or participant is entitled to a retirement  
22 annuity upon written application if he or she has attained age  
23 67 (age 65, with respect to service under Article 12 that is  
24 subject to this Section, for a member or participant under  
25 Article 12 who first becomes a member or participant under  
26 Article 12 on or after January 1, 2022 or who makes the

1 election under item (i) of subsection (d-15) of this Section)  
2 and has at least 10 years of service credit and is otherwise  
3 eligible under the requirements of the applicable Article.

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

14 (c-5) A person who first becomes a member or a participant  
15 subject to this Section on or after July 6, 2017 (the effective  
16 date of Public Act 100-23), notwithstanding any other  
17 provision of this Code to the contrary, is entitled to a  
18 retirement annuity under Article 8 or Article 11 upon written  
19 application if he or she has attained age 65 and has at least  
20 10 years of service credit and is otherwise eligible under the  
21 requirements of Article 8 or Article 11 of this Code,  
22 whichever is applicable.

23 (d) The retirement annuity of a member or participant who  
24 is retiring after attaining age 62 (age 60, with respect to  
25 service under Article 12 that is subject to this Section, for a  
26 member or participant under Article 12 who first becomes a



1 member or participant under Article 12 on or after January 1,  
2 2022 or who makes the election under item (i) of subsection  
3 (d-15) of this Section) with at least 10 years of service  
4 credit shall be reduced by one-half of 1% for each full month  
5 that the member's age is under age 67 (age 65, with respect to  
6 service under Article 12 that is subject to this Section, for a  
7 member or participant under Article 12 who first becomes a  
8 member or participant under Article 12 on or after January 1,  
9 2022 or who makes the election under item (i) of subsection  
10 (d-15) of this Section).

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

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

21 (i) to be eligible for the reduced retirement age  
22 provided in subsections (c-5) and (d-5) of this Section,  
23 the eligibility for which is conditioned upon the member  
24 or participant agreeing to the increases in employee  
25 contributions for age and service annuities provided in  
26 subsection (a-5) of Section 8-174 of this Code (for

1 service under Article 8) or subsection (a-5) of Section  
2 11-170 of this Code (for service under Article 11); or

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

11 The election provided for in this subsection shall be made  
12 between October 1, 2017 and November 15, 2017. A person  
13 subject to this subsection who makes the required election  
14 shall remain bound by that election. A person subject to this  
15 subsection who fails for any reason to make the required  
16 election within the time specified in this subsection shall be  
17 deemed to have made the election under item (ii).

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

22 (i) to be eligible for the reduced retirement age  
23 specified in subsections (c) and (d) of this Section, the  
24 eligibility for which is conditioned upon the member or  
25 participant agreeing to the increase in employee  
26 contributions for service annuities specified in

1 subsection (b) of Section 12-150; or

2 (ii) to not agree to item (i) of this subsection  
3 (d-15), in which case the member or participant shall not  
4 be eligible for the reduced retirement age specified in  
5 subsections (c) and (d) of this Section and shall not be  
6 subject to the increase in employee contributions for  
7 service annuities specified in subsection (b) of Section  
8 12-150.

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

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

1 (ii) made the election under item (i) of subsection (d-10) of  
2 this Section) or the first anniversary of the annuity start  
3 date, whichever is later. Each annual increase shall be  
4 calculated at 3% or one-half the annual unadjusted percentage  
5 increase (but not less than zero) in the consumer price  
6 index-u for the 12 months ending with the September preceding  
7 each November 1, whichever is less, of the originally granted  
8 retirement annuity. If the annual unadjusted percentage change  
9 in the consumer price index-u for the 12 months ending with the  
10 September preceding each November 1 is zero or there is a  
11 decrease, then the annuity shall not be increased.

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

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

22 (f) The initial survivor's or widow's annuity of an  
23 otherwise eligible survivor or widow of a retired member or  
24 participant who first became a member or participant on or  
25 after January 1, 2011 shall be in the amount of 66 2/3% of the  
26 retired member's or participant's retirement annuity at the

1 date of death. In the case of the death of a member or  
2 participant who has not retired and who first became a member  
3 or participant on or after January 1, 2011, eligibility for a  
4 survivor's or widow's annuity shall be determined by the  
5 applicable Article of this Code. The initial benefit shall be  
6 66 2/3% of the earned annuity without a reduction due to age. A  
7 child's annuity of an otherwise eligible child shall be in the  
8 amount prescribed under each Article if applicable. Any  
9 survivor's or widow's annuity shall be increased (1) on each  
10 January 1 occurring on or after the commencement of the  
11 annuity if the deceased member died while receiving a  
12 retirement annuity or (2) in other cases, on each January 1  
13 occurring after the first anniversary of the commencement of  
14 the annuity. Each annual increase shall be calculated at 3% or  
15 one-half the annual unadjusted percentage increase (but not  
16 less than zero) in the consumer price index-u for the 12 months  
17 ending with the September preceding each November 1, whichever  
18 is less, of the originally granted survivor's annuity. If the  
19 annual unadjusted percentage change in the consumer price  
20 index-u for the 12 months ending with the September preceding  
21 each November 1 is zero or there is a decrease, then the  
22 annuity shall not be increased.

23 (g) This Section does not apply to a person who ~~The~~  
24 ~~benefits in Section 14-110 apply if the person~~ is a fire  
25 fighter in the fire protection service of a department, a  
26 security employee of the Department of Corrections or the

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

11 (g-5) This Section does not apply to a person who ~~The~~  
12 ~~benefits in Section 14-110 apply if the person is a State~~  
13 ~~policeman, investigator for the Secretary of State,~~  
14 ~~conservation police officer, investigator for the Department~~  
15 ~~of Revenue or the Illinois Gaming Board, investigator for the~~  
16 ~~Office of the Attorney General, Commerce Commission police~~  
17 ~~officer, or arson investigator, as those terms are defined in~~  
18 ~~subsection (b) and subsection (c) of Section 14-110. A person~~  
19 ~~who meets the requirements of this Section is entitled to an~~  
20 ~~annuity calculated under the provisions of Section 14-110, in~~  
21 ~~lieu of the regular or minimum retirement annuity, only if the~~  
22 ~~person has withdrawn from service with not less than 20 years~~  
23 ~~of eligible creditable service and has attained age 55,~~  
24 ~~regardless of whether the attainment of age 55 occurs while~~  
25 ~~the person is still in service.~~

26 (h) If a person who first becomes a member or a participant

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

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

1 accepting contractual employment. A person who fails to submit  
2 such notification shall be guilty of a Class A misdemeanor and  
3 required to pay a fine of \$1,000. Upon termination of that  
4 contractual employment, the person's retirement annuity or  
5 retirement pension payments shall resume and, if appropriate,  
6 be recalculated under the applicable provisions of this Code.

7 (i) (Blank).

8 (i-5) It is the intent of this amendatory Act of the 103rd  
9 General Assembly to provide to the participants specified in  
10 subsections (g) and (g-5) who first became participants on or  
11 after January 1, 2011 the same level of benefits and  
12 eligibility criteria for benefits as those who first became  
13 participants before January 1, 2011. The changes made to this  
14 Article by this amendatory Act of the 103rd General Assembly  
15 that provide benefit increases for participants specified in  
16 subsections (g) and (g-5) apply without regard to whether the  
17 participant was in service on or after the effective date of  
18 this amendatory Act of the 103rd General Assembly,  
19 notwithstanding the provisions of Section 1-103.1. The benefit  
20 increases are intended to apply prospectively and do not  
21 entitle a participant to retroactive benefit payments or  
22 increases. The changes made to this Article by this amendatory  
23 Act of the 103rd General Assembly shall not cause or otherwise  
24 result in any retroactive adjustment of any employee  
25 contributions.

26 (j) In the case of a conflict between the provisions of



1 this Section and any other provision of this Code, the  
2 provisions of this Section shall control.

3 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
4 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
5 5-6-22.)

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

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

8 (a) The provisions of this Section apply to a person who,  
9 on or after January 1, 2011, first becomes a member or a  
10 participant under any reciprocal retirement system or pension  
11 fund established under this Code, other than a retirement  
12 system or pension fund established under Article 2, 3, 4, 5, 6,  
13 7, 15, or 18 of this Code, notwithstanding any other provision  
14 of this Code to the contrary, but do not apply to any  
15 self-managed plan established under this Code or to any  
16 participant of the retirement plan established under Section  
17 22-101; except that this Section applies to a person who  
18 elected to establish alternative credits by electing in  
19 writing after January 1, 2011, but before August 8, 2011,  
20 under Section 7-145.1 of this Code. Notwithstanding anything  
21 to the contrary in this Section, for purposes of this Section,  
22 a person who is a Tier 1 regular employee as defined in Section  
23 7-109.4 of this Code or who participated in a retirement  
24 system under Article 15 prior to January 1, 2011 shall be  
25 deemed a person who first became a member or participant prior

1 to January 1, 2011 under any retirement system or pension fund  
2 subject to this Section. The changes made to this Section by  
3 Public Act 98-596 are a clarification of existing law and are  
4 intended to be retroactive to January 1, 2011 (the effective  
5 date of Public Act 96-889), notwithstanding the provisions of  
6 Section 1-103.1 of this Code.

7 This Section does not apply to a person who first becomes a  
8 noncovered employee under Article 14 on or after the  
9 implementation date of the plan created under Section 1-161  
10 for that Article, unless that person elects under subsection  
11 (b) of Section 1-161 to instead receive the benefits provided  
12 under this Section and the applicable provisions of that  
13 Article.

14 This Section does not apply to a person who first becomes a  
15 member or participant under Article 16 on or after the  
16 implementation date of the plan created under Section 1-161  
17 for that Article, unless that person elects under subsection  
18 (b) of Section 1-161 to instead receive the benefits provided  
19 under this Section and the applicable provisions of that  
20 Article.

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

24 This Section does not apply to a person who first becomes a  
25 member or participant of an affected pension fund on or after 6  
26 months after the resolution or ordinance date, as defined in

1 Section 1-162, unless that person elects under subsection (c)  
2 of Section 1-162 to receive the benefits provided under this  
3 Section and the applicable provisions of the Article under  
4 which he or she is a member or participant.

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

18 (1) (Blank).

19 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
20 annual salary for any 4 consecutive years within the last  
21 10 years of service immediately preceding the date of  
22 withdrawal".

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

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

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

26 (6) In Section 22-207, "wages or salary received by

1 him at the date of retirement or discharge".

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

8 (A) the amount otherwise calculated under the first  
9 paragraph of this subsection; or

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

19 (b-5) Beginning on January 1, 2011, for all purposes under  
20 this Code (including without limitation the calculation of  
21 benefits and employee contributions), the annual earnings,  
22 salary, or wages (based on the plan year) of a member or  
23 participant to whom this Section applies shall not exceed  
24 \$106,800; however, that amount shall annually thereafter be  
25 increased by the lesser of (i) 3% of that amount, including all  
26 previous adjustments, or (ii) one-half the annual unadjusted

1 percentage increase (but not less than zero) in the consumer  
2 price index-u for the 12 months ending with the September  
3 preceding each November 1, including all previous adjustments.

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

14 (c) A member or participant is entitled to a retirement  
15 annuity upon written application if he or she has attained age  
16 67 (age 65, with respect to service under Article 12 that is  
17 subject to this Section, for a member or participant under  
18 Article 12 who first becomes a member or participant under  
19 Article 12 on or after January 1, 2022 or who makes the  
20 election under item (i) of subsection (d-15) of this Section)  
21 and has at least 10 years of service credit and is otherwise  
22 eligible under the requirements of the applicable Article.

23 A member or participant who has attained age 62 (age 60,  
24 with respect to service under Article 12 that is subject to  
25 this Section, for a member or participant under Article 12 who  
26 first becomes a member or participant under Article 12 on or

1 after January 1, 2022 or who makes the election under item (i)  
2 of subsection (d-15) of this Section) and has at least 10 years  
3 of service credit and is otherwise eligible under the  
4 requirements of the applicable Article may elect to receive  
5 the lower retirement annuity provided in subsection (d) of  
6 this Section.

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

16 (d) The retirement annuity of a member or participant who  
17 is retiring after attaining age 62 (age 60, with respect to  
18 service under Article 12 that is subject to this Section, for a  
19 member or participant under Article 12 who first becomes a  
20 member or participant under Article 12 on or after January 1,  
21 2022 or who makes the election under item (i) of subsection  
22 (d-15) of this Section) with at least 10 years of service  
23 credit shall be reduced by one-half of 1% for each full month  
24 that the member's age is under age 67 (age 65, with respect to  
25 service under Article 12 that is subject to this Section, for a  
26 member or participant under Article 12 who first becomes a

1 member or participant under Article 12 on or after January 1,  
2 2022 or who makes the election under item (i) of subsection  
3 (d-15) of this Section).

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

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

14 (i) to be eligible for the reduced retirement age  
15 provided in subsections (c-5) and (d-5) of this Section,  
16 the eligibility for which is conditioned upon the member  
17 or participant agreeing to the increases in employee  
18 contributions for age and service annuities provided in  
19 subsection (a-5) of Section 8-174 of this Code (for  
20 service under Article 8) or subsection (a-5) of Section  
21 11-170 of this Code (for service under Article 11); or

22 (ii) to not agree to item (i) of this subsection  
23 (d-10), in which case the member or participant shall  
24 continue to be subject to the retirement age provisions in  
25 subsections (c) and (d) of this Section and the employee  
26 contributions for age and service annuity as provided in

1 subsection (a) of Section 8-174 of this Code (for service  
2 under Article 8) or subsection (a) of Section 11-170 of  
3 this Code (for service under Article 11).

4 The election provided for in this subsection shall be made  
5 between October 1, 2017 and November 15, 2017. A person  
6 subject to this subsection who makes the required election  
7 shall remain bound by that election. A person subject to this  
8 subsection who fails for any reason to make the required  
9 election within the time specified in this subsection shall be  
10 deemed to have made the election under item (ii).

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

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

21 (ii) to not agree to item (i) of this subsection  
22 (d-15), in which case the member or participant shall not  
23 be eligible for the reduced retirement age specified in  
24 subsections (c) and (d) of this Section and shall not be  
25 subject to the increase in employee contributions for  
26 service annuities specified in subsection (b) of Section



1 12-150.

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

9 (e) Any retirement annuity or supplemental annuity shall  
10 be subject to annual increases on the January 1 occurring  
11 either on or after the attainment of age 67 (age 65, with  
12 respect to service under Article 12 that is subject to this  
13 Section, for a member or participant under Article 12 who  
14 first becomes a member or participant under Article 12 on or  
15 after January 1, 2022 or who makes the election under item (i)  
16 of subsection (d-15); and beginning on July 6, 2017 (the  
17 effective date of Public Act 100-23), age 65 with respect to  
18 service under Article 8 or Article 11 for eligible persons  
19 who: (i) are subject to subsection (c-5) of this Section; or  
20 (ii) made the election under item (i) of subsection (d-10) of  
21 this Section) or the first anniversary of the annuity start  
22 date, whichever is later. Each annual increase shall be  
23 calculated at 3% or one-half the annual unadjusted percentage  
24 increase (but not less than zero) in the consumer price  
25 index-u for the 12 months ending with the September preceding  
26 each November 1, whichever is less, of the originally granted

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

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

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

15 (f) The initial survivor's or widow's annuity of an  
16 otherwise eligible survivor or widow of a retired member or  
17 participant who first became a member or participant on or  
18 after January 1, 2011 shall be in the amount of 66 2/3% of the  
19 retired member's or participant's retirement annuity at the  
20 date of death. In the case of the death of a member or  
21 participant who has not retired and who first became a member  
22 or participant on or after January 1, 2011, eligibility for a  
23 survivor's or widow's annuity shall be determined by the  
24 applicable Article of this Code. The initial benefit shall be  
25 66 2/3% of the earned annuity without a reduction due to age. A  
26 child's annuity of an otherwise eligible child shall be in the

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

16 (g) This Section does not apply to a person who ~~The~~  
17 ~~benefits in Section 14-110 apply only if the person is a State~~  
18 ~~policeman, a fire fighter in the fire protection service of a~~  
19 ~~department, a conservation police officer, an investigator for~~  
20 ~~the Secretary of State, an arson investigator, a Commerce~~  
21 ~~Commission police officer, investigator for the Department of~~  
22 ~~Revenue or the Illinois Gaming Board, a security employee of~~  
23 ~~the Department of Corrections or the Department of Juvenile~~  
24 ~~Justice, or a security employee of the Department of~~  
25 ~~Innovation and Technology, as those terms are defined in~~  
26 ~~subsection (b) and subsection (c) of Section 14-110. A person~~

1 ~~who meets the requirements of this Section is entitled to an~~  
2 ~~annuity calculated under the provisions of Section 14-110, in~~  
3 ~~lieu of the regular or minimum retirement annuity, only if the~~  
4 ~~person has withdrawn from service with not less than 20 years~~  
5 ~~of eligible creditable service and has attained age 60,~~  
6 ~~regardless of whether the attainment of age 60 occurs while~~  
7 ~~the person is still in service.~~

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

22 If a person who first becomes a member of a retirement  
23 system or pension fund subject to this Section on or after  
24 January 1, 2012 and is receiving a retirement annuity or  
25 retirement pension under that system or fund and accepts on a  
26 contractual basis a position to provide services to a

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

15 (i) (Blank).

16 (i-5) It is the intent of this amendatory Act of the 103rd  
17 General Assembly to provide to the participants specified in  
18 subsections (g) and (g-5) who first became participants on or  
19 after January 1, 2011 the same level of benefits and  
20 eligibility criteria for benefits as those who first became  
21 participants before January 1, 2011. The changes made to this  
22 Article by this amendatory Act of the 103rd General Assembly  
23 that provide benefit increases for participants specified in  
24 subsections (g) and (g-5) apply without regard to whether the  
25 participant was in service on or after the effective date of  
26 this amendatory Act of the 103rd General Assembly,

1 notwithstanding the provisions of Section 1-103.1. The benefit  
2 increases are intended to apply prospectively and do not  
3 entitle a participant to retroactive benefit payments or  
4 increases. The changes made to this Article by this amendatory  
5 Act of the 103rd General Assembly shall not cause or otherwise  
6 result in any retroactive adjustment of any employee  
7 contributions.

8 (j) In the case of a conflict between the provisions of  
9 this Section and any other provision of this Code, the  
10 provisions of this Section shall control.

11 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
12 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
13 5-13-22.)

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

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

16 (a) The provisions of this Section apply to a person who,  
17 on or after January 1, 2011, first becomes a member or a  
18 participant under any reciprocal retirement system or pension  
19 fund established under this Code, other than a retirement  
20 system or pension fund established under Article 2, 3, 4, 5, 6,  
21 7, 15, or 18 of this Code, notwithstanding any other provision  
22 of this Code to the contrary, but do not apply to any  
23 self-managed plan established under this Code or to any  
24 participant of the retirement plan established under Section  
25 22-101; except that this Section applies to a person who

1 elected to establish alternative credits by electing in  
2 writing after January 1, 2011, but before August 8, 2011,  
3 under Section 7-145.1 of this Code. Notwithstanding anything  
4 to the contrary in this Section, for purposes of this Section,  
5 a person who is a Tier 1 regular employee as defined in Section  
6 7-109.4 of this Code or who participated in a retirement  
7 system under Article 15 prior to January 1, 2011 shall be  
8 deemed a person who first became a member or participant prior  
9 to January 1, 2011 under any retirement system or pension fund  
10 subject to this Section. The changes made to this Section by  
11 Public Act 98-596 are a clarification of existing law and are  
12 intended to be retroactive to January 1, 2011 (the effective  
13 date of Public Act 96-889), notwithstanding the provisions of  
14 Section 1-103.1 of this Code.

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

22 This Section does not apply to a person who first becomes a  
23 member or participant under Article 16 on or after the  
24 implementation date of the plan created under Section 1-161  
25 for that Article, unless that person elects under subsection  
26 (b) of Section 1-161 to instead receive the benefits provided

1 under this Section and the applicable provisions of that  
2 Article.

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

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

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

26 (1) (Blank).



1           (2) In Articles 8, 9, 10, 11, and 12, "highest average  
2           annual salary for any 4 consecutive years within the last  
3           10 years of service immediately preceding the date of  
4           withdrawal".

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

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

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

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

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

16                (A) the amount otherwise calculated under the first  
17                paragraph of this subsection; or

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

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

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

22 (c) A member or participant is entitled to a retirement  
23 annuity upon written application if he or she has attained age  
24 67 (age 65, with respect to service under Article 12 that is  
25 subject to this Section, for a member or participant under  
26 Article 12 who first becomes a member or participant under

1 Article 12 on or after January 1, 2022 or who makes the  
2 election under item (i) of subsection (d-15) of this Section)  
3 and has at least 10 years of service credit and is otherwise  
4 eligible under the requirements of the applicable Article.

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

15 (c-5) A person who first becomes a member or a participant  
16 subject to this Section on or after July 6, 2017 (the effective  
17 date of Public Act 100-23), notwithstanding any other  
18 provision of this Code to the contrary, is entitled to a  
19 retirement annuity under Article 8 or Article 11 upon written  
20 application if he or she has attained age 65 and has at least  
21 10 years of service credit and is otherwise eligible under the  
22 requirements of Article 8 or Article 11 of this Code,  
23 whichever is applicable.

24 (d) The retirement annuity of a member or participant who  
25 is retiring after attaining age 62 (age 60, with respect to  
26 service under Article 12 that is subject to this Section, for a

1 member or participant under Article 12 who first becomes a  
2 member or participant under Article 12 on or after January 1,  
3 2022 or who makes the election under item (i) of subsection  
4 (d-15) of this Section) with at least 10 years of service  
5 credit shall be reduced by one-half of 1% for each full month  
6 that the member's age is under age 67 (age 65, with respect to  
7 service under Article 12 that is subject to this Section, for a  
8 member or participant under Article 12 who first becomes a  
9 member or participant under Article 12 on or after January 1,  
10 2022 or who makes the election under item (i) of subsection  
11 (d-15) of this Section).

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

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

22 (i) to be eligible for the reduced retirement age  
23 provided in subsections (c-5) and (d-5) of this Section,  
24 the eligibility for which is conditioned upon the member  
25 or participant agreeing to the increases in employee  
26 contributions for age and service annuities provided in

1 subsection (a-5) of Section 8-174 of this Code (for  
2 service under Article 8) or subsection (a-5) of Section  
3 11-170 of this Code (for service under Article 11); or

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

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

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

23 (i) to be eligible for the reduced retirement age  
24 specified in subsections (c) and (d) of this Section, the  
25 eligibility for which is conditioned upon the member or  
26 participant agreeing to the increase in employee

1 contributions for service annuities specified in  
2 subsection (b) of Section 12-150; or

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

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

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

1 who: (i) are subject to subsection (c-5) of this Section; or  
2 (ii) made the election under item (i) of subsection (d-10) of  
3 this Section) or the first anniversary of the annuity start  
4 date, whichever is later. Each annual increase shall be  
5 calculated at 3% or one-half the annual unadjusted percentage  
6 increase (but not less than zero) in the consumer price  
7 index-u for the 12 months ending with the September preceding  
8 each November 1, whichever is less, of the originally granted  
9 retirement annuity. If the annual unadjusted percentage change  
10 in the consumer price index-u for the 12 months ending with the  
11 September preceding each November 1 is zero or there is a  
12 decrease, then the annuity shall not be increased.

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

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

23 (f) The initial survivor's or widow's annuity of an  
24 otherwise eligible survivor or widow of a retired member or  
25 participant who first became a member or participant on or  
26 after January 1, 2011 shall be in the amount of 66 2/3% of the

1 retired member's or participant's retirement annuity at the  
2 date of death. In the case of the death of a member or  
3 participant who has not retired and who first became a member  
4 or participant on or after January 1, 2011, eligibility for a  
5 survivor's or widow's annuity shall be determined by the  
6 applicable Article of this Code. The initial benefit shall be  
7 66 2/3% of the earned annuity without a reduction due to age. A  
8 child's annuity of an otherwise eligible child shall be in the  
9 amount prescribed under each Article if applicable. Any  
10 survivor's or widow's annuity shall be increased (1) on each  
11 January 1 occurring on or after the commencement of the  
12 annuity if the deceased member died while receiving a  
13 retirement annuity or (2) in other cases, on each January 1  
14 occurring after the first anniversary of the commencement of  
15 the annuity. Each annual increase shall be calculated at 3% or  
16 one-half the annual unadjusted percentage increase (but not  
17 less than zero) in the consumer price index-u for the 12 months  
18 ending with the September preceding each November 1, whichever  
19 is less, of the originally granted survivor's annuity. If the  
20 annual unadjusted percentage change in the consumer price  
21 index-u for the 12 months ending with the September preceding  
22 each November 1 is zero or there is a decrease, then the  
23 annuity shall not be increased.

24 (g) This Section does not apply to a person who ~~The~~  
25 ~~benefits in Section 14-110 apply only if the person~~ is a State  
26 policeman, a fire fighter in the fire protection service of a



1 department, a conservation police officer, an investigator for  
2 the Secretary of State, an investigator for the Office of the  
3 Attorney General, an arson investigator, a Commerce Commission  
4 police officer, investigator for the Department of Revenue or  
5 the Illinois Gaming Board, a security employee of the  
6 Department of Corrections or the Department of Juvenile  
7 Justice, or a security employee of the Department of  
8 Innovation and Technology, as those terms are defined in  
9 subsection (b) and subsection (c) of Section 14-110. ~~A person  
10 who meets the requirements of this Section is entitled to an  
11 annuity calculated under the provisions of Section 14-110, in  
12 lieu of the regular or minimum retirement annuity, only if the  
13 person has withdrawn from service with not less than 20 years  
14 of eligible creditable service and has attained age 60,  
15 regardless of whether the attainment of age 60 occurs while  
16 the person is still in service.~~

17 (h) If a person who first becomes a member or a participant  
18 of a retirement system or pension fund subject to this Section  
19 on or after January 1, 2011 is receiving a retirement annuity  
20 or retirement pension under that system or fund and becomes a  
21 member or participant under any other system or fund created  
22 by this Code and is employed on a full-time basis, except for  
23 those members or participants exempted from the provisions of  
24 this Section under subsection (a) of this Section, then the  
25 person's retirement annuity or retirement pension under that  
26 system or fund shall be suspended during that employment. Upon

1 termination of that employment, the person's retirement  
2 annuity or retirement pension payments shall resume and be  
3 recalculated if recalculation is provided for under the  
4 applicable Article of this Code.

5 If a person who first becomes a member of a retirement  
6 system or pension fund subject to this Section on or after  
7 January 1, 2012 and is receiving a retirement annuity or  
8 retirement pension under that system or fund and accepts on a  
9 contractual basis a position to provide services to a  
10 governmental entity from which he or she has retired, then  
11 that person's annuity or retirement pension earned as an  
12 active employee of the employer shall be suspended during that  
13 contractual service. A person receiving an annuity or  
14 retirement pension under this Code shall notify the pension  
15 fund or retirement system from which he or she is receiving an  
16 annuity or retirement pension, as well as his or her  
17 contractual employer, of his or her retirement status before  
18 accepting contractual employment. A person who fails to submit  
19 such notification shall be guilty of a Class A misdemeanor and  
20 required to pay a fine of \$1,000. Upon termination of that  
21 contractual employment, the person's retirement annuity or  
22 retirement pension payments shall resume and, if appropriate,  
23 be recalculated under the applicable provisions of this Code.

24 (i) (Blank).

25 (i-5) It is the intent of this amendatory Act of the 103rd  
26 General Assembly to provide to the participants specified in

1 subsections (g) and (g-5) who first became participants on or  
2 after January 1, 2011 the same level of benefits and  
3 eligibility criteria for benefits as those who first became  
4 participants before January 1, 2011. The changes made to this  
5 Article by this amendatory Act of the 103rd General Assembly  
6 that provide benefit increases for participants specified in  
7 subsections (g) and (g-5) apply without regard to whether the  
8 participant was in service on or after the effective date of  
9 this amendatory Act of the 103rd General Assembly,  
10 notwithstanding the provisions of Section 1-103.1. The benefit  
11 increases are intended to apply prospectively and do not  
12 entitle a participant to retroactive benefit payments or  
13 increases. The changes made to this Article by this amendatory  
14 Act of the 103rd General Assembly shall not cause or otherwise  
15 result in any retroactive adjustment of any employee  
16 contributions.

17 (j) In the case of a conflict between the provisions of  
18 this Section and any other provision of this Code, the  
19 provisions of this Section shall control.

20 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
21 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.  
22 5-27-22.)

23 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)

24 Sec. 3-111. Pension.

25 (a) A police officer age 50 or more with 20 or more years

1 of creditable service, who is not a participant in the  
2 self-managed plan under Section 3-109.3 and who is no longer  
3 in service as a police officer, shall receive a pension of 1/2  
4 of the salary attached to the rank held by the officer on the  
5 police force for one year immediately prior to retirement or,  
6 beginning July 1, 1987 for persons terminating service on or  
7 after that date, the salary attached to the rank held on the  
8 last day of service or for one year prior to the last day,  
9 whichever is greater. The pension shall be increased by 2.5%  
10 of such salary for each additional year of service over 20  
11 years of service through 30 years of service, to a maximum of  
12 75% of such salary.

13 The changes made to this subsection (a) by this amendatory  
14 Act of the 91st General Assembly apply to all pensions that  
15 become payable under this subsection on or after January 1,  
16 1999. All pensions payable under this subsection that began on  
17 or after January 1, 1999 and before the effective date of this  
18 amendatory Act shall be recalculated, and the amount of the  
19 increase accruing for that period shall be payable to the  
20 pensioner in a lump sum.

21 (a-5) No pension in effect on or granted after June 30,  
22 1973 shall be less than \$200 per month. Beginning July 1, 1987,  
23 the minimum retirement pension for a police officer having at  
24 least 20 years of creditable service shall be \$400 per month,  
25 without regard to whether or not retirement occurred prior to  
26 that date. If the minimum pension established in Section

1 3-113.1 is greater than the minimum provided in this  
2 subsection, the Section 3-113.1 minimum controls.

3 (b) A police officer mandatorily retired from service due  
4 to age by operation of law, having at least 8 but less than 20  
5 years of creditable service, shall receive a pension equal to  
6 2 1/2% of the salary attached to the rank he or she held on the  
7 police force for one year immediately prior to retirement or,  
8 beginning July 1, 1987 for persons terminating service on or  
9 after that date, the salary attached to the rank held on the  
10 last day of service or for one year prior to the last day,  
11 whichever is greater, for each year of creditable service.

12 A police officer who retires or is separated from service  
13 having at least 8 years but less than 20 years of creditable  
14 service, who is not mandatorily retired due to age by  
15 operation of law, and who does not apply for a refund of  
16 contributions at his or her last separation from police  
17 service, shall receive a pension upon attaining age 60 equal  
18 to 2.5% of the salary attached to the rank held by the police  
19 officer on the police force for one year immediately prior to  
20 retirement or, beginning July 1, 1987 for persons terminating  
21 service on or after that date, the salary attached to the rank  
22 held on the last day of service or for one year prior to the  
23 last day, whichever is greater, for each year of creditable  
24 service.

25 (c) A police officer no longer in service who has at least  
26 one but less than 8 years of creditable service in a police

1 pension fund but meets the requirements of this subsection (c)  
2 shall be eligible to receive a pension from that fund equal to  
3 2.5% of the salary attached to the rank held on the last day of  
4 service under that fund or for one year prior to that last day,  
5 whichever is greater, for each year of creditable service in  
6 that fund. The pension shall begin no earlier than upon  
7 attainment of age 60 (or upon mandatory retirement from the  
8 fund by operation of law due to age, if that occurs before age  
9 60) and in no event before the effective date of this  
10 amendatory Act of 1997.

11 In order to be eligible for a pension under this  
12 subsection (c), the police officer must have at least 8 years  
13 of creditable service in a second police pension fund under  
14 this Article and be receiving a pension under subsection (a)  
15 or (b) of this Section from that second fund. The police  
16 officer need not be in service on or after the effective date  
17 of this amendatory Act of 1997.

18 (d) (Blank). ~~Notwithstanding any other provision of this~~  
19 ~~Article, the provisions of this subsection (d) apply to a~~  
20 ~~person who is not a participant in the self-managed plan under~~  
21 ~~Section 3-109.3 and who first becomes a police officer under~~  
22 ~~this Article on or after January 1, 2011.~~

23 ~~A police officer age 55 or more who has 10 or more years of~~  
24 ~~service in that capacity shall be entitled at his option to~~  
25 ~~receive a monthly pension for his service as a police officer~~  
26 ~~computed by multiplying 2.5% for each year of such service by~~

1 ~~his or her final average salary.~~

2 ~~The pension of a police officer who is retiring after~~  
3 ~~attaining age 50 with 10 or more years of creditable service~~  
4 ~~shall be reduced by one half of 1% for each month that the~~  
5 ~~police officer's age is under age 55.~~

6 ~~The maximum pension under this subsection (d) shall be 75%~~  
7 ~~of final average salary.~~

8 ~~For the purposes of this subsection (d), "final average~~  
9 ~~salary" means the greater of: (i) the average monthly salary~~  
10 ~~obtained by dividing the total salary of the police officer~~  
11 ~~during the 48 consecutive months of service within the last 60~~  
12 ~~months of service in which the total salary was the highest by~~  
13 ~~the number of months of service in that period; or (ii) the~~  
14 ~~average monthly salary obtained by dividing the total salary~~  
15 ~~of the police officer during the 96 consecutive months of~~  
16 ~~service within the last 120 months of service in which the~~  
17 ~~total salary was the highest by the number of months of service~~  
18 ~~in that period.~~

19 ~~Beginning on January 1, 2011, for all purposes under this~~  
20 ~~Code (including without limitation the calculation of benefits~~  
21 ~~and employee contributions), the annual salary based on the~~  
22 ~~plan year of a member or participant to whom this Section~~  
23 ~~applies shall not exceed \$106,800; however, that amount shall~~  
24 ~~annually thereafter be increased by the lesser of (i) 3% of~~  
25 ~~that amount, including all previous adjustments, or (ii) the~~  
26 ~~annual unadjusted percentage increase (but not less than zero)~~

1 ~~in the consumer price index u for the 12 months ending with the~~  
2 ~~September preceding each November 1, including all previous~~  
3 ~~adjustments.~~

4 ~~Nothing in this amendatory Act of the 101st General~~  
5 ~~Assembly shall cause or otherwise result in any retroactive~~  
6 ~~adjustment of any employee contributions.~~

7 (Source: P.A. 101-610, eff. 1-1-20.)

8 (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

9 Sec. 3-111.1. Increase in pension.

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

20 (b) The monthly pension of a police officer who retired  
21 from service with 20 or more years of service, on or before  
22 July 1, 1971, shall be increased in January of the year  
23 following the year of attaining age 65 or in January of 1972,  
24 if then over age 65, by 3% of the originally granted pension  
25 for each year the police officer received pension payments. In



1 each January thereafter, he or she shall receive an additional  
2 increase of 3% of the original pension.

3 (c) The monthly pension of a police officer who retires on  
4 disability or is retired for disability shall be increased in  
5 January of the year following the year of attaining age 60, by  
6 3% of the original grant of pension for each year he or she  
7 received pension payments. In each January thereafter, the  
8 police officer shall receive an additional increase of 3% of  
9 the original pension.

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

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

1 period, if any, shall be payable to the pensioner in a lump  
2 sum.

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

16 (f) Notwithstanding the other provisions of this Section,  
17 beginning with increases granted on or after July 1, 1993, the  
18 second and all subsequent automatic annual increases granted  
19 under subsection (a), (b), (d), or (e) of this Section shall be  
20 calculated as 3% of the amount of pension payable at the time  
21 of the increase, including any increases previously granted  
22 under this Section, rather than 3% of the originally granted  
23 pension amount. Section 1-103.1 does not apply to this  
24 subsection (f).

25 (g) Notwithstanding any other provision of this Article,  
26 the monthly pension of a person who first becomes a police

1 officer under this Article on or after January 1, 2011 shall be  
2 increased on the January 1 occurring either on or after the  
3 attainment of age 60 or the first anniversary of the pension  
4 start date, whichever is later; except that, beginning on the  
5 effective date of this amendatory Act of the 103rd General  
6 Assembly, eligibility for and the amount of the automatic  
7 increase in the monthly pension of such a person shall be  
8 calculated as otherwise provided in this Section. Each annual  
9 increase shall be calculated at 3% or one-half the annual  
10 unadjusted percentage increase (but not less than zero) in the  
11 consumer price index-u for the 12 months ending with the  
12 September preceding each November 1, whichever is less, of the  
13 originally granted pension. If the annual unadjusted  
14 percentage change in the consumer price index-u for a 12-month  
15 period ending in September is zero or, when compared with the  
16 preceding period, decreases, then the pension shall not be  
17 increased.

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

1 (Source: P.A. 96-1495, eff. 1-1-11.)

2 (40 ILCS 5/3-112) (from Ch. 108 1/2, par. 3-112)

3 Sec. 3-112. Pension to survivors.

4 (a) Upon the death of a police officer entitled to a  
5 pension under Section 3-111, the surviving spouse shall be  
6 entitled to the pension to which the police officer was then  
7 entitled. Upon the death of the surviving spouse, or upon the  
8 remarriage of the surviving spouse if that remarriage  
9 terminates the surviving spouse's eligibility under Section  
10 3-121, the police officer's unmarried children who are under  
11 age 18 or who are dependent because of physical or mental  
12 disability shall be entitled to equal shares of such pension.  
13 If there is no eligible surviving spouse and no eligible  
14 child, the dependent parent or parents of the officer shall be  
15 entitled to receive or share such pension until their death or  
16 marriage or remarriage after the death of the police officer.

17 Notwithstanding any other provision of this Article, for a  
18 person who first becomes a police officer under this Article  
19 on or after January 1, 2011, the pension to which the surviving  
20 spouse, children, or parents are entitled under this  
21 subsection (a) shall be in an amount equal to the greater of  
22 (i) 54% of the police officer's monthly salary at the date of  
23 death, or (ii) 66 2/3% of the police officer's earned pension  
24 at the date of death, and, if there is a surviving spouse, 12%  
25 of such monthly salary shall be granted to the guardian of any

1 minor child or children, including a child who has been  
2 conceived but not yet born, for each such child until  
3 attainment of age 18. Upon the death of the surviving spouse  
4 leaving one or more minor children, or upon the death of a  
5 police officer leaving one or more minor children but no  
6 surviving spouse, a monthly pension of 20% of the monthly  
7 salary shall be granted to the duly appointed guardian of each  
8 such child for the support and maintenance of each such child  
9 until the child reaches age 18. The total pension provided  
10 under this paragraph shall not exceed 75% of the monthly  
11 salary of the deceased police officer (1) when paid to the  
12 survivor of a police officer who has attained 20 or more years  
13 of service credit and who receives or is eligible to receive a  
14 retirement pension under this Article, (2) when paid to the  
15 survivor of a police officer who dies as a result of illness or  
16 accident, (3) when paid to the survivor of a police officer who  
17 dies from any cause while in receipt of a disability pension  
18 under this Article, or (4) when paid to the survivor of a  
19 deferred pensioner. Nothing in this subsection (a) shall act  
20 to diminish the survivor's benefits described in subsection  
21 (e) of this Section.

22 Notwithstanding Section 1-103.1, the changes made to this  
23 subsection apply without regard to whether the deceased police  
24 officer was in service on or after the effective date of this  
25 amendatory Act of the 101st General Assembly.

26 Notwithstanding any other provision of this Article, the

1 monthly pension of a survivor of a person who first becomes a  
2 police officer under this Article on or after January 1, 2011  
3 shall be increased on the January 1 after attainment of age 60  
4 by the recipient of the survivor's pension and each January 1  
5 thereafter by 3% or one-half the annual unadjusted percentage  
6 increase (but not less than zero) in the consumer price  
7 index-u for the 12 months ending with the September preceding  
8 each November 1, whichever is less, of the originally granted  
9 survivor's pension; except that, beginning on the effective  
10 date of this amendatory Act of the 103rd General Assembly,  
11 eligibility for and the amount of the automatic increase in  
12 the monthly pension of such a survivor shall be calculated as  
13 otherwise provided in this Section. If the annual unadjusted  
14 percentage change in the consumer price index-u for a 12-month  
15 period ending in September is zero or, when compared with the  
16 preceding period, decreases, then the survivor's pension shall  
17 not be increased.

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

1           (b) Upon the death of a police officer while in service,  
2           having at least 20 years of creditable service, or upon the  
3           death of a police officer who retired from service with at  
4           least 20 years of creditable service, whether death occurs  
5           before or after attainment of age 50, the pension earned by the  
6           police officer as of the date of death as provided in Section  
7           3-111 shall be paid to the survivors in the sequence provided  
8           in subsection (a) of this Section.

9           (c) Upon the death of a police officer while in service,  
10           having at least 10 but less than 20 years of service, a pension  
11           of 1/2 of the salary attached to the rank or ranks held by the  
12           officer for one year immediately prior to death shall be  
13           payable to the survivors in the sequence provided in  
14           subsection (a) of this Section. If death occurs as a result of  
15           the performance of duty, the 10 year requirement shall not  
16           apply and the pension to survivors shall be payable after any  
17           period of service.

18           (d) Beginning July 1, 1987, a minimum pension of \$400 per  
19           month shall be paid to all surviving spouses, without regard  
20           to the fact that the death of the police officer occurred prior  
21           to that date. If the minimum pension established in Section  
22           3-113.1 is greater than the minimum provided in this  
23           subsection, the Section 3-113.1 minimum controls.

24           (e) The pension of the surviving spouse of a police  
25           officer who dies (i) on or after January 1, 2001, (ii) without  
26           having begun to receive either a retirement pension payable

1 under Section 3-111 or a disability pension payable under  
2 Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6, and (iii) as a  
3 result of sickness, accident, or injury incurred in or  
4 resulting from the performance of an act of duty shall not be  
5 less than 100% of the salary attached to the rank held by the  
6 deceased police officer on the last day of service,  
7 notwithstanding any provision in this Article to the contrary.  
8 (Source: P.A. 101-610, eff. 1-1-20.)

9 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

10 Sec. 3-125. Financing.

11 (a) The city council or the board of trustees of the  
12 municipality shall annually levy a tax upon all the taxable  
13 property of the municipality at the rate on the dollar which  
14 will produce an amount which, when added to the deductions  
15 from the salaries or wages of police officers, and revenues  
16 available from other sources, including State contributions,  
17 will equal a sum sufficient to meet the annual requirements of  
18 the police pension fund. The annual requirements to be  
19 provided by such tax levy are equal to (1) the normal cost of  
20 the pension fund for the year involved, plus (2) an amount  
21 sufficient to bring the total assets of the pension fund up to  
22 90% of the total actuarial liabilities of the pension fund by  
23 the end of municipal fiscal year 2040, as annually updated and  
24 determined by an enrolled actuary employed by the Illinois  
25 Department of Insurance or by an enrolled actuary retained by



1 the pension fund or the municipality, minus (3) any  
2 anticipated State contributions from the Local Government  
3 Retirement Fund for the year involved. In making these  
4 determinations, the required minimum employer contribution  
5 shall be calculated each year as a level percentage of payroll  
6 over the years remaining up to and including fiscal year 2040  
7 and shall be determined under the projected unit credit  
8 actuarial cost method. The tax shall be levied and collected  
9 in the same manner as the general taxes of the municipality,  
10 and in addition to all other taxes now or hereafter authorized  
11 to be levied upon all property within the municipality, and  
12 shall be in addition to the amount authorized to be levied for  
13 general purposes as provided by Section 8-3-1 of the Illinois  
14 Municipal Code, approved May 29, 1961, as amended. The tax  
15 shall be forwarded directly to the treasurer of the board  
16 within 30 business days after receipt by the county.

17 (a-5) Beginning in State fiscal year 2024, the city  
18 council or the board of trustees of the municipality shall  
19 certify to the Governor the amount of (1) the normal cost of  
20 the pension fund for the year involved, plus (2) an amount  
21 sufficient to bring the total assets of the pension fund up to  
22 90% of the total actuarial liabilities of the pension fund by  
23 the end of municipal fiscal year 2040, as annually updated and  
24 determined by an enrolled actuary employed by the Department  
25 of Insurance or by an enrolled actuary retained by the pension  
26 fund or the municipality.

1 (b) For purposes of determining the required employer  
2 contribution to a pension fund, the value of the pension  
3 fund's assets shall be equal to the actuarial value of the  
4 pension fund's assets, which shall be calculated as follows:

5 (1) On March 30, 2011, the actuarial value of a  
6 pension fund's assets shall be equal to the market value  
7 of the assets as of that date.

8 (2) In determining the actuarial value of the System's  
9 assets for fiscal years after March 30, 2011, any  
10 actuarial gains or losses from investment return incurred  
11 in a fiscal year shall be recognized in equal annual  
12 amounts over the 5-year period following that fiscal year.

13 (c) If a participating municipality fails to transmit to  
14 the fund contributions required of it under this Article for  
15 more than 90 days after the payment of those contributions is  
16 due, the fund may, after giving notice to the municipality,  
17 certify to the State Comptroller the amounts of the delinquent  
18 payments in accordance with any applicable rules of the  
19 Comptroller, and the Comptroller must, beginning in fiscal  
20 year 2016, deduct and remit to the fund the certified amounts  
21 or a portion of those amounts from the following proportions  
22 of payments of State funds to the municipality:

23 (1) in fiscal year 2016, one-third of the total amount  
24 of any payments of State funds to the municipality;

25 (2) in fiscal year 2017, two-thirds of the total  
26 amount of any payments of State funds to the municipality;

1 and

2 (3) in fiscal year 2018 and each fiscal year  
3 thereafter, the total amount of any payments of State  
4 funds to the municipality.

5 The State Comptroller may not deduct from any payments of  
6 State funds to the municipality more than the amount of  
7 delinquent payments certified to the State Comptroller by the  
8 fund.

9 (d) The police pension fund shall consist of the following  
10 moneys which shall be set apart by the treasurer of the  
11 municipality:

12 (1) All moneys derived from the taxes levied  
13 hereunder;

14 (2) Contributions by police officers under Section  
15 3-125.1;

16 (2.5) All moneys received from the Police Officers'  
17 Pension Investment Fund as provided in Article 22B of this  
18 Code;

19 (3) All moneys accumulated by the municipality under  
20 any previous legislation establishing a fund for the  
21 benefit of disabled or retired police officers;

22 (4) Donations, gifts or other transfers authorized by  
23 this Article.

24 (e) The Commission on Government Forecasting and  
25 Accountability shall conduct a study of all funds established  
26 under this Article and shall report its findings to the

1 General Assembly on or before January 1, 2013. To the fullest  
2 extent possible, the study shall include, but not be limited  
3 to, the following:

4 (1) fund balances;

5 (2) historical employer contribution rates for each  
6 fund;

7 (3) the actuarial formulas used as a basis for  
8 employer contributions, including the actual assumed rate  
9 of return for each year, for each fund;

10 (4) available contribution funding sources;

11 (5) the impact of any revenue limitations caused by  
12 PTELL and employer home rule or non-home rule status; and

13 (6) existing statutory funding compliance procedures  
14 and funding enforcement mechanisms for all municipal  
15 pension funds.

16 (Source: P.A. 101-610, eff. 1-1-20.)

17 (40 ILCS 5/3-148.5 new)

18 Sec. 3-148.5. Application of this amendatory Act of the  
19 103rd General Assembly. It is the intent of this amendatory  
20 Act of the 103rd General Assembly to provide to police  
21 officers who first became police officers on or after January  
22 1, 2011 the same level of benefits and eligibility criteria  
23 for benefits as those who first became police officers before  
24 January 1, 2011. The changes made to this Article by this  
25 amendatory Act of the 103rd General Assembly that provide

1 benefit increases for police officers apply without regard to  
2 whether the police officer was in service on or after the  
3 effective date of this amendatory Act of the 103rd General  
4 Assembly, notwithstanding the provisions of Section 1-103.1.  
5 The benefit increases are intended to apply prospectively and  
6 do not entitle a police officer to retroactive benefit  
7 payments or increases. The changes made to this Article by  
8 this amendatory Act of the 103rd General Assembly shall not  
9 cause or otherwise result in any retroactive adjustment of any  
10 employee contributions.

11 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

12 Sec. 4-109. Pension.

13 (a) A firefighter age 50 or more with 20 or more years of  
14 creditable service, who is no longer in service as a  
15 firefighter, shall receive a monthly pension of 1/2 the  
16 monthly salary attached to the rank held by him or her in the  
17 fire service at the date of retirement.

18 The monthly pension shall be increased by 1/12 of 2.5% of  
19 such monthly salary for each additional month over 20 years of  
20 service through 30 years of service, to a maximum of 75% of  
21 such monthly salary.

22 The changes made to this subsection (a) by this amendatory  
23 Act of the 91st General Assembly apply to all pensions that  
24 become payable under this subsection on or after January 1,  
25 1999. All pensions payable under this subsection that began on

1 or after January 1, 1999 and before the effective date of this  
2 amendatory Act shall be recalculated, and the amount of the  
3 increase accruing for that period shall be payable to the  
4 pensioner in a lump sum.

5 (b) A firefighter who retires or is separated from service  
6 having at least 10 but less than 20 years of creditable  
7 service, who is not entitled to receive a disability pension,  
8 and who did not apply for a refund of contributions at his or  
9 her last separation from service shall receive a monthly  
10 pension upon attainment of age 60 based on the monthly salary  
11 attached to his or her rank in the fire service on the date of  
12 retirement or separation from service according to the  
13 following schedule:

14 For 10 years of service, 15% of salary;  
15 For 11 years of service, 17.6% of salary;  
16 For 12 years of service, 20.4% of salary;  
17 For 13 years of service, 23.4% of salary;  
18 For 14 years of service, 26.6% of salary;  
19 For 15 years of service, 30% of salary;  
20 For 16 years of service, 33.6% of salary;  
21 For 17 years of service, 37.4% of salary;  
22 For 18 years of service, 41.4% of salary;  
23 For 19 years of service, 45.6% of salary.

24 (c) (Blank). ~~Notwithstanding any other provision of this~~  
25 ~~Article, the provisions of this subsection (c) apply to a~~  
26 ~~person who first becomes a firefighter under this Article on~~

1 ~~or after January 1, 2011.~~

2 ~~A firefighter age 55 or more who has 10 or more years of~~  
3 ~~service in that capacity shall be entitled at his option to~~  
4 ~~receive a monthly pension for his service as a firefighter~~  
5 ~~computed by multiplying 2.5% for each year of such service by~~  
6 ~~his or her final average salary.~~

7 ~~The pension of a firefighter who is retiring after~~  
8 ~~attaining age 50 with 10 or more years of creditable service~~  
9 ~~shall be reduced by one half of 1% for each month that the~~  
10 ~~firefighter's age is under age 55.~~

11 ~~The maximum pension under this subsection (c) shall be 75%~~  
12 ~~of final average salary.~~

13 ~~For the purposes of this subsection (c), "final average~~  
14 ~~salary" means the greater of: (i) the average monthly salary~~  
15 ~~obtained by dividing the total salary of the firefighter~~  
16 ~~during the 48 consecutive months of service within the last 60~~  
17 ~~months of service in which the total salary was the highest by~~  
18 ~~the number of months of service in that period; or (ii) the~~  
19 ~~average monthly salary obtained by dividing the total salary~~  
20 ~~of the firefighter during the 96 consecutive months of service~~  
21 ~~within the last 120 months of service in which the total salary~~  
22 ~~was the highest by the number of months of service in that~~  
23 ~~period.~~

24 ~~Beginning on January 1, 2011, for all purposes under this~~  
25 ~~Code (including without limitation the calculation of benefits~~  
26 ~~and employee contributions), the annual salary based on the~~

1 ~~plan year of a member or participant to whom this Section~~  
2 ~~applies shall not exceed \$106,800; however, that amount shall~~  
3 ~~annually thereafter be increased by the lesser of (i) 3% of~~  
4 ~~that amount, including all previous adjustments, or (ii) the~~  
5 ~~annual unadjusted percentage increase (but not less than zero)~~  
6 ~~in the consumer price index u for the 12 months ending with the~~  
7 ~~September preceding each November 1, including all previous~~  
8 ~~adjustments.~~

9 ~~Nothing in this amendatory Act of the 101st General~~  
10 ~~Assembly shall cause or otherwise result in any retroactive~~  
11 ~~adjustment of any employee contributions.~~

12 (Source: P.A. 101-610, eff. 1-1-20.)

13 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

14 Sec. 4-109.1. Increase in pension.

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



1 (b) The monthly pension of a firefighter who retired from  
2 service with 20 or more years of service, on or before July 1,  
3 1971, shall be increased, in January of the year following the  
4 year of attaining age 65 or in January 1972, if then over age  
5 65, by 2% of the originally granted monthly pension, for each  
6 year the firefighter received pension payments. In each  
7 January thereafter, he or she shall receive an additional  
8 increase of 2% of the original monthly pension. Effective  
9 January 1976, the rate of the annual increase shall be 3%.

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

19 (c-1) On January 1, 1998, every child's disability benefit  
20 payable on that date under Section 4-110 or 4-110.1 shall be  
21 increased by an amount equal to 1/12 of 3% of the amount of the  
22 benefit, multiplied by the number of months for which the  
23 benefit has been payable. On each January 1 thereafter, every  
24 child's disability benefit payable under Section 4-110 or  
25 4-110.1 shall be increased by 3% of the amount of the benefit  
26 then being paid, including any previous increases received

1 under this Article. These increases are not subject to any  
2 limitation on the maximum benefit amount included in Section  
3 4-110 or 4-110.1.

4 (c-2) On July 1, 2004, every pension payable to or on  
5 behalf of a minor or disabled surviving child that is payable  
6 on that date under Section 4-114 shall be increased by an  
7 amount equal to  $1/12$  of 3% of the amount of the pension,  
8 multiplied by the number of months for which the benefit has  
9 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and  
10 July 1, 2008, every pension payable to or on behalf of a minor  
11 or disabled surviving child that is payable under Section  
12 4-114 shall be increased by 3% of the amount of the pension  
13 then being paid, including any previous increases received  
14 under this Article. These increases are not subject to any  
15 limitation on the maximum benefit amount included in Section  
16 4-114.

17 (d) The monthly pension of a firefighter who retires after  
18 January 1, 1986, shall, upon either the first of the month  
19 following the first anniversary of the date of retirement if  
20 55 years of age or over, or upon the first day of the month  
21 following attainment of age 55 if it occurs after the first  
22 anniversary of retirement, be increased by  $1/12$  of 3% of the  
23 originally granted monthly pension for each full month that  
24 has elapsed since the pension began, and by an additional 3% in  
25 each January thereafter.

26 The changes made to this subsection (d) by this amendatory

1 Act of the 91st General Assembly apply to all initial  
2 increases that become payable under this subsection on or  
3 after January 1, 1999. All initial increases that became  
4 payable under this subsection on or after January 1, 1999 and  
5 before the effective date of this amendatory Act shall be  
6 recalculated and the additional amount accruing for that  
7 period, if any, shall be payable to the pensioner in a lump  
8 sum.

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

21 (f) In July 2009, the monthly pension of a firefighter who  
22 retired before July 1, 1977 shall be recalculated and  
23 increased to reflect the amount that the firefighter would  
24 have received in July 2009 had the firefighter been receiving  
25 a 3% compounded increase for each year he or she received  
26 pension payments after January 1, 1986, plus any increases in

1 pension received for each year prior to January 1, 1986. In  
2 each January thereafter, he or she shall receive an additional  
3 increase of 3% of the amount of the pension then being paid.  
4 The changes made to this Section by this amendatory Act of the  
5 96th General Assembly apply without regard to whether the  
6 firefighter was in service on or after its effective date.

7 (g) Notwithstanding any other provision of this Article,  
8 the monthly pension of a person who first becomes a  
9 firefighter under this Article on or after January 1, 2011  
10 shall be increased on the January 1 occurring either on or  
11 after the attainment of age 60 or the first anniversary of the  
12 pension start date, whichever is later; except that, beginning  
13 on the effective date of this amendatory Act of the 103rd  
14 General Assembly, eligibility for and the amount of the  
15 automatic increase in the monthly pension of such a person  
16 shall be calculated as otherwise provided in this Section.

17 Each annual increase shall be calculated at 3% or one-half the  
18 annual unadjusted percentage increase (but not less than zero)  
19 in the consumer price index-u for the 12 months ending with the  
20 September preceding each November 1, whichever is less, of the  
21 originally granted pension. If the annual unadjusted  
22 percentage change in the consumer price index-u for a 12-month  
23 period ending in September is zero or, when compared with the  
24 preceding period, decreases, then the pension shall not be  
25 increased.

26 For the purposes of this subsection (g), "consumer price

1 index-u" means the index published by the Bureau of Labor  
2 Statistics of the United States Department of Labor that  
3 measures the average change in prices of goods and services  
4 purchased by all urban consumers, United States city average,  
5 all items, 1982-84 = 100. The new amount resulting from each  
6 annual adjustment shall be determined by the Public Pension  
7 Division of the Department of Insurance and made available to  
8 the boards of the pension funds.

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

10 (40 ILCS 5/4-114) (from Ch. 108 1/2, par. 4-114)

11 Sec. 4-114. Pension to survivors. If a firefighter who is  
12 not receiving a disability pension under Section 4-110 or  
13 4-110.1 dies (1) as a result of any illness or accident, or (2)  
14 from any cause while in receipt of a disability pension under  
15 this Article, or (3) during retirement after 20 years service,  
16 or (4) while vested for or in receipt of a pension payable  
17 under subsection (b) of Section 4-109, or (5) while a deferred  
18 pensioner, having made all required contributions, a pension  
19 shall be paid to his or her survivors, based on the monthly  
20 salary attached to the firefighter's rank on the last day of  
21 service in the fire department, as follows:

22 (a) (1) To the surviving spouse, a monthly pension of  
23 40% of the monthly salary, and if there is a surviving  
24 spouse, to the guardian of any minor child or children  
25 including a child which has been conceived but not yet

1       born, 12% of such monthly salary for each such child until  
2       attainment of age 18 or until the child's marriage,  
3       whichever occurs first. Beginning July 1, 1993, the  
4       monthly pension to the surviving spouse shall be 54% of  
5       the monthly salary for all persons receiving a surviving  
6       spouse pension under this Article, regardless of whether  
7       the deceased firefighter was in service on or after the  
8       effective date of this amendatory Act of 1993.

9               (2) Beginning July 1, 2004, unless the amount provided  
10       under paragraph (1) of this subsection (a) is greater, the  
11       total monthly pension payable under this paragraph (a),  
12       including any amount payable on account of children, to  
13       the surviving spouse of a firefighter who died (i) while  
14       receiving a retirement pension, (ii) while he or she was a  
15       deferred pensioner with at least 20 years of creditable  
16       service, or (iii) while he or she was in active service  
17       having at least 20 years of creditable service, regardless  
18       of age, shall be no less than 100% of the monthly  
19       retirement pension earned by the deceased firefighter at  
20       the time of death, regardless of whether death occurs  
21       before or after attainment of age 50, including any  
22       increases under Section 4-109.1. This minimum applies to  
23       all such surviving spouses who are eligible to receive a  
24       surviving spouse pension, regardless of whether the  
25       deceased firefighter was in service on or after the  
26       effective date of this amendatory Act of the 93rd General

1 Assembly, and notwithstanding any limitation on maximum  
2 pension under paragraph (d) or any other provision of this  
3 Article.

4 (3) If the pension paid on and after July 1, 2004 to  
5 the surviving spouse of a firefighter who died on or after  
6 July 1, 2004 and before the effective date of this  
7 amendatory Act of the 93rd General Assembly was less than  
8 the minimum pension payable under paragraph (1) or (2) of  
9 this subsection (a), the fund shall pay a lump sum equal to  
10 the difference within 90 days after the effective date of  
11 this amendatory Act of the 93rd General Assembly.

12 The pension to the surviving spouse shall terminate in  
13 the event of the surviving spouse's remarriage prior to  
14 July 1, 1993; remarriage on or after that date does not  
15 affect the surviving spouse's pension, regardless of  
16 whether the deceased firefighter was in service on or  
17 after the effective date of this amendatory Act of 1993.

18 The surviving spouse's pension shall be subject to the  
19 minimum established in Section 4-109.2.

20 (b) Upon the death of the surviving spouse leaving one  
21 or more minor children, or upon the death of a firefighter  
22 leaving one or more minor children but no surviving  
23 spouse, to the duly appointed guardian of each such child,  
24 for support and maintenance of each such child until the  
25 child reaches age 18 or marries, whichever occurs first, a  
26 monthly pension of 20% of the monthly salary.

1           In a case where the deceased firefighter left one or  
2 more minor children but no surviving spouse and the  
3 guardian of a child is receiving a pension of 12% of the  
4 monthly salary on August 16, 2013 (the effective date of  
5 Public Act 98-391), the pension is increased by Public Act  
6 98-391 to 20% of the monthly salary for each such child,  
7 beginning on the pension payment date occurring on or next  
8 following August 16, 2013. The changes to this Section  
9 made by Public Act 98-391 apply without regard to whether  
10 the deceased firefighter was in service on or after August  
11 16, 2013.

12           (c) If a deceased firefighter leaves no surviving  
13 spouse or unmarried minor children under age 18, but  
14 leaves a dependent father or mother, to each dependent  
15 parent a monthly pension of 18% of the monthly salary. To  
16 qualify for the pension, a dependent parent must furnish  
17 satisfactory proof that the deceased firefighter was at  
18 the time of his or her death the sole supporter of the  
19 parent or that the parent was the deceased's dependent for  
20 federal income tax purposes.

21           (d) The total pension provided under paragraphs (a),  
22 (b) and (c) of this Section shall not exceed 75% of the  
23 monthly salary of the deceased firefighter (1) when paid  
24 to the survivor of a firefighter who has attained 20 or  
25 more years of service credit and who receives or is  
26 eligible to receive a retirement pension under this



1 Article, or (2) when paid to the survivor of a firefighter  
2 who dies as a result of illness or accident, or (3) when  
3 paid to the survivor of a firefighter who dies from any  
4 cause while in receipt of a disability pension under this  
5 Article, or (4) when paid to the survivor of a deferred  
6 pensioner. For all other survivors of deceased  
7 firefighters, the total pension provided under paragraphs  
8 (a), (b) and (c) of this Section shall not exceed 50% of  
9 the retirement annuity the firefighter would have received  
10 on the date of death.

11 The maximum pension limitations in this paragraph (d)  
12 do not control over any contrary provision of this Article  
13 explicitly establishing a minimum amount of pension or  
14 granting a one-time or annual increase in pension.

15 (e) If a firefighter leaves no eligible survivors  
16 under paragraphs (a), (b) and (c), the board shall refund  
17 to the firefighter's estate the amount of his or her  
18 accumulated contributions, less the amount of pension  
19 payments, if any, made to the firefighter while living.

20 (f) (Blank).

21 (g) If a judgment of dissolution of marriage between a  
22 firefighter and spouse is judicially set aside subsequent  
23 to the firefighter's death, the surviving spouse is  
24 eligible for the pension provided in paragraph (a) only if  
25 the judicial proceedings are filed within 2 years after  
26 the date of the dissolution of marriage and within one

1 year after the firefighter's death and the board is made a  
2 party to the proceedings. In such case the pension shall  
3 be payable only from the date of the court's order setting  
4 aside the judgment of dissolution of marriage.

5 (h) Benefits payable on account of a child under this  
6 Section shall not be reduced or terminated by reason of  
7 the child's attainment of age 18 if he or she is then  
8 dependent by reason of a physical or mental disability but  
9 shall continue to be paid as long as such dependency  
10 continues. Individuals over the age of 18 and adjudged as  
11 a disabled person pursuant to Article XIa of the Probate  
12 Act of 1975, except for persons receiving benefits under  
13 Article III of the Illinois Public Aid Code, shall be  
14 eligible to receive benefits under this Act.

15 (i) Beginning January 1, 2000, the pension of the  
16 surviving spouse of a firefighter who dies on or after  
17 January 1, 1994 as a result of sickness, accident, or  
18 injury incurred in or resulting from the performance of an  
19 act of duty or from the cumulative effects of acts of duty  
20 shall not be less than 100% of the salary attached to the  
21 rank held by the deceased firefighter on the last day of  
22 service, notwithstanding subsection (d) or any other  
23 provision of this Article.

24 (j) Beginning July 1, 2004, the pension of the  
25 surviving spouse of a firefighter who dies on or after  
26 January 1, 1988 as a result of sickness, accident, or

1 injury incurred in or resulting from the performance of an  
2 act of duty or from the cumulative effects of acts of duty  
3 shall not be less than 100% of the salary attached to the  
4 rank held by the deceased firefighter on the last day of  
5 service, notwithstanding subsection (d) or any other  
6 provision of this Article.

7 Notwithstanding any other provision of this Article, if a  
8 person who first becomes a firefighter under this Article on  
9 or after January 1, 2011 and who is not receiving a disability  
10 pension under Section 4-110 or 4-110.1 dies (1) as a result of  
11 any illness or accident, (2) from any cause while in receipt of  
12 a disability pension under this Article, (3) during retirement  
13 after 20 years service, (4) while vested for or in receipt of a  
14 pension payable under subsection (b) of Section 4-109, or (5)  
15 while a deferred pensioner, having made all required  
16 contributions, then a pension shall be paid to his or her  
17 survivors in an amount equal to the greater of (i) 54% of the  
18 firefighter's monthly salary at the date of death, or (ii) 66  
19 2/3% of the firefighter's earned pension at the date of death,  
20 and, if there is a surviving spouse, 12% of such monthly salary  
21 shall be granted to the guardian of any minor child or  
22 children, including a child who has been conceived but not yet  
23 born, for each such child until attainment of age 18. Upon the  
24 death of the surviving spouse leaving one or more minor  
25 children, or upon the death of a firefighter leaving one or  
26 more minor children but no surviving spouse, a monthly pension

1 of 20% of the monthly salary shall be granted to the duly  
2 appointed guardian of each such child for the support and  
3 maintenance of each such child until the child reaches age 18.  
4 The total pension provided under this paragraph shall not  
5 exceed 75% of the monthly salary of the deceased firefighter  
6 (1) when paid to the survivor of a firefighter who has attained  
7 20 or more years of service credit and who receives or is  
8 eligible to receive a retirement pension under this Article,  
9 (2) when paid to the survivor of a firefighter who dies as a  
10 result of illness or accident, (3) when paid to the survivor of  
11 a firefighter who dies from any cause while in receipt of a  
12 disability pension under this Article, or (4) when paid to the  
13 survivor of a deferred pensioner. Nothing in this Section  
14 shall act to diminish the survivor's benefits described in  
15 subsection (j) of this Section.

16 Notwithstanding Section 1-103.1, the changes made to this  
17 subsection apply without regard to whether the deceased  
18 firefighter was in service on or after the effective date of  
19 this amendatory Act of the 101st General Assembly.

20 Notwithstanding any other provision of this Article, the  
21 monthly pension of a survivor of a person who first becomes a  
22 firefighter under this Article on or after January 1, 2011  
23 shall be increased on the January 1 after attainment of age 60  
24 by the recipient of the survivor's pension and each January 1  
25 thereafter by 3% or one-half the annual unadjusted percentage  
26 increase in the consumer price index-u for the 12 months

1 ending with the September preceding each November 1, whichever  
2 is less, of the originally granted survivor's pension; except  
3 that, beginning on the effective date of this amendatory Act  
4 of the 103rd General Assembly, eligibility for and the amount  
5 of the automatic increase in the monthly pension of such a  
6 survivor shall be calculated as otherwise provided in this  
7 Section. If the annual unadjusted percentage change in the  
8 consumer price index-u for a 12-month period ending in  
9 September is zero or, when compared with the preceding period,  
10 decreases, then the survivor's pension shall not be increased.

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

20 (Source: P.A. 101-610, eff. 1-1-20.)

21 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

22 Sec. 4-118. Financing.

23 (a) The city council or the board of trustees of the  
24 municipality shall annually levy a tax upon all the taxable  
25 property of the municipality at the rate on the dollar which

1 will produce an amount which, when added to the deductions  
2 from the salaries or wages of firefighters and revenues  
3 available from other sources, will equal a sum sufficient to  
4 meet the annual actuarial requirements of the pension fund, as  
5 determined by an enrolled actuary employed by the Illinois  
6 Department of Insurance or by an enrolled actuary retained by  
7 the pension fund or municipality. For the purposes of this  
8 Section, the annual actuarial requirements of the pension fund  
9 are equal to (1) the normal cost of the pension fund, or 17.5%  
10 of the salaries and wages to be paid to firefighters for the  
11 year involved, whichever is greater, plus (2) an annual amount  
12 sufficient to bring the total assets of the pension fund up to  
13 90% of the total actuarial liabilities of the pension fund by  
14 the end of municipal fiscal year 2040, as annually updated and  
15 determined by an enrolled actuary employed by the Illinois  
16 Department of Insurance or by an enrolled actuary retained by  
17 the pension fund or the municipality, minus (3) any  
18 anticipated State contributions from the Local Government  
19 Retirement Fund for the year involved. In making these  
20 determinations, the required minimum employer contribution  
21 shall be calculated each year as a level percentage of payroll  
22 over the years remaining up to and including fiscal year 2040  
23 and shall be determined under the projected unit credit  
24 actuarial cost method. The amount to be applied towards the  
25 amortization of the unfunded accrued liability in any year  
26 shall not be less than the annual amount required to amortize

1 the unfunded accrued liability, including interest, as a level  
2 percentage of payroll over the number of years remaining in  
3 the 40-year amortization period.

4 (a-1) Beginning in State fiscal year 2024, the city  
5 council or the board of trustees of the municipality shall  
6 certify to the Governor the amount of (1) the normal cost of  
7 the pension fund, or 17.5% of the salaries and wages to be paid  
8 to firefighters for the year involved, whichever is greater,  
9 plus (2) an annual amount sufficient to bring the total assets  
10 of the pension fund up to 90% of the total actuarial  
11 liabilities of the pension fund by the end of municipal fiscal  
12 year 2040, as annually updated and determined by an enrolled  
13 actuary employed by the Department of Insurance or by an  
14 enrolled actuary retained by the pension fund or the  
15 municipality.

16 (a-2) A municipality that has established a pension fund  
17 under this Article and that employs a full-time firefighter,  
18 as defined in Section 4-106, shall be deemed a primary  
19 employer with respect to that full-time firefighter. Any  
20 municipality of 5,000 or more inhabitants that employs or  
21 enrolls a firefighter while that firefighter continues to earn  
22 service credit as a participant in a primary employer's  
23 pension fund under this Article shall be deemed a secondary  
24 employer and such employees shall be deemed to be secondary  
25 employee firefighters. To ensure that the primary employer's  
26 pension fund under this Article is aware of additional

1 liabilities and risks to which firefighters are exposed when  
2 performing work as firefighters for secondary employers, a  
3 secondary employer shall annually prepare a report accounting  
4 for all hours worked by and wages and salaries paid to the  
5 secondary employee firefighters it receives services from or  
6 employs for each fiscal year in which such firefighters are  
7 employed and transmit a certified copy of that report to the  
8 primary employer's pension fund, the Department of Insurance,  
9 and the secondary employee firefighter no later than 30 days  
10 after the end of any fiscal year in which wages were paid to  
11 the secondary employee firefighters.

12 Nothing in this Section shall be construed to allow a  
13 secondary employee to qualify for benefits or creditable  
14 service for employment as a firefighter for a secondary  
15 employer.

16 (a-5) For purposes of determining the required employer  
17 contribution to a pension fund, the value of the pension  
18 fund's assets shall be equal to the actuarial value of the  
19 pension fund's assets, which shall be calculated as follows:

20 (1) On March 30, 2011, the actuarial value of a  
21 pension fund's assets shall be equal to the market value  
22 of the assets as of that date.

23 (2) In determining the actuarial value of the pension  
24 fund's assets for fiscal years after March 30, 2011, any  
25 actuarial gains or losses from investment return incurred  
26 in a fiscal year shall be recognized in equal annual



1 amounts over the 5-year period following that fiscal year.

2 (b) The tax shall be levied and collected in the same  
3 manner as the general taxes of the municipality, and shall be  
4 in addition to all other taxes now or hereafter authorized to  
5 be levied upon all property within the municipality, and in  
6 addition to the amount authorized to be levied for general  
7 purposes, under Section 8-3-1 of the Illinois Municipal Code  
8 or under Section 14 of the Fire Protection District Act. The  
9 tax shall be forwarded directly to the treasurer of the board  
10 within 30 business days of receipt by the county (or, in the  
11 case of amounts added to the tax levy under subsection (f),  
12 used by the municipality to pay the employer contributions  
13 required under subsection (b-1) of Section 15-155 of this  
14 Code).

15 (b-5) If a participating municipality fails to transmit to  
16 the fund contributions required of it under this Article for  
17 more than 90 days after the payment of those contributions is  
18 due, the fund may, after giving notice to the municipality,  
19 certify to the State Comptroller the amounts of the delinquent  
20 payments in accordance with any applicable rules of the  
21 Comptroller, and the Comptroller must, beginning in fiscal  
22 year 2016, deduct and remit to the fund the certified amounts  
23 or a portion of those amounts from the following proportions  
24 of payments of State funds to the municipality:

25 (1) in fiscal year 2016, one-third of the total amount  
26 of any payments of State funds to the municipality;

1           (2) in fiscal year 2017, two-thirds of the total  
2 amount of any payments of State funds to the municipality;  
3 and

4           (3) in fiscal year 2018 and each fiscal year  
5 thereafter, the total amount of any payments of State  
6 funds to the municipality.

7           The State Comptroller may not deduct from any payments of  
8 State funds to the municipality more than the amount of  
9 delinquent payments certified to the State Comptroller by the  
10 fund.

11           (c) The board shall make available to the membership and  
12 the general public for inspection and copying at reasonable  
13 times the most recent Actuarial Valuation Balance Sheet and  
14 Tax Levy Requirement issued to the fund by the Department of  
15 Insurance.

16           (d) The firefighters' pension fund shall consist of the  
17 following moneys which shall be set apart by the treasurer of  
18 the municipality: (1) all moneys derived from the taxes levied  
19 hereunder; (2) contributions by firefighters as provided under  
20 Section 4-118.1; (2.5) all moneys received from the  
21 Firefighters' Pension Investment Fund as provided in Article  
22 22C of this Code; (3) all rewards in money, fees, gifts, and  
23 emoluments that may be paid or given for or on account of  
24 extraordinary service by the fire department or any member  
25 thereof, except when allowed to be retained by competitive  
26 awards; and (4) any money, real estate or personal property

1 received by the board.

2 (e) For the purposes of this Section, "enrolled actuary"  
3 means an actuary: (1) who is a member of the Society of  
4 Actuaries or the American Academy of Actuaries; and (2) who is  
5 enrolled under Subtitle C of Title III of the Employee  
6 Retirement Income Security Act of 1974, or who has been  
7 engaged in providing actuarial services to one or more public  
8 retirement systems for a period of at least 3 years as of July  
9 1, 1983.

10 (f) The corporate authorities of a municipality that  
11 employs a person who is described in subdivision (d) of  
12 Section 4-106 may add to the tax levy otherwise provided for in  
13 this Section an amount equal to the projected cost of the  
14 employer contributions required to be paid by the municipality  
15 to the State Universities Retirement System under subsection  
16 (b-1) of Section 15-155 of this Code.

17 (g) The Commission on Government Forecasting and  
18 Accountability shall conduct a study of all funds established  
19 under this Article and shall report its findings to the  
20 General Assembly on or before January 1, 2013. To the fullest  
21 extent possible, the study shall include, but not be limited  
22 to, the following:

23 (1) fund balances;

24 (2) historical employer contribution rates for each  
25 fund;

26 (3) the actuarial formulas used as a basis for

1 employer contributions, including the actual assumed rate  
2 of return for each year, for each fund;

3 (4) available contribution funding sources;

4 (5) the impact of any revenue limitations caused by  
5 PTELL and employer home rule or non-home rule status; and

6 (6) existing statutory funding compliance procedures  
7 and funding enforcement mechanisms for all municipal  
8 pension funds.

9 (Source: P.A. 101-522, eff. 8-23-19; 101-610, eff. 1-1-20;  
10 102-59, eff. 7-9-21; 102-558, eff. 8-20-21.)

11 (40 ILCS 5/4-138.15 new)

12 Sec. 4-138.15. Application of this amendatory Act of the  
13 103rd General Assembly. It is the intent of this amendatory  
14 Act of the 103rd General Assembly to provide to firefighters  
15 who first became firefighters on or after January 1, 2011 the  
16 same level of benefits and eligibility criteria for benefits  
17 as those who first became firefighters before January 1, 2011.  
18 The changes made to this Article by this amendatory Act of the  
19 103rd General Assembly that provide benefit increases for  
20 firefighters apply without regard to whether the firefighter  
21 was in service on or after the effective date of this  
22 amendatory Act of the 103rd General Assembly, notwithstanding  
23 the provisions of Section 1-103.1. The benefit increases are  
24 intended to apply prospectively and do not entitle a  
25 firefighter to retroactive benefit payments or increases. The

1 changes made to this Article by this amendatory Act of the  
2 103rd General Assembly shall not cause or otherwise result in  
3 any retroactive adjustment of any employee contributions.

4 (40 ILCS 5/5-155) (from Ch. 108 1/2, par. 5-155)

5 Sec. 5-155. Ordinary disability benefit. A policeman less  
6 than age 63 who becomes disabled after the effective date as  
7 the result of any cause other than injury incurred in the  
8 performance of an act of duty, shall receive ordinary  
9 disability benefit during any period or periods of disability  
10 exceeding 30 days, for which he does not have a right to  
11 receive any part of his salary. Payment of such benefit shall  
12 not exceed, in the aggregate, throughout the total service of  
13 the policeman, a period equal to one-fourth of the service  
14 rendered to the city prior to the time he became disabled, nor  
15 more than 5 years. In computing such period of service, the  
16 time that the policeman received ordinary disability benefit  
17 shall not be included.

18 When a disabled policeman becomes age 63 or would have  
19 been retired by operation of law, whichever is later, the  
20 disability benefit shall cease. The policeman, if still  
21 disabled, shall thereafter receive such annuity as is provided  
22 in accordance with other provisions of this Article.

23 Ordinary disability benefit shall be 50% of the  
24 policeman's salary, as salary is defined in this Article  
25 ~~(including the limitation in Section 5-238 if applicable), at~~

1 the time disability occurs. Until September 1, 1969, before  
2 any payment, an amount equal to the sum ordinarily deducted  
3 from the policeman's salary for all annuity purposes for the  
4 period for which payment of ordinary disability benefit is  
5 made shall be deducted from such payment and credited as a  
6 deduction from salary for such period. Beginning September 1,  
7 1969, the city shall also contribute all amounts ordinarily  
8 contributed by it for annuity purposes for the policeman as if  
9 he were in active discharge of his duties. Such sums so  
10 credited shall be regarded, for annuity and refund purposes,  
11 as sums contributed by the policeman.

12 (Source: P.A. 99-905, eff. 11-29-16.)

13 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

14 Sec. 5-167.1. Automatic increase in annuity; retirement  
15 from service after September 1, 1967.

16 (a) A policeman who retires from service after September  
17 1, 1967 with at least 20 years of service credit shall, upon  
18 either the first of the month following the first anniversary  
19 of his date of retirement if he is age 60 (age 55 if born  
20 before January 1, 1966) or over on that anniversary date, or  
21 upon the first of the month following his attainment of age 60  
22 (age 55 if born before January 1, 1966) if it occurs after the  
23 first anniversary of his retirement date, have his then fixed  
24 and payable monthly annuity increased by 1 1/2% and such first  
25 fixed annuity as granted at retirement increased by an

1 additional 1 1/2% in January of each year thereafter up to a  
2 maximum increase of 30%. Beginning January 1, 1983 for  
3 policemen born before January 1, 1930, and beginning January  
4 1, 1988 for policemen born on or after January 1, 1930 but  
5 before January 1, 1940, and beginning January 1, 1996 for  
6 policemen born on or after January 1, 1940 but before January  
7 1, 1945, and beginning January 1, 2000 for policemen born on or  
8 after January 1, 1945 but before January 1, 1950, and  
9 beginning January 1, 2005 for policemen born on or after  
10 January 1, 1950 but before January 1, 1955, and beginning  
11 January 1, 2017 for policemen born on or after January 1, 1955  
12 but before January 1, 1966, such increases shall be 3% and such  
13 policemen shall not be subject to the 30% maximum increase.

14 Any policeman born before January 1, 1945 who qualifies  
15 for a minimum annuity and retires after September 1, 1967 but  
16 has not received the initial increase under this subsection  
17 before January 1, 1996 is entitled to receive the initial  
18 increase under this subsection on (1) January 1, 1996, (2) the  
19 first anniversary of the date of retirement, or (3) attainment  
20 of age 55, whichever occurs last. The changes to this Section  
21 made by Public Act 89-12 apply beginning January 1, 1996 and  
22 without regard to whether the policeman or annuitant  
23 terminated service before the effective date of that Act.

24 Any policeman born before January 1, 1950 who qualifies  
25 for a minimum annuity and retires after September 1, 1967 but  
26 has not received the initial increase under this subsection

1 before January 1, 2000 is entitled to receive the initial  
2 increase under this subsection on (1) January 1, 2000, (2) the  
3 first anniversary of the date of retirement, or (3) attainment  
4 of age 55, whichever occurs last. The changes to this Section  
5 made by this amendatory Act of the 92nd General Assembly apply  
6 without regard to whether the policeman or annuitant  
7 terminated service before the effective date of this  
8 amendatory Act.

9 Any policeman born before January 1, 1955 who qualifies  
10 for a minimum annuity and retires after September 1, 1967 but  
11 has not received the initial increase under this subsection  
12 before January 1, 2005 is entitled to receive the initial  
13 increase under this subsection on (1) January 1, 2005, (2) the  
14 first anniversary of the date of retirement, or (3) attainment  
15 of age 55, whichever occurs last. The changes to this Section  
16 made by this amendatory Act of the 94th General Assembly apply  
17 without regard to whether the policeman or annuitant  
18 terminated service before the effective date of this  
19 amendatory Act.

20 Any policeman born before January 1, 1966 who qualifies  
21 for a minimum annuity and retires after September 1, 1967 but  
22 has not received the initial increase under this subsection  
23 before January 1, 2017 is entitled to receive an initial  
24 increase under this subsection on (1) January 1, 2017, (2) the  
25 first anniversary of the date of retirement, or (3) attainment  
26 of age 55, whichever occurs last, in an amount equal to 3% for



1 each complete year following the date of retirement or  
2 attainment of age 55, whichever occurs later. The changes to  
3 this subsection made by this amendatory Act of the 99th  
4 General Assembly apply without regard to whether the policeman  
5 or annuitant terminated service before the effective date of  
6 this amendatory Act.

7 (b) Subsection (a) of this Section is not applicable to an  
8 employee receiving a term annuity.

9 (c) To help defray the cost of such increases in annuity,  
10 there shall be deducted, beginning September 1, 1967, from  
11 each payment of salary to a policeman, 1/2 of 1% of each salary  
12 payment concurrently with and in addition to the salary  
13 deductions otherwise made for annuity purposes.

14 The city, in addition to the contributions otherwise made  
15 by it for annuity purposes under other provisions of this  
16 Article, shall make matching contributions concurrently with  
17 such salary deductions.

18 Each such 1/2 of 1% deduction from salary and each such  
19 contribution by the city of 1/2 of 1% of salary shall be  
20 credited to the Automatic Increase Reserve, to be used to  
21 defray the cost of the annuity increase provided by this  
22 Section. Any balance in such reserve as of the beginning of  
23 each calendar year shall be credited with interest at the rate  
24 of 3% per annum.

25 Such deductions from salary and city contributions shall  
26 continue while the policeman is in service.

1           The salary deductions provided in this Section are not  
2 subject to refund, except to the policeman himself, in any  
3 case in which: (i) the policeman withdraws prior to  
4 qualification for minimum annuity ~~or Tier 2 monthly retirement~~  
5 ~~annuity~~ and applies for refund, (ii) the policeman applies for  
6 an annuity of a type that is not subject to annual increases  
7 under this Section, or (iii) a term annuity becomes payable.  
8 In such cases, the total of such salary deductions shall be  
9 refunded to the policeman, without interest, and charged to  
10 the Automatic Increase Reserve.

11           (d) Notwithstanding any other provision of this Article,  
12 the Tier 2 monthly retirement annuity of a person who first  
13 becomes a policeman under this Article on or after the  
14 effective date of this amendatory Act of the 97th General  
15 Assembly shall be increased on the January 1 occurring either  
16 on or after (i) the attainment of age 60 or (ii) the first  
17 anniversary of the annuity start date, whichever is later;  
18 except that, beginning on the effective date of this  
19 amendatory Act of the 103rd General Assembly, eligibility for  
20 and the amount of the automatic increase in the monthly  
21 pension of such a person shall be calculated as otherwise  
22 provided in this Section. Each annual increase shall be  
23 calculated at 3% or one-half the annual unadjusted percentage  
24 increase (but not less than zero) in the consumer price  
25 index-u for the 12 months ending with the September preceding  
26 each November 1, whichever is less, of the originally granted

1 retirement annuity. If the annual unadjusted percentage change  
2 in the consumer price index-u for a 12-month period ending in  
3 September is zero or, when compared with the preceding period,  
4 decreases, then the annuity shall not be increased.

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

14 (Source: P.A. 99-905, eff. 11-29-16.)

15 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

16 Sec. 5-168. Financing.

17 (a) Except as expressly provided in this Section, the city  
18 shall levy a tax annually upon all taxable property therein  
19 for the purpose of providing revenue for the fund.

20 The tax shall be at a rate that will produce a sum which,  
21 when added to the amounts deducted from the policemen's  
22 salaries and the amounts deposited in accordance with  
23 subsection (g), is sufficient for the purposes of the fund.

24 For the years 1968 and 1969, the city council shall levy a  
25 tax annually at a rate on the dollar of the assessed valuation

1 of all taxable property that will produce, when extended, not  
2 to exceed \$9,700,000. Beginning with the year 1970 and through  
3 2014, the city council shall levy a tax annually at a rate on  
4 the dollar of the assessed valuation of all taxable property  
5 that will produce when extended an amount not to exceed the  
6 total amount of contributions by the policemen to the Fund  
7 made in the calendar year 2 years before the year for which the  
8 applicable annual tax is levied, multiplied by 1.40 for the  
9 tax levy year 1970; by 1.50 for the year 1971; by 1.65 for  
10 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975  
11 through 1981; by 2.00 for 1982 and for each tax levy year  
12 through 2014. Beginning in tax levy year 2015, the city  
13 council shall levy a tax annually at a rate on the dollar of  
14 the assessed valuation of all taxable property that will  
15 produce when extended an annual amount that is equal to no less  
16 than the amount of the city's contribution in each of the  
17 following payment years: for 2016, \$420,000,000; for 2017,  
18 \$464,000,000; for 2018, \$500,000,000; for 2019, \$557,000,000;  
19 for 2020, \$579,000,000.

20 Beginning in tax levy year 2020 and until levy year 2024,  
21 the city council shall levy a tax annually at a rate on the  
22 dollar of the assessed valuation of all taxable property that  
23 will produce when extended an annual amount that is equal to no  
24 less than (1) the normal cost to the Fund, plus (2) an annual  
25 amount sufficient to bring the total assets of the Fund up to  
26 90% of the total actuarial liabilities of the Fund by the end

1 of fiscal year 2055, as annually updated and determined by an  
2 enrolled actuary employed by the Illinois Department of  
3 Insurance or by an enrolled actuary retained by the Fund.  
4 Beginning in tax levy year 2024, the city council shall levy a  
5 tax annually at a rate on the dollar of the assessed valuation  
6 of all taxable property that will produce when extended an  
7 annual amount that is equal to no less than (1) the normal cost  
8 to the Fund, plus (2) an annual amount sufficient to bring the  
9 total assets of the Fund up to 90% of the total actuarial  
10 liabilities of the Fund by the end of fiscal year 2055, as  
11 annually updated and determined by an enrolled actuary  
12 employed by the Department of Insurance or by an enrolled  
13 actuary retained by the Fund, minus (3) the amount of the  
14 anticipated State contribution from the Local Government  
15 Retirement Fund for the payment year. In making these  
16 determinations, the required minimum employer contribution  
17 shall be calculated each year as a level percentage of payroll  
18 over the years remaining up to and including fiscal year 2055  
19 and shall be determined under the entry age normal actuarial  
20 cost method.

21 Beginning in payment year 2056, the city's total required  
22 contribution in that year and each year thereafter shall be an  
23 annual amount that is equal to no less than (1) the normal cost  
24 of the Fund, plus (2) the annual amount determined by an  
25 enrolled actuary employed by the Illinois Department of  
26 Insurance or by an enrolled actuary retained by the Fund to be

1 equal to the amount, if any, needed to bring the total  
2 actuarial assets of the Fund up to 90% of the total actuarial  
3 liabilities of the Fund as of the end of the year, utilizing  
4 the entry age normal cost method as provided above.

5 For the purposes of this subsection (a), contributions by  
6 the policeman to the Fund shall not include payments made by a  
7 policeman to establish credit under Section 5-214.2 of this  
8 Code.

9 (a-1) Beginning in State fiscal year 2024, the city  
10 council shall annually certify to the Governor the amount of  
11 (1) the normal cost to the Fund, plus (2) an annual amount  
12 sufficient to bring the total assets of the Fund up to 90% of  
13 the total actuarial liabilities of the Fund by the end of  
14 fiscal year 2055, as annually updated and determined by an  
15 enrolled actuary employed by the Department of Insurance or by  
16 an enrolled actuary retained by the Fund.

17 (a-5) For purposes of determining the required employer  
18 contribution to the Fund, the value of the Fund's assets shall  
19 be equal to the actuarial value of the Fund's assets, which  
20 shall be calculated as follows:

21 (1) On March 30, 2011, the actuarial value of the  
22 Fund's assets shall be equal to the market value of the  
23 assets as of that date.

24 (2) In determining the actuarial value of the Fund's  
25 assets for fiscal years after March 30, 2011, any  
26 actuarial gains or losses from investment return incurred

1 in a fiscal year shall be recognized in equal annual  
2 amounts over the 5-year period following that fiscal year.

3 (a-7) If the city fails to transmit to the Fund  
4 contributions required of it under this Article for more than  
5 90 days after the payment of those contributions is due, the  
6 Fund shall, after giving notice to the city, certify to the  
7 State Comptroller the amounts of the delinquent payments, and  
8 the Comptroller must, beginning in fiscal year 2016, deduct  
9 and deposit into the Fund the certified amounts or a portion of  
10 those amounts from the following proportions of grants of  
11 State funds to the city:

12 (1) in fiscal year 2016, one-third of the total amount  
13 of any grants of State funds to the city;

14 (2) in fiscal year 2017, two-thirds of the total  
15 amount of any grants of State funds to the city; and

16 (3) in fiscal year 2018 and each fiscal year  
17 thereafter, the total amount of any grants of State funds  
18 to the city.

19 The State Comptroller may not deduct from any grants of  
20 State funds to the city more than the amount of delinquent  
21 payments certified to the State Comptroller by the Fund.

22 (b) The tax shall be levied and collected in like manner  
23 with the general taxes of the city, and is in addition to all  
24 other taxes which the city is now or may hereafter be  
25 authorized to levy upon all taxable property therein, and is  
26 exclusive of and in addition to the amount of tax the city is

1 now or may hereafter be authorized to levy for general  
2 purposes under any law which may limit the amount of tax which  
3 the city may levy for general purposes. The county clerk of the  
4 county in which the city is located, in reducing tax levies  
5 under Section 8-3-1 of the Illinois Municipal Code, shall not  
6 consider the tax herein authorized as a part of the general tax  
7 levy for city purposes, and shall not include the tax in any  
8 limitation of the percent of the assessed valuation upon which  
9 taxes are required to be extended for the city.

10 (c) On or before January 10 of each year, the board shall  
11 notify the city council of the requirement that the tax herein  
12 authorized be levied by the city council for that current  
13 year. The board shall compute the amounts necessary for the  
14 purposes of this fund to be credited to the reserves  
15 established and maintained within the fund; shall make an  
16 annual determination of the amount of the required city  
17 contributions; and shall certify the results thereof to the  
18 city council.

19 As soon as any revenue derived from the tax is collected it  
20 shall be paid to the city treasurer of the city and shall be  
21 held by him for the benefit of the fund in accordance with this  
22 Article.

23 (d) If the funds available are insufficient during any  
24 year to meet the requirements of this Article, the city may  
25 issue tax anticipation warrants against the tax levy for the  
26 current fiscal year.



1           (e) The various sums, including interest, to be  
2 contributed by the city, shall be taken from the revenue  
3 derived from such tax or otherwise as expressly provided in  
4 this Section. Any moneys of the city derived from any source  
5 other than the tax herein authorized shall not be used for any  
6 purpose of the fund nor the cost of administration thereof,  
7 unless applied to make the deposit expressly authorized in  
8 this Section or the additional city contributions required  
9 under subsection (h).

10           (f) If it is not possible or practicable for the city to  
11 make its contributions at the time that salary deductions are  
12 made, the city shall make such contributions as soon as  
13 possible thereafter, with interest thereon to the time it is  
14 made.

15           (g) In lieu of levying all or a portion of the tax required  
16 under this Section in any year, the city may deposit with the  
17 city treasurer no later than March 1 of that year for the  
18 benefit of the fund, to be held in accordance with this  
19 Article, an amount that, together with the taxes levied under  
20 this Section for that year, is not less than the amount of the  
21 city contributions for that year as certified by the board to  
22 the city council. The deposit may be derived from any source  
23 legally available for that purpose, including, but not limited  
24 to, the proceeds of city borrowings and State contributions.  
25 The making of a deposit shall satisfy fully the requirements  
26 of this Section for that year to the extent of the amounts so

1 deposited. Amounts deposited under this subsection may be used  
2 by the fund for any of the purposes for which the proceeds of  
3 the tax levied under this Section may be used, including the  
4 payment of any amount that is otherwise required by this  
5 Article to be paid from the proceeds of that tax.

6 (h) In addition to the contributions required under the  
7 other provisions of this Article, by November 1 of the  
8 following specified years, the city shall deposit with the  
9 city treasurer for the benefit of the fund, to be held and used  
10 in accordance with this Article, the following specified  
11 amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in  
12 2001; \$5,040,000 in 2002; and \$4,620,000 in 2003.

13 The additional city contributions required under this  
14 subsection are intended to decrease the unfunded liability of  
15 the fund and shall not decrease the amount of the city  
16 contributions required under the other provisions of this  
17 Article. The additional city contributions made under this  
18 subsection may be used by the fund for any of its lawful  
19 purposes.

20 (i) Any proceeds received by the city in relation to the  
21 operation of a casino or casinos within the city shall be  
22 expended by the city for payment to the Policemen's Annuity  
23 and Benefit Fund of Chicago to satisfy the city contribution  
24 obligation in any year.

25 (Source: P.A. 99-506, eff. 5-30-16.)

1 (40 ILCS 5/5-169) (from Ch. 108 1/2, par. 5-169)

2 Sec. 5-169. Contributions for age and service annuities or  
3 Tier 2 monthly retirement annuities for present employees and  
4 future entrants.

5 (a) Beginning on the effective date and before January 1,  
6 1954, 3 1/2% per annum (except that beginning July 1, 1939 and  
7 before January 1, 1954 for a future entrant, 4%) and beginning  
8 January 1, 1954 and before August 1, 1957, 6%, and beginning  
9 August 1, 1957, 7% of each payment of the salary of each  
10 present employee and future entrant shall be deducted and  
11 contributed to the fund for age and service annuity ~~or Tier 2~~  
12 ~~monthly retirement annuity~~. The deductions shall be made from  
13 each payment of salary and shall continue while the employee  
14 is in service.

15 Any policeman whose employment has been transferred to the  
16 police service of the city as a result of the Chicago Park and  
17 City Exchange of Functions Act ~~"An Act in relation to or~~  
18 ~~exchange of certain functions, property and personnel among~~  
19 ~~cities, and park districts having co extensive geographic~~  
20 ~~areas and populations in excess of 500,000", approved July 5,~~  
21 ~~1957, as now and hereafter amended,~~ shall also contribute a  
22 sum equal to 2% of the total salary received by him in his  
23 employment between August 1, 1957 to July 17, 1959, with the  
24 park district from which he has been transferred together with  
25 interest on the unpaid contributions of 4% per annum from July  
26 17, 1959 to the date such payments are made. Such additional

1 sum may be paid at any time before the time such policeman  
2 enters into age and service annuity.

3 Concurrently with each such deduction, beginning on the  
4 effective date and prior to January 1, 1954, 8 1/2% (except for  
5 a future entrant beginning on July 1, 1939, 9 5/7%) and  
6 beginning January 1, 1954, 9 5/7% of each payment of salary  
7 shall be contributed by the city, but in the case of a future  
8 entrant who attains age 63 prior to January 1, 1988 while still  
9 in service, no contributions shall be made for the period  
10 between the date the employee attains age 63 and January 1,  
11 1988.

12 (b) Each deduction from salary made prior to the date the  
13 age and service annuity for the employee is fixed, and each  
14 contribution by the city, shall be credited to the employee  
15 and be improved by interest for a present employee during the  
16 time he is in service until age and service annuity is fixed,  
17 and, for a future entrant, during the time he is in service.  
18 The sum accumulated shall be used to provide age and service  
19 annuity for the employee.

20 Beginning September 1, 1967, the deductions from salary  
21 provided in Section 5-167.1 shall also be made.

22 (Source: P.A. 99-905, eff. 11-29-16.)

23 (40 ILCS 5/5-239 new)

24 Sec. 5-239. Application of this amendatory Act of the  
25 103rd General Assembly. It is the intent of this amendatory

1 Act of the 103rd General Assembly to provide to policemen who  
2 first became policemen on or after January 1, 2011 the same  
3 level of benefits and eligibility criteria for benefits as  
4 those who first became policemen before January 1, 2011. The  
5 changes made to this Article by this amendatory Act of the  
6 103rd General Assembly that provide benefit increases for  
7 policemen apply without regard to whether the policeman was in  
8 service on or after the effective date of this amendatory Act  
9 of the 103rd General Assembly, notwithstanding the provisions  
10 of Section 1-103.1. The benefit increases are intended to  
11 apply prospectively and do not entitle a policeman to  
12 retroactive benefit payments or increases. The changes made to  
13 this Article by this amendatory Act of the 103rd General  
14 Assembly shall not cause or otherwise result in any  
15 retroactive adjustment of any employee contributions.

16 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

17 Sec. 6-165. Financing; tax.

18 (a) Except as expressly provided in this Section, each  
19 city shall levy a tax annually upon all taxable property  
20 therein for the purpose of providing revenue for the fund. For  
21 the years prior to the year 1960, the tax rate shall be as  
22 provided for in the "Firemen's Annuity and Benefit Fund of the  
23 Illinois Municipal Code". The tax, from and after January 1,  
24 1968 to and including the year 1971, shall not exceed .0863% of  
25 the value, as equalized or assessed by the Department of

1 Revenue, of all taxable property in the city. Beginning with  
2 the year 1972 and through 2014, the city shall levy a tax  
3 annually at a rate on the dollar of the value, as equalized or  
4 assessed by the Department of Revenue of all taxable property  
5 within such city that will produce, when extended, not to  
6 exceed an amount equal to the total amount of contributions by  
7 the employees to the fund made in the calendar year 2 years  
8 prior to the year for which the annual applicable tax is  
9 levied, multiplied by 2.23 through the calendar year 1981, and  
10 by 2.26 for the year 1982 and for each tax levy year through  
11 2014. Beginning in tax levy year 2015, the city council shall  
12 levy a tax annually at a rate on the dollar of the assessed  
13 valuation of all taxable property that will produce when  
14 extended an annual amount that is equal to no less than the  
15 amount of the city's contribution in each of the following  
16 payment years: for 2016, \$199,000,000; for 2017, \$208,000,000;  
17 for 2018, \$227,000,000; for 2019, \$235,000,000; for 2020,  
18 \$245,000,000.

19 Beginning in tax levy year 2020 and until tax levy year  
20 2024, the city council shall levy a tax annually at a rate on  
21 the dollar of the assessed valuation of all taxable property  
22 that will produce when extended an annual amount that is equal  
23 to no less than (1) the normal cost to the Fund, plus (2) an  
24 annual amount sufficient to bring the total assets of the Fund  
25 up to 90% of the total actuarial liabilities of the Fund by the  
26 end of fiscal year 2055, as annually updated and determined by

1 an enrolled actuary employed by the Illinois Department of  
2 Insurance or by an enrolled actuary retained by the Fund or the  
3 city. Beginning in tax levy year 2024, the city council shall  
4 levy a tax annually at a rate on the dollar of the assessed  
5 valuation of all taxable property that will produce when  
6 extended an annual amount that is equal to no less than (1) the  
7 normal cost to the Fund, plus (2) an annual amount sufficient  
8 to bring the total assets of the Fund up to 90% of the total  
9 actuarial liabilities of the Fund by the end of fiscal year  
10 2055, as annually updated and determined by an enrolled  
11 actuary employed by the Department of Insurance or by an  
12 enrolled actuary retained by the Fund or the city, minus (3)  
13 the amount of the anticipated State contribution from the  
14 Local Government Retirement Fund for the payment year. In  
15 making these determinations, the required minimum employer  
16 contribution shall be calculated each year as a level  
17 percentage of payroll over the years remaining up to and  
18 including fiscal year 2055 and shall be determined under the  
19 entry age normal actuarial cost method. Beginning in payment  
20 year 2056, the city's required contribution in that year and  
21 for each year thereafter shall be an annual amount that is  
22 equal to no less than (1) the normal cost to the Fund, plus (2)  
23 the annual amount determined by an enrolled actuary employed  
24 by the Illinois Department of Insurance or by an enrolled  
25 actuary retained by the Fund to be equal to the amount, if any,  
26 needed to bring the total actuarial assets of the Fund up to

1 90% of the total actuarial liabilities of the Fund as of the  
2 end of the year, utilizing the entry age normal actuarial cost  
3 method as provided above.

4 To provide revenue for the ordinary death benefit  
5 established by Section 6-150 of this Article, in addition to  
6 the contributions by the firemen for this purpose, the city  
7 council shall for the year 1962 and each year thereafter  
8 annually levy a tax, which shall be in addition to and  
9 exclusive of the taxes authorized to be levied under the  
10 foregoing provisions of this Section, upon all taxable  
11 property in the city, as equalized or assessed by the  
12 Department of Revenue, at such rate per cent of the value of  
13 such property as shall be sufficient to produce for each year  
14 the sum of \$142,000.

15 The amounts produced by the taxes levied annually,  
16 together with the deposit expressly authorized in this Section  
17 and any State contributions, shall be sufficient, when added  
18 to the amounts deducted from the salaries of firemen and  
19 applied to the fund, to provide for the purposes of the fund.

20 (a-1) Beginning in State fiscal year 2024, the city  
21 council shall annually certify to the Governor the amount of  
22 (1) the normal cost to the Fund, plus (2) an annual amount  
23 sufficient to bring the total assets of the Fund up to 90% of  
24 the total actuarial liabilities of the Fund by the end of  
25 fiscal year 2055, as annually updated and determined by an  
26 enrolled actuary employed by the Department of Insurance or by



1 an enrolled actuary retained by the Fund.

2 (a-5) For purposes of determining the required employer  
3 contribution to the Fund, the value of the Fund's assets shall  
4 be equal to the actuarial value of the Fund's assets, which  
5 shall be calculated as follows:

6 (1) On March 30, 2011, the actuarial value of the  
7 Fund's assets shall be equal to the market value of the  
8 assets as of that date.

9 (2) In determining the actuarial value of the Fund's  
10 assets for fiscal years after March 30, 2011, any  
11 actuarial gains or losses from investment return incurred  
12 in a fiscal year shall be recognized in equal annual  
13 amounts over the 5-year period following that fiscal year.

14 (a-7) If the city fails to transmit to the Fund  
15 contributions required of it under this Article for more than  
16 90 days after the payment of those contributions is due, the  
17 Fund shall, after giving notice to the city, certify to the  
18 State Comptroller the amounts of the delinquent payments, and  
19 the Comptroller must, beginning in fiscal year 2016, deduct  
20 and deposit into the Fund the certified amounts or a portion of  
21 those amounts from the following proportions of grants of  
22 State funds to the city:

23 (1) in fiscal year 2016, one-third of the total amount  
24 of any grants of State funds to the city;

25 (2) in fiscal year 2017, two-thirds of the total  
26 amount of any grants of State funds to the city; and

1           (3) in fiscal year 2018 and each fiscal year  
2           thereafter, the total amount of any grants of State funds  
3           to the city.

4           The State Comptroller may not deduct from any grants of  
5           State funds to the city more than the amount of delinquent  
6           payments certified to the State Comptroller by the Fund.

7           (b) The taxes shall be levied and collected in like manner  
8           with the general taxes of the city, and shall be in addition to  
9           all other taxes which the city may levy upon all taxable  
10          property therein and shall be exclusive of and in addition to  
11          the amount of tax the city may levy for general purposes under  
12          Section 8-3-1 of the Illinois Municipal Code, approved May 29,  
13          1961, as amended, or under any other law or laws which may  
14          limit the amount of tax which the city may levy for general  
15          purposes.

16          (c) The amounts of the taxes to be levied in each year  
17          shall be certified to the city council by the board.

18          (d) As soon as any revenue derived from such taxes is  
19          collected, it shall be paid to the city treasurer and held for  
20          the benefit of the fund, and all such revenue shall be paid  
21          into the fund in accordance with the provisions of this  
22          Article.

23          (e) If the funds available are insufficient during any  
24          year to meet the requirements of this Article, the city may  
25          issue tax anticipation warrants, against the tax levies herein  
26          authorized for the current fiscal year.

1           (f) The various sums, hereinafter stated, including  
2 interest, to be contributed by the city, shall be taken from  
3 the revenue derived from the taxes or otherwise as expressly  
4 provided in this Section. Except for defraying the cost of  
5 administration of the fund during the calendar year in which a  
6 city first attains a population of 500,000 and comes under the  
7 provisions of this Article and the first calendar year  
8 thereafter, any money of the city derived from any source  
9 other than these taxes or the sale of tax anticipation  
10 warrants shall not be used to provide revenue for the fund, nor  
11 to pay any part of the cost of administration thereof, unless  
12 applied to make the deposit expressly authorized in this  
13 Section or the additional city contributions required under  
14 subsection (h).

15           (g) In lieu of levying all or a portion of the tax required  
16 under this Section in any year, the city may deposit with the  
17 city treasurer no later than March 1 of that year for the  
18 benefit of the fund, to be held in accordance with this  
19 Article, an amount that, together with the taxes levied under  
20 this Section for that year, is not less than the amount of the  
21 city contributions for that year as certified by the board to  
22 the city council. The deposit may be derived from any source  
23 legally available for that purpose, including, but not limited  
24 to, the proceeds of city borrowings and State contributions.  
25 The making of a deposit shall satisfy fully the requirements  
26 of this Section for that year to the extent of the amounts so

1 deposited. Amounts deposited under this subsection may be used  
2 by the fund for any of the purposes for which the proceeds of  
3 the taxes levied under this Section may be used, including the  
4 payment of any amount that is otherwise required by this  
5 Article to be paid from the proceeds of those taxes.

6 (h) In addition to the contributions required under the  
7 other provisions of this Article, by November 1 of the  
8 following specified years, the city shall deposit with the  
9 city treasurer for the benefit of the fund, to be held and used  
10 in accordance with this Article, the following specified  
11 amounts: \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in  
12 2001; \$5,040,000 in 2002; and \$4,620,000 in 2003.

13 The additional city contributions required under this  
14 subsection are intended to decrease the unfunded liability of  
15 the fund and shall not decrease the amount of the city  
16 contributions required under the other provisions of this  
17 Article. The additional city contributions made under this  
18 subsection may be used by the fund for any of its lawful  
19 purposes.

20 (i) Any proceeds received by the city in relation to the  
21 operation of a casino or casinos within the city shall be  
22 expended by the city for payment to the Firemen's Annuity and  
23 Benefit Fund of Chicago to satisfy the city contribution  
24 obligation in any year.

25 (Source: P.A. 99-506, eff. 5-30-16.)

1 (40 ILCS 5/6-210) (from Ch. 108 1/2, par. 6-210)

2 Sec. 6-210. Credit allowed for service in police  
3 department. Service rendered by a fireman, as a regularly  
4 appointed and sworn policeman of the city shall be included,  
5 for the purposes of this Article, as if such service were  
6 rendered as a fireman of the city. Salary received by a fireman  
7 for any such service as a policeman shall be considered, for  
8 the purposes of this Article, as salary received as a fireman.  
9 Any annuity payable to a fireman under this Article shall be  
10 reduced by any pension or annuity payable to him from any  
11 policemen's annuity and benefit fund in operation in the city,  
12 ~~and any member entering service after January 1, 2011 shall~~  
13 ~~not be given service credit in this fund for any period of time~~  
14 ~~in which the member is in receipt of retirement benefits from~~  
15 ~~any annuity and benefit fund in operation in the city.~~

16 Any policeman who becomes a fireman, subsequent to July 1,  
17 1935, may contribute to the fund an amount equal to the sum  
18 which would have accumulated to his credit from deductions  
19 from salary for annuity purposes if he had been contributing  
20 to the fund such sums as he contributed for annuity purposes to  
21 the policemen's annuity and benefit fund, and no credit for  
22 periods of service rendered by him in the police department  
23 shall be allowed, under this Article, except as to such  
24 periods for which he made contributions to the policemen's  
25 annuity and benefit fund, provided he has made the payments  
26 required by this Article.

1 (Source: P.A. 96-1466, eff. 8-20-10.)

2 (40 ILCS 5/6-231 new)

3 Sec. 6-231. Application of this amendatory Act of the  
4 103rd General Assembly. It is the intent of this amendatory  
5 Act of the 103rd General Assembly to provide to firemen who  
6 first became firemen on or after January 1, 2011 the same level  
7 of benefits and eligibility criteria for benefits as those who  
8 first became firemen before January 1, 2011. The changes made  
9 to this Article by this amendatory Act of the 103rd General  
10 Assembly that provide benefit increases for firemen apply  
11 without regard to whether the fireman was in service on or  
12 after the effective date of this amendatory Act of the 103rd  
13 General Assembly, notwithstanding the provisions of Section  
14 1-103.1. The benefit increases are intended to apply  
15 prospectively and do not entitle a fireman to retroactive  
16 benefit payments or increases. The changes made to this  
17 Article by this amendatory Act of the 103rd General Assembly  
18 shall not cause or otherwise result in any retroactive  
19 adjustment of any employee contributions.

20 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

21 Sec. 7-142.1. Sheriff's law enforcement employees.

22 (a) In lieu of the retirement annuity provided by  
23 subparagraph 1 of paragraph (a) of Section 7-142:

24 Any sheriff's law enforcement employee who has 20 or more

1 years of service in that capacity and who terminates service  
2 prior to January 1, 1988 shall be entitled at his option to  
3 receive a monthly retirement annuity for his service as a  
4 sheriff's law enforcement employee computed by multiplying 2%  
5 for each year of such service up to 10 years, 2 1/4% for each  
6 year of such service above 10 years and up to 20 years, and 2  
7 1/2% for each year of such service above 20 years, by his  
8 annual final rate of earnings and dividing by 12.

9 Any sheriff's law enforcement employee who has 20 or more  
10 years of service in that capacity and who terminates service  
11 on or after January 1, 1988 and before July 1, 2004 shall be  
12 entitled at his option to receive a monthly retirement annuity  
13 for his service as a sheriff's law enforcement employee  
14 computed by multiplying 2.5% for each year of such service up  
15 to 20 years, 2% for each year of such service above 20 years  
16 and up to 30 years, and 1% for each year of such service above  
17 30 years, by his annual final rate of earnings and dividing by  
18 12.

19 Any sheriff's law enforcement employee who has 20 or more  
20 years of service in that capacity and who terminates service  
21 on or after July 1, 2004 shall be entitled at his or her option  
22 to receive a monthly retirement annuity for service as a  
23 sheriff's law enforcement employee computed by multiplying  
24 2.5% for each year of such service by his annual final rate of  
25 earnings and dividing by 12.

26 If a sheriff's law enforcement employee has service in any

1 other capacity, his retirement annuity for service as a  
2 sheriff's law enforcement employee may be computed under this  
3 Section and the retirement annuity for his other service under  
4 Section 7-142.

5 In no case shall the total monthly retirement annuity for  
6 persons who retire before July 1, 2004 exceed 75% of the  
7 monthly final rate of earnings. In no case shall the total  
8 monthly retirement annuity for persons who retire on or after  
9 July 1, 2004 exceed 80% of the monthly final rate of earnings.

10 (b) Whenever continued group insurance coverage is elected  
11 in accordance with the provisions of Section 367h of the  
12 Illinois Insurance Code, as now or hereafter amended, the  
13 total monthly premium for such continued group insurance  
14 coverage or such portion thereof as is not paid by the  
15 municipality shall, upon request of the person electing such  
16 continued group insurance coverage, be deducted from any  
17 monthly pension benefit otherwise payable to such person  
18 pursuant to this Section, to be remitted by the Fund to the  
19 insurance company or other entity providing the group  
20 insurance coverage.

21 (c) A sheriff's law enforcement employee who began service  
22 in that capacity prior to the effective date of this  
23 amendatory Act of the 97th General Assembly and who has  
24 service in any other capacity may convert up to 10 years of  
25 that service into service as a sheriff's law enforcement  
26 employee by paying to the Fund an amount equal to (1) the



1 additional employee contribution required under Section  
2 7-173.1, plus (2) the additional employer contribution  
3 required under Section 7-172, plus (3) interest on items (1)  
4 and (2) at the prescribed rate from the date of the service to  
5 the date of payment. Application must be received by the Board  
6 while the employee is an active participant in the Fund.  
7 Payment must be received while the member is an active  
8 participant, except that one payment will be permitted after  
9 termination of participation.

10 (d) The changes to subsections (a) and (b) of this Section  
11 made by this amendatory Act of the 94th General Assembly apply  
12 only to persons in service on or after July 1, 2004. In the  
13 case of such a person who begins to receive a retirement  
14 annuity before the effective date of this amendatory Act of  
15 the 94th General Assembly, the annuity shall be recalculated  
16 prospectively to reflect those changes, with the resulting  
17 increase beginning to accrue on the first annuity payment date  
18 following the effective date of this amendatory Act.

19 (e) Any elected county officer who was entitled to receive  
20 a stipend from the State on or after July 1, 2009 and on or  
21 before June 30, 2010 may establish earnings credit for the  
22 amount of stipend not received, if the elected county official  
23 applies in writing to the fund within 6 months after the  
24 effective date of this amendatory Act of the 96th General  
25 Assembly and pays to the fund an amount equal to (i) employee  
26 contributions on the amount of stipend not received, (ii)

1 employer contributions determined by the Board equal to the  
2 employer's normal cost of the benefit on the amount of stipend  
3 not received, plus (iii) interest on items (i) and (ii) at the  
4 actuarially assumed rate.

5 (f) It is the intent of this amendatory Act of the 103rd  
6 General Assembly to provide to sheriff's law enforcement  
7 employees who first became sheriff's law enforcement employees  
8 on or after January 1, 2011 the same level of benefits and  
9 eligibility criteria for benefits as those who first became  
10 sheriff's law enforcement employees before January 1, 2011.  
11 The changes made to this Article by this amendatory Act of the  
12 103rd General Assembly that provide benefit increases for  
13 sheriff's law enforcement employees apply without regard to  
14 whether the sheriff's law enforcement employee was in service  
15 on or after the effective date of this amendatory Act of the  
16 103rd General Assembly, notwithstanding the provisions of  
17 Section 1-103.1. The benefit increases are intended to apply  
18 prospectively and do not entitle a sheriff's law enforcement  
19 employee to retroactive benefit payments or increases. The  
20 changes made to this Article by this amendatory Act of the  
21 103rd General Assembly shall not cause or otherwise result in  
22 any retroactive adjustment of any employee contributions.

23 ~~(f) Notwithstanding any other provision of this Article,~~  
24 ~~the provisions of this subsection (f) apply to a person who~~  
25 ~~first becomes a sheriff's law enforcement employee under this~~  
26 ~~Article on or after January 1, 2011.~~

1 ~~A sheriff's law enforcement employee age 55 or more who~~  
2 ~~has 10 or more years of service in that capacity shall be~~  
3 ~~entitled at his option to receive a monthly retirement annuity~~  
4 ~~for his or her service as a sheriff's law enforcement employee~~  
5 ~~computed by multiplying 2.5% for each year of such service by~~  
6 ~~his or her final rate of earnings.~~

7 ~~The retirement annuity of a sheriff's law enforcement~~  
8 ~~employee who is retiring after attaining age 50 with 10 or more~~  
9 ~~years of creditable service shall be reduced by one half of 1%~~  
10 ~~for each month that the sheriff's law enforcement employee's~~  
11 ~~age is under age 55.~~

12 ~~The maximum retirement annuity under this subsection (f)~~  
13 ~~shall be 75% of final rate of earnings.~~

14 ~~For the purposes of this subsection (f), "final rate of~~  
15 ~~earnings" means the average monthly earnings obtained by~~  
16 ~~dividing the total salary of the sheriff's law enforcement~~  
17 ~~employee during the 96 consecutive months of service within~~  
18 ~~the last 120 months of service in which the total earnings was~~  
19 ~~the highest by the number of months of service in that period.~~

20 ~~Notwithstanding any other provision of this Article,~~  
21 ~~beginning on January 1, 2011, for all purposes under this Code~~  
22 ~~(including without limitation the calculation of benefits and~~  
23 ~~employee contributions), the annual earnings of a sheriff's~~  
24 ~~law enforcement employee to whom this Section applies shall~~  
25 ~~not include overtime and shall not exceed \$106,800; however,~~  
26 ~~that amount shall annually thereafter be increased by the~~

1 ~~lesser of (i) 3% of that amount, including all previous~~  
2 ~~adjustments, or (ii) one-half the annual unadjusted percentage~~  
3 ~~increase (but not less than zero) in the consumer price~~  
4 ~~index u for the 12 months ending with the September preceding~~  
5 ~~each November 1, including all previous adjustments.~~

6 ~~(g) Notwithstanding any other provision of this Article,~~  
7 ~~the monthly annuity of a person who first becomes a sheriff's~~  
8 ~~law enforcement employee under this Article on or after~~  
9 ~~January 1, 2011 shall be increased on the January 1 occurring~~  
10 ~~either on or after the attainment of age 60 or the first~~  
11 ~~anniversary of the annuity start date, whichever is later.~~  
12 ~~Each annual increase shall be calculated at 3% or one-half the~~  
13 ~~annual unadjusted percentage increase (but not less than zero)~~  
14 ~~in the consumer price index u for the 12 months ending with the~~  
15 ~~September preceding each November 1, whichever is less, of the~~  
16 ~~originally granted retirement annuity. If the annual~~  
17 ~~unadjusted percentage change in the consumer price index u for~~  
18 ~~a 12 month period ending in September is zero or, when~~  
19 ~~compared with the preceding period, decreases, then the~~  
20 ~~annuity shall not be increased.~~

21 ~~(h) Notwithstanding any other provision of this Article,~~  
22 ~~for a person who first becomes a sheriff's law enforcement~~  
23 ~~employee under this Article on or after January 1, 2011, the~~  
24 ~~annuity to which the surviving spouse, children, or parents~~  
25 ~~are entitled under this subsection (h) shall be in the amount~~  
26 ~~of 66 2/3% of the sheriff's law enforcement employee's earned~~

1 ~~annuity at the date of death.~~

2 ~~(i) Notwithstanding any other provision of this Article,~~  
3 ~~the monthly annuity of a survivor of a person who first becomes~~  
4 ~~a sheriff's law enforcement employee under this Article on or~~  
5 ~~after January 1, 2011 shall be increased on the January 1 after~~  
6 ~~attainment of age 60 by the recipient of the survivor's~~  
7 ~~annuity and each January 1 thereafter by 3% or one half the~~  
8 ~~annual unadjusted percentage increase in the consumer price~~  
9 ~~index u for the 12 months ending with the September preceding~~  
10 ~~each November 1, whichever is less, of the originally granted~~  
11 ~~pension. If the annual unadjusted percentage change in the~~  
12 ~~consumer price index u for a 12-month period ending in~~  
13 ~~September is zero or, when compared with the preceding period,~~  
14 ~~decreases, then the annuity shall not be increased.~~

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

24 (Source: P.A. 100-148, eff. 8-18-17.)

25 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

1           Sec. 7-171. Finance; taxes.

2           (a) Each municipality other than a school district shall  
3 appropriate an amount sufficient to provide for the current  
4 municipality contributions required by Section 7-172 of this  
5 Article, for the fiscal year for which the appropriation is  
6 made and all amounts due for municipal contributions for  
7 previous years. Those municipalities which have been assessed  
8 an annual amount to amortize its unfunded obligation, as  
9 provided in subparagraph 4 of paragraph (a) of Section 7-172  
10 of this Article, shall include in the appropriation an amount  
11 sufficient to pay the amount assessed. The appropriation shall  
12 be based upon an estimate of assets available for municipality  
13 contributions and liabilities therefor for the fiscal year for  
14 which appropriations are to be made, including funds available  
15 from levies for this purpose in prior years.

16           (b) For the purpose of providing monies for municipality  
17 contributions, beginning for the year in which a municipality  
18 is included in this fund:

19           (1) A municipality other than a school district may  
20 levy a tax which shall not exceed the amount appropriated  
21 for municipality contributions minus the amount of the  
22 anticipated State contribution from the Local Government  
23 Retirement Fund to the municipality for that year.

24           (2) A school district may levy a tax in an amount  
25 reasonably calculated at the time of the levy to provide  
26 for the municipality contributions required under Section

1           7-172 of this Article for the fiscal years for which  
2 revenues from the levy will be received and all amounts  
3 due for municipal contributions for previous years. Any  
4 levy adopted before the effective date of this amendatory  
5 Act of 1995 by a school district shall be considered valid  
6 and authorized to the extent that the amount was  
7 reasonably calculated at the time of the levy to provide  
8 for the municipality contributions required under Section  
9 7-172 for the fiscal years for which revenues from the  
10 levy will be received and all amounts due for municipal  
11 contributions for previous years. In no event shall a  
12 budget adopted by a school district limit a levy of that  
13 school district adopted under this Section.

14           (c) Any county which is served by a regional office of  
15 education that serves 2 or more counties may include in its  
16 appropriation an amount sufficient to provide its  
17 proportionate share of the municipality contributions for that  
18 regional office of education. The tax levy authorized by this  
19 Section may include an amount necessary to provide monies for  
20 this contribution.

21           (d) Any county that is a part of a multiple-county health  
22 department or consolidated health department which is formed  
23 under "An Act in relation to the establishment and maintenance  
24 of county and multiple-county public health departments",  
25 approved July 9, 1943, as amended, and which is a  
26 participating instrumentality may include in the county's

1 appropriation an amount sufficient to provide its  
2 proportionate share of municipality contributions of the  
3 department. The tax levy authorized by this Section may  
4 include the amount necessary to provide monies for this  
5 contribution.

6 (d-5) A school district participating in a special  
7 education joint agreement created under Section 10-22.31 of  
8 the School Code that is a participating instrumentality may  
9 include in the school district's tax levy under this Section  
10 an amount sufficient to provide its proportionate share of the  
11 municipality contributions for current and prior service by  
12 employees of the participating instrumentality created under  
13 the joint agreement.

14 (e) Such tax shall be levied and collected in like manner,  
15 with the general taxes of the municipality and shall be in  
16 addition to all other taxes which the municipality is now or  
17 may hereafter be authorized to levy upon all taxable property  
18 therein, and shall be exclusive of and in addition to the  
19 amount of tax levied for general purposes under Section 8-3-1  
20 of the "Illinois Municipal Code", approved May 29, 1961, as  
21 amended, or under any other law or laws which may limit the  
22 amount of tax which the municipality may levy for general  
23 purposes. The tax may be levied by the governing body of the  
24 municipality without being authorized as being additional to  
25 all other taxes by a vote of the people of the municipality.

26 (f) The county clerk of the county in which any such



1 municipality is located, in reducing tax levies shall not  
2 consider any such tax as a part of the general tax levy for  
3 municipality purposes, and shall not include the same in the  
4 limitation of any other tax rate which may be extended.

5 (g) The amount of the tax to be levied in any year shall,  
6 within the limits herein prescribed, be determined by the  
7 governing body of the respective municipality.

8 (h) The revenue derived from any such tax levy shall be  
9 used only for the contributions required under Section 7-172  
10 and, as collected, shall be paid to the treasurer of the  
11 municipality levying the tax. Monies received by a county  
12 treasurer for use in making contributions to a regional office  
13 of education for its municipality contributions shall be held  
14 by him for that purpose and paid to the regional office of  
15 education in the same manner as other monies appropriated for  
16 the expense of the regional office.

17 (Source: P.A. 96-1084, eff. 7-16-10; 97-933, eff. 8-10-12.)

18 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

19 Sec. 7-172. Contributions by participating municipalities  
20 and participating instrumentalities.

21 (a) Each participating municipality and each participating  
22 instrumentality shall make payment to the fund as follows:

23 1. municipality contributions in an amount determined  
24 by applying the municipality contribution rate to each  
25 payment of earnings paid to each of its participating

1 employees;

2 2. an amount equal to the employee contributions  
3 provided by paragraph (a) of Section 7-173, whether or not  
4 the employee contributions are withheld as permitted by  
5 that Section;

6 3. all accounts receivable, together with interest  
7 charged thereon, as provided in Section 7-209, and any  
8 amounts due under subsection (a-5) of Section 7-144;

9 4. if it has no participating employees with current  
10 earnings, an amount payable which, over a closed period of  
11 20 years for participating municipalities and 10 years for  
12 participating instrumentalities, will amortize, at the  
13 effective rate for that year, any unfunded obligation. The  
14 unfunded obligation shall be computed as provided in  
15 paragraph 2 of subsection (b);

16 5. if it has fewer than 7 participating employees or a  
17 negative balance in its municipality reserve, the greater  
18 of (A) an amount payable that, over a period of 20 years,  
19 will amortize at the effective rate for that year any  
20 unfunded obligation, computed as provided in paragraph 2  
21 of subsection (b) or (B) the amount required by paragraph  
22 1 of this subsection (a).

23 (b) A separate municipality contribution rate shall be  
24 determined for each calendar year for all participating  
25 municipalities together with all instrumentalities thereof.  
26 The municipality contribution rate shall be determined for

1 participating instrumentalities as if they were participating  
2 municipalities. The municipality contribution rate shall be  
3 the sum of the following percentages:

4           1. The percentage of earnings of all the participating  
5 employees of all participating municipalities and  
6 participating instrumentalities which, if paid over the  
7 entire period of their service, will be sufficient when  
8 combined with all employee contributions available for the  
9 payment of benefits, to provide all annuities for  
10 participating employees, and the \$3,000 death benefit  
11 payable under Sections 7-158 and 7-164, such percentage to  
12 be known as the normal cost rate.

13           2. The percentage of earnings of the participating  
14 employees of each participating municipality and  
15 participating instrumentalities necessary to adjust for  
16 the difference between the present value of all benefits,  
17 excluding temporary and total and permanent disability and  
18 death benefits, to be provided for its participating  
19 employees and the sum of its accumulated municipality  
20 contributions and the accumulated employee contributions  
21 and the present value of expected future employee and  
22 municipality contributions pursuant to subparagraph 1 of  
23 this paragraph (b). This adjustment shall be spread over a  
24 period determined by the Board, not to exceed 30 years for  
25 participating municipalities or 10 years for participating  
26 instrumentalities.

1           3. The percentage of earnings of the participating  
2 employees of all municipalities and participating  
3 instrumentalities necessary to provide the present value  
4 of all temporary and total and permanent disability  
5 benefits granted during the most recent year for which  
6 information is available.

7           4. The percentage of earnings of the participating  
8 employees of all participating municipalities and  
9 participating instrumentalities necessary to provide the  
10 present value of the net single sum death benefits  
11 expected to become payable from the reserve established  
12 under Section 7-206 during the year for which this rate is  
13 fixed.

14           5. The percentage of earnings necessary to meet any  
15 deficiency arising in the Terminated Municipality Reserve.

16           (c) A separate municipality contribution rate shall be  
17 computed for each participating municipality or participating  
18 instrumentality for its sheriff's law enforcement employees.

19           A separate municipality contribution rate shall be  
20 computed for the sheriff's law enforcement employees of each  
21 forest preserve district that elects to have such employees.  
22 For the period from January 1, 1986 to December 31, 1986, such  
23 rate shall be the forest preserve district's regular rate plus  
24 2%.

25           Beginning in fiscal year 2024, the Board shall annually  
26 certify to the Governor the amount of each participant

1 municipality's and participating instrumentality's  
2 contribution for its sheriff's law enforcement employees.

3 In the event that the Board determines that there is an  
4 actuarial deficiency in the account of any municipality with  
5 respect to a person who has elected to participate in the Fund  
6 under Section 3-109.1 of this Code, the Board may adjust the  
7 municipality's contribution rate so as to make up that  
8 deficiency over such reasonable period of time as the Board  
9 may determine.

10 (d) The Board may establish a separate municipality  
11 contribution rate for all employees who are program  
12 participants employed under the federal Comprehensive  
13 Employment Training Act by all of the participating  
14 municipalities and instrumentalities. The Board may also  
15 provide that, in lieu of a separate municipality rate for  
16 these employees, a portion of the municipality contributions  
17 for such program participants shall be refunded or an extra  
18 charge assessed so that the amount of municipality  
19 contributions retained or received by the fund for all CETA  
20 program participants shall be an amount equal to that which  
21 would be provided by the separate municipality contribution  
22 rate for all such program participants. Refunds shall be made  
23 to prime sponsors of programs upon submission of a claim  
24 therefor and extra charges shall be assessed to participating  
25 municipalities and instrumentalities. In establishing the  
26 municipality contribution rate as provided in paragraph (b) of

1 this Section, the use of a separate municipality contribution  
2 rate for program participants or the refund of a portion of the  
3 municipality contributions, as the case may be, may be  
4 considered.

5 (e) Computations of municipality contribution rates for  
6 the following calendar year shall be made prior to the  
7 beginning of each year, from the information available at the  
8 time the computations are made, and on the assumption that the  
9 employees in each participating municipality or participating  
10 instrumentality at such time will continue in service until  
11 the end of such calendar year at their respective rates of  
12 earnings at such time.

13 (f) Any municipality which is the recipient of State  
14 allocations representing that municipality's contributions for  
15 retirement annuity purposes on behalf of its employees as  
16 provided in Section 12-21.16 of the Illinois Public Aid Code  
17 shall pay the allocations so received to the Board for such  
18 purpose. Estimates of State allocations to be received during  
19 any taxable year shall be considered in the determination of  
20 the municipality's tax rate for that year under Section 7-171.  
21 If a special tax is levied under Section 7-171, none of the  
22 proceeds may be used to reimburse the municipality for the  
23 amount of State allocations received and paid to the Board.  
24 Any multiple-county or consolidated health department which  
25 receives contributions from a county under Section 11.2 of "An  
26 Act in relation to establishment and maintenance of county and

1 multiple-county health departments", approved July 9, 1943, as  
2 amended, or distributions under Section 3 of the Department of  
3 Public Health Act, shall use these only for municipality  
4 contributions by the health department.

5 (g) Municipality contributions for the several purposes  
6 specified shall, for township treasurers and employees in the  
7 offices of the township treasurers who meet the qualifying  
8 conditions for coverage hereunder, be allocated among the  
9 several school districts and parts of school districts  
10 serviced by such treasurers and employees in the proportion  
11 which the amount of school funds of each district or part of a  
12 district handled by the treasurer bears to the total amount of  
13 all school funds handled by the treasurer.

14 From the funds subject to allocation among districts and  
15 parts of districts pursuant to the School Code, the trustees  
16 shall withhold the proportionate share of the liability for  
17 municipality contributions imposed upon such districts by this  
18 Section, in respect to such township treasurers and employees  
19 and remit the same to the Board.

20 The municipality contribution rate for an educational  
21 service center shall initially be the same rate for each year  
22 as the regional office of education or school district which  
23 serves as its administrative agent. When actuarial data become  
24 available, a separate rate shall be established as provided in  
25 subparagraph (i) of this Section.

26 The municipality contribution rate for a public agency,

1 other than a vocational education cooperative, formed under  
2 the Intergovernmental Cooperation Act shall initially be the  
3 average rate for the municipalities which are parties to the  
4 intergovernmental agreement. When actuarial data become  
5 available, a separate rate shall be established as provided in  
6 subparagraph (i) of this Section.

7 (h) Each participating municipality and participating  
8 instrumentality shall make the contributions in the amounts  
9 provided in this Section in the manner prescribed from time to  
10 time by the Board and all such contributions shall be  
11 obligations of the respective participating municipalities and  
12 participating instrumentalities to this fund. The failure to  
13 deduct any employee contributions shall not relieve the  
14 participating municipality or participating instrumentality of  
15 its obligation to this fund. Delinquent payments of  
16 contributions due under this Section may, with interest, be  
17 recovered by civil action against the participating  
18 municipalities or participating instrumentalities.  
19 Municipality contributions, other than the amount necessary  
20 for employee contributions, for periods of service by  
21 employees from whose earnings no deductions were made for  
22 employee contributions to the fund, may be charged to the  
23 municipality reserve for the municipality or participating  
24 instrumentality.

25 (i) Contributions by participating instrumentalities shall  
26 be determined as provided herein except that the percentage



1 derived under subparagraph 2 of paragraph (b) of this Section,  
2 and the amount payable under subparagraph 4 of paragraph (a)  
3 of this Section, shall be based on an amortization period of 10  
4 years.

5 (j) Notwithstanding the other provisions of this Section,  
6 the additional unfunded liability accruing as a result of  
7 Public Act 94-712 shall be amortized over a period of 30 years  
8 beginning on January 1 of the second calendar year following  
9 the calendar year in which Public Act 94-712 takes effect,  
10 except that the employer may provide for a longer amortization  
11 period by adopting a resolution or ordinance specifying a  
12 35-year or 40-year period and submitting a certified copy of  
13 the ordinance or resolution to the fund no later than June 1 of  
14 the calendar year following the calendar year in which Public  
15 Act 94-712 takes effect.

16 (k) If the amount of a participating employee's reported  
17 earnings for any of the 12-month periods used to determine the  
18 final rate of earnings exceeds the employee's 12-month  
19 reported earnings with the same employer for the previous year  
20 by the greater of 6% or 1.5 times the annual increase in the  
21 Consumer Price Index-U, as established by the United States  
22 Department of Labor for the preceding September, the  
23 participating municipality or participating instrumentality  
24 that paid those earnings shall pay to the Fund, in addition to  
25 any other contributions required under this Article, the  
26 present value of the increase in the pension resulting from

1 the portion of the increase in reported earnings that is in  
2 excess of the greater of 6% or 1.5 times the annual increase in  
3 the Consumer Price Index-U, as determined by the Fund. This  
4 present value shall be computed on the basis of the actuarial  
5 assumptions and tables used in the most recent actuarial  
6 valuation of the Fund that is available at the time of the  
7 computation.

8 Whenever it determines that a payment is or may be  
9 required under this subsection (k), the fund shall calculate  
10 the amount of the payment and bill the participating  
11 municipality or participating instrumentality for that amount.  
12 The bill shall specify the calculations used to determine the  
13 amount due. If the participating municipality or participating  
14 instrumentality disputes the amount of the bill, it may,  
15 within 30 days after receipt of the bill, apply to the fund in  
16 writing for a recalculation. The application must specify in  
17 detail the grounds of the dispute. Upon receiving a timely  
18 application for recalculation, the fund shall review the  
19 application and, if appropriate, recalculate the amount due.  
20 The participating municipality and participating  
21 instrumentality contributions required under this subsection  
22 (k) may be paid in the form of a lump sum within 90 days after  
23 receipt of the bill. If the participating municipality and  
24 participating instrumentality contributions are not paid  
25 within 90 days after receipt of the bill, then interest will be  
26 charged at a rate equal to the fund's annual actuarially

1 assumed rate of return on investment compounded annually from  
2 the 91st day after receipt of the bill. Payments must be  
3 concluded within 3 years after receipt of the bill by the  
4 participating municipality or participating instrumentality.

5 When assessing payment for any amount due under this  
6 subsection (k), the fund shall exclude earnings increases  
7 resulting from overload or overtime earnings.

8 When assessing payment for any amount due under this  
9 subsection (k), the fund shall exclude earnings increases  
10 resulting from payments for unused vacation time, but only for  
11 payments for unused vacation time made in the final 3 months of  
12 the final rate of earnings period.

13 When assessing payment for any amount due under this  
14 subsection (k), the fund shall also exclude earnings increases  
15 attributable to standard employment promotions resulting in  
16 increased responsibility and workload.

17 When assessing payment for any amount due under this  
18 subsection (k), the fund shall exclude reportable earnings  
19 increases resulting from periods where the member was paid  
20 through workers' compensation.

21 This subsection (k) does not apply to earnings increases  
22 paid to individuals under contracts or collective bargaining  
23 agreements entered into, amended, or renewed before January 1,  
24 2012 (the effective date of Public Act 97-609), earnings  
25 increases paid to members who are 10 years or more from  
26 retirement eligibility, or earnings increases resulting from

1 an increase in the number of hours required to be worked.

2 When assessing payment for any amount due under this  
3 subsection (k), the fund shall also exclude earnings  
4 attributable to personnel policies adopted before January 1,  
5 2012 (the effective date of Public Act 97-609) as long as those  
6 policies are not applicable to employees who begin service on  
7 or after January 1, 2012 (the effective date of Public Act  
8 97-609).

9 The change made to this Section by Public Act 100-139 is a  
10 clarification of existing law and is intended to be  
11 retroactive to January 1, 2012 (the effective date of Public  
12 Act 97-609).

13 (Source: P.A. 102-849, eff. 5-13-22.)

14 (40 ILCS 5/14-152.1)

15 Sec. 14-152.1. Application and expiration of new benefit  
16 increases.

17 (a) As used in this Section, "new benefit increase" means  
18 an increase in the amount of any benefit provided under this  
19 Article, or an expansion of the conditions of eligibility for  
20 any benefit under this Article, that results from an amendment  
21 to this Code that takes effect after June 1, 2005 (the  
22 effective date of Public Act 94-4). "New benefit increase",  
23 however, does not include any benefit increase resulting from  
24 the changes made to Article 1 or this Article by Public Act  
25 96-37, Public Act 100-23, Public Act 100-587, Public Act

1 100-611, Public Act 101-10, Public Act 101-610, Public Act  
2 102-210, Public Act 102-856, Public Act 102-956, or this  
3 amendatory Act of the 103rd General Assembly ~~this amendatory~~  
4 ~~Act of the 102nd General Assembly.~~

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

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

14 Every new benefit increase is contingent upon the General  
15 Assembly providing the additional funding required under this  
16 subsection. The Commission on Government Forecasting and  
17 Accountability shall analyze whether adequate additional  
18 funding has been provided for the new benefit increase and  
19 shall report its analysis to the Public Pension Division of  
20 the Department of Insurance. A new benefit increase created by  
21 a Public Act that does not include the additional funding  
22 required under this subsection is null and void. If the Public  
23 Pension Division determines that the additional funding  
24 provided for a new benefit increase under this subsection is  
25 or has become inadequate, it may so certify to the Governor and  
26 the State Comptroller and, in the absence of corrective action

1 by the General Assembly, the new benefit increase shall expire  
2 at the end of the fiscal year in which the certification is  
3 made.

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

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

20 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
21 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.  
22 1-1-23; 102-956, eff. 5-27-22.)

23 (40 ILCS 5/15-108.1)

24 Sec. 15-108.1. Tier 1 member. "Tier 1 member": A  
25 participant or an annuitant of a retirement annuity under this

1 Article, other than a participant in the self-managed plan  
2 under Section 15-158.2, who first became a participant or  
3 member before January 1, 2011 under any reciprocal retirement  
4 system or pension fund established under this Code, other than  
5 a retirement system or pension fund established under Articles  
6 2, 3, 4, 5, 6, or 18 of this Code. "Tier 1 member" includes a  
7 participant or an annuitant who is a police officer or  
8 firefighter regardless of when the participant or annuitant  
9 first became a participant or member of a reciprocal  
10 retirement system or pension fund established under this Code,  
11 other than a retirement system or pension fund established  
12 under Articles 2, 3, 4, 5, 6, or 18 of this Code. "Tier 1  
13 member" includes a person who first became a participant under  
14 this System before January 1, 2011 and who accepts a refund and  
15 is subsequently reemployed by an employer on or after January  
16 1, 2011.

17 (Source: P.A. 98-92, eff. 7-16-13.)

18 (40 ILCS 5/15-108.2)

19 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person  
20 who first becomes a participant under this Article on or after  
21 January 1, 2011 and before the implementation date, as defined  
22 under subsection (a) of Section 1-161, determined by the  
23 Board, other than a person in the self-managed plan  
24 established under Section 15-158.2 or a person who makes the  
25 election under subsection (c) of Section 1-161, unless the

1 person is otherwise a Tier 1 member. The changes made to this  
2 Section by this amendatory Act of the 98th General Assembly  
3 are a correction of existing law and are intended to be  
4 retroactive to the effective date of Public Act 96-889,  
5 notwithstanding the provisions of Section 1-103.1 of this  
6 Code. "Tier 2 member" does not include a participant or an  
7 annuitant who is a police officer or firefighter regardless of  
8 when the participant or annuitant first became a participant  
9 or member of a reciprocal retirement system or pension fund  
10 established under this Code.

11 (Source: P.A. 100-23, eff. 7-6-17; 100-563, eff. 12-8-17.)

12 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

13 Sec. 15-135. Retirement annuities; conditions.

14 (a) This subsection (a) applies only to a Tier 1 member. A  
15 participant who retires in one of the following specified  
16 years with the specified amount of service is entitled to a  
17 retirement annuity at any age under the retirement program  
18 applicable to the participant:

19 35 years if retirement is in 1997 or before;

20 34 years if retirement is in 1998;

21 33 years if retirement is in 1999;

22 32 years if retirement is in 2000;

23 31 years if retirement is in 2001;

24 30 years if retirement is in 2002 or later.

25 A participant with 8 or more years of service after



1 September 1, 1941, is entitled to a retirement annuity on or  
2 after attainment of age 55.

3 A participant with at least 5 but less than 8 years of  
4 service after September 1, 1941, is entitled to a retirement  
5 annuity on or after attainment of age 62.

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

10 (a-5) A Tier 2 member is entitled to a retirement annuity  
11 upon written application if he or she has attained age 67 and  
12 has at least 10 years of service credit and is otherwise  
13 eligible under the requirements of this Article. A Tier 2  
14 member who has attained age 62 and has at least 10 years of  
15 service credit and is otherwise eligible under the  
16 requirements of this Article may elect to receive the lower  
17 retirement annuity provided in subsection (b-5) of Section  
18 15-136 of this Article.

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

26 (b) The annuity payment period shall begin on the date

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

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

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

20 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

21 Sec. 15-136. Retirement annuities; amount ~~Amount~~. The  
22 provisions of this Section 15-136 apply only to those  
23 participants who are participating in the traditional benefit  
24 package or the portable benefit package and do not apply to  
25 participants who are participating in the self-managed plan.

1           (a) The amount of a participant's retirement annuity,  
2 expressed in the form of a single-life annuity, shall be  
3 determined by whichever of the following rules is applicable  
4 and provides the largest annuity:

5           Rule 1: The retirement annuity shall be 1.67% of final  
6 rate of earnings for each of the first 10 years of service,  
7 1.90% for each of the next 10 years of service, 2.10% for each  
8 year of service in excess of 20 but not exceeding 30, and 2.30%  
9 for each year in excess of 30; or for persons who retire on or  
10 after January 1, 1998, 2.2% of the final rate of earnings for  
11 each year of service.

12           Rule 2: The retirement annuity shall be the sum of the  
13 following, determined from amounts credited to the participant  
14 in accordance with the actuarial tables and the effective rate  
15 of interest in effect at the time the retirement annuity  
16 begins:

17           (i) the normal annuity which can be provided on an  
18 actuarially equivalent basis, by the accumulated normal  
19 contributions as of the date the annuity begins;

20           (ii) an annuity from employer contributions of an  
21 amount equal to that which can be provided on an  
22 actuarially equivalent basis from the accumulated normal  
23 contributions made by the participant under Section  
24 15-113.6 and Section 15-113.7 plus 1.4 times all other  
25 accumulated normal contributions made by the participant;  
26 and

1 (iii) the annuity that can be provided on an  
2 actuarially equivalent basis from the entire contribution  
3 made by the participant under Section 15-113.3.

4 With respect to a police officer or firefighter who  
5 retires on or after August 14, 1998, the accumulated normal  
6 contributions taken into account under clauses (i) and (ii) of  
7 this Rule 2 shall include the additional normal contributions  
8 made by the police officer or firefighter under Section  
9 15-157(a).

10 The amount of a retirement annuity calculated under this  
11 Rule 2 shall be computed solely on the basis of the  
12 participant's accumulated normal contributions, as specified  
13 in this Rule and defined in Section 15-116. Neither an  
14 employee or employer contribution for early retirement under  
15 Section 15-136.2 nor any other employer contribution shall be  
16 used in the calculation of the amount of a retirement annuity  
17 under this Rule 2.

18 This amendatory Act of the 91st General Assembly is a  
19 clarification of existing law and applies to every participant  
20 and annuitant without regard to whether status as an employee  
21 terminates before the effective date of this amendatory Act.

22 This Rule 2 does not apply to a person who first becomes an  
23 employee under this Article on or after July 1, 2005.

24 Rule 3: The retirement annuity of a participant who is  
25 employed at least one-half time during the period on which his  
26 or her final rate of earnings is based, shall be equal to the

1 participant's years of service not to exceed 30, multiplied by  
2 (1) \$96 if the participant's final rate of earnings is less  
3 than \$3,500, (2) \$108 if the final rate of earnings is at least  
4 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
5 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
6 the final rate of earnings is at least \$5,500 but less than  
7 \$6,500, (5) \$144 if the final rate of earnings is at least  
8 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
9 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
10 the final rate of earnings is at least \$8,500 but less than  
11 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
12 more, except that the annuity for those persons having made an  
13 election under Section 15-154(a-1) shall be calculated and  
14 payable under the portable retirement benefit program pursuant  
15 to the provisions of Section 15-136.4.

16 Rule 4: A participant who is at least age 50 and has 25 or  
17 more years of service as a police officer or firefighter, and a  
18 participant who is age 55 or over and has at least 20 but less  
19 than 25 years of service as a police officer or firefighter,  
20 shall be entitled to a retirement annuity of 2 1/4% of the  
21 final rate of earnings for each of the first 10 years of  
22 service as a police officer or firefighter, 2 1/2% for each of  
23 the next 10 years of service as a police officer or  
24 firefighter, and 2 3/4% for each year of service as a police  
25 officer or firefighter in excess of 20. The retirement annuity  
26 for all other service shall be computed under Rule 1. ~~A Tier 2~~

1 ~~member is eligible for a retirement annuity calculated under~~  
2 ~~Rule 4 only if that Tier 2 member meets the service~~  
3 ~~requirements for that benefit calculation as prescribed under~~  
4 ~~this Rule 4 in addition to the applicable age requirement~~  
5 ~~under subsection (a 10) of Section 15-135.~~

6 For purposes of this Rule 4, a participant's service as a  
7 firefighter shall also include the following:

8 (i) service that is performed while the person is an  
9 employee under subsection (h) of Section 15-107; and

10 (ii) in the case of an individual who was a  
11 participating employee employed in the fire department of  
12 the University of Illinois's Champaign-Urbana campus  
13 immediately prior to the elimination of that fire  
14 department and who immediately after the elimination of  
15 that fire department transferred to another job with the  
16 University of Illinois, service performed as an employee  
17 of the University of Illinois in a position other than  
18 police officer or firefighter, from the date of that  
19 transfer until the employee's next termination of service  
20 with the University of Illinois.

21 (b) For a Tier 1 member, the retirement annuity provided  
22 under Rules 1 and 3 above shall be reduced by 1/2 of 1% for  
23 each month the participant is under age 60 at the time of  
24 retirement. However, this reduction shall not apply in the  
25 following cases:

26 (1) For a disabled participant whose disability

1 benefits have been discontinued because he or she has  
2 exhausted eligibility for disability benefits under clause  
3 (6) of Section 15-152;

4 (2) For a participant who has at least the number of  
5 years of service required to retire at any age under  
6 subsection (a) of Section 15-135; or

7 (3) For that portion of a retirement annuity which has  
8 been provided on account of service of the participant  
9 during periods when he or she performed the duties of a  
10 police officer or firefighter, if these duties were  
11 performed for at least 5 years immediately preceding the  
12 date the retirement annuity is to begin.

13 (b-5) The retirement annuity of a Tier 2 member who is  
14 retiring under Rule 1 or 3 after attaining age 62 with at least  
15 10 years of service credit shall be reduced by 1/2 of 1% for  
16 each full month that the member's age is under age 67.

17 (c) The maximum retirement annuity provided under Rules 1,  
18 2, 4, and 5 shall be the lesser of (1) the annual limit of  
19 benefits as specified in Section 415 of the Internal Revenue  
20 Code of 1986, as such Section may be amended from time to time  
21 and as such benefit limits shall be adjusted by the  
22 Commissioner of Internal Revenue, and (2) 80% of final rate of  
23 earnings.

24 (d) A Tier 1 member whose status as an employee terminates  
25 after August 14, 1969 shall receive automatic increases in his  
26 or her retirement annuity as follows:

1           Effective January 1 immediately following the date the  
2 retirement annuity begins, the annuitant shall receive an  
3 increase in his or her monthly retirement annuity of 0.125% of  
4 the monthly retirement annuity provided under Rule 1, Rule 2,  
5 Rule 3, or Rule 4 contained in this Section, multiplied by the  
6 number of full months which elapsed from the date the  
7 retirement annuity payments began to January 1, 1972, plus  
8 0.1667% of such annuity, multiplied by the number of full  
9 months which elapsed from January 1, 1972, or the date the  
10 retirement annuity payments began, whichever is later, to  
11 January 1, 1978, plus 0.25% of such annuity multiplied by the  
12 number of full months which elapsed from January 1, 1978, or  
13 the date the retirement annuity payments began, whichever is  
14 later, to the effective date of the increase.

15           The annuitant shall receive an increase in his or her  
16 monthly retirement annuity on each January 1 thereafter during  
17 the annuitant's life of 3% of the monthly annuity provided  
18 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this  
19 Section. The change made under this subsection by P.A. 81-970  
20 is effective January 1, 1980 and applies to each annuitant  
21 whose status as an employee terminates before or after that  
22 date.

23           Beginning January 1, 1990, all automatic annual increases  
24 payable under this Section shall be calculated as a percentage  
25 of the total annuity payable at the time of the increase,  
26 including all increases previously granted under this Article.



1           The change made in this subsection by P.A. 85-1008 is  
2 effective January 26, 1988, and is applicable without regard  
3 to whether status as an employee terminated before that date.

4           (d-5) A retirement annuity of a Tier 2 member shall  
5 receive annual increases on the January 1 occurring either on  
6 or after the attainment of age 67 or the first anniversary of  
7 the annuity start date, whichever is later. Each annual  
8 increase shall be calculated at 3% or one half the annual  
9 unadjusted percentage increase (but not less than zero) in the  
10 consumer price index-u for the 12 months ending with the  
11 September preceding each November 1, whichever is less, of the  
12 originally granted retirement annuity. If the annual  
13 unadjusted percentage change in the consumer price index-u for  
14 the 12 months ending with the September preceding each  
15 November 1 is zero or there is a decrease, then the annuity  
16 shall not be increased.

17           (e) If, on January 1, 1987, or the date the retirement  
18 annuity payment period begins, whichever is later, the sum of  
19 the retirement annuity provided under Rule 1 or Rule 2 of this  
20 Section and the automatic annual increases provided under the  
21 preceding subsection or Section 15-136.1, amounts to less than  
22 the retirement annuity which would be provided by Rule 3, the  
23 retirement annuity shall be increased as of January 1, 1987,  
24 or the date the retirement annuity payment period begins,  
25 whichever is later, to the amount which would be provided by  
26 Rule 3 of this Section. Such increased amount shall be

1 considered as the retirement annuity in determining benefits  
2 provided under other Sections of this Article. This paragraph  
3 applies without regard to whether status as an employee  
4 terminated before the effective date of this amendatory Act of  
5 1987, provided that the annuitant was employed at least  
6 one-half time during the period on which the final rate of  
7 earnings was based.

8 (f) A participant is entitled to such additional annuity  
9 as may be provided on an actuarially equivalent basis, by any  
10 accumulated additional contributions to his or her credit.  
11 However, the additional contributions made by the participant  
12 toward the automatic increases in annuity provided under this  
13 Section shall not be taken into account in determining the  
14 amount of such additional annuity.

15 (g) If, (1) by law, a function of a governmental unit, as  
16 defined by Section 20-107 of this Code, is transferred in  
17 whole or in part to an employer, and (2) a participant  
18 transfers employment from such governmental unit to such  
19 employer within 6 months after the transfer of the function,  
20 and (3) the sum of (A) the annuity payable to the participant  
21 under Rule 1, 2, or 3 of this Section (B) all proportional  
22 annuities payable to the participant by all other retirement  
23 systems covered by Article 20, and (C) the initial primary  
24 insurance amount to which the participant is entitled under  
25 the Social Security Act, is less than the retirement annuity  
26 which would have been payable if all of the participant's

1 pension credits validated under Section 20-109 had been  
2 validated under this system, a supplemental annuity equal to  
3 the difference in such amounts shall be payable to the  
4 participant.

5 (h) On January 1, 1981, an annuitant who was receiving a  
6 retirement annuity on or before January 1, 1971 shall have his  
7 or her retirement annuity then being paid increased \$1 per  
8 month for each year of creditable service. On January 1, 1982,  
9 an annuitant whose retirement annuity began on or before  
10 January 1, 1977, shall have his or her retirement annuity then  
11 being paid increased \$1 per month for each year of creditable  
12 service.

13 (i) On January 1, 1987, any annuitant whose retirement  
14 annuity began on or before January 1, 1977, shall have the  
15 monthly retirement annuity increased by an amount equal to 8¢  
16 per year of creditable service times the number of years that  
17 have elapsed since the annuity began.

18 (j) The changes made to this Section by this amendatory  
19 Act of the 101st General Assembly apply retroactively to  
20 January 1, 2011.

21 (Source: P.A. 101-610, eff. 1-1-20.)

22 (40 ILCS 5/15-198)

23 Sec. 15-198. Application and expiration of new benefit  
24 increases.

25 (a) As used in this Section, "new benefit increase" means

1 an increase in the amount of any benefit provided under this  
2 Article, or an expansion of the conditions of eligibility for  
3 any benefit under this Article, that results from an amendment  
4 to this Code that takes effect after June 1, 2005 (the  
5 effective date of Public Act 94-4). "New benefit increase",  
6 however, does not include any benefit increase resulting from  
7 the changes made to Article 1 or this Article by Public Act  
8 100-23, Public Act 100-587, Public Act 100-769, Public Act  
9 101-10, Public Act 101-610, Public Act 102-16, or this  
10 amendatory Act of the 103rd General Assembly ~~this amendatory~~  
11 ~~Act of the 102nd General Assembly~~.

12 (b) Notwithstanding any other provision of this Code or  
13 any subsequent amendment to this Code, every new benefit  
14 increase is subject to this Section and shall be deemed to be  
15 granted only in conformance with and contingent upon  
16 compliance with the provisions of this Section.

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

21 Every new benefit increase is contingent upon the General  
22 Assembly providing the additional funding required under this  
23 subsection. The Commission on Government Forecasting and  
24 Accountability shall analyze whether adequate additional  
25 funding has been provided for the new benefit increase and  
26 shall report its analysis to the Public Pension Division of

1 the Department of Insurance. A new benefit increase created by  
2 a Public Act that does not include the additional funding  
3 required under this subsection is null and void. If the Public  
4 Pension Division determines that the additional funding  
5 provided for a new benefit increase under this subsection is  
6 or has become inadequate, it may so certify to the Governor and  
7 the State Comptroller and, in the absence of corrective action  
8 by the General Assembly, the new benefit increase shall expire  
9 at the end of the fiscal year in which the certification is  
10 made.

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

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

1 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
2 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

3 (40 ILCS 5/15-203 new)

4 Sec. 15-203. Application of this amendatory Act of the  
5 103rd General Assembly. It is the intent of this amendatory  
6 Act of the 103rd General Assembly to provide to police  
7 officers and firefighters who first became participants on or  
8 after January 1, 2011 the same level of benefits and  
9 eligibility criteria for benefits as those who first became  
10 participants before January 1, 2011. The changes made to this  
11 Article by this amendatory Act of the 103rd General Assembly  
12 that provide benefit increases for police officers and  
13 firefighters apply without regard to whether the participant  
14 was in service on or after the effective date of this  
15 amendatory Act of the 103rd General Assembly, notwithstanding  
16 the provisions of Section 1-103.1. The benefit increases are  
17 intended to apply prospectively and do not entitle a  
18 participant to retroactive benefit payments or increases. The  
19 changes made to this Article by this amendatory Act of the  
20 103rd General Assembly shall not cause or otherwise result in  
21 any retroactive adjustment of any employee contributions.

22 (40 ILCS 5/5-238 rep.)

23 (40 ILCS 5/6-229 rep.)

24 Section 15. The Illinois Pension Code is amended by

1 repealing Sections 5-238 and 6-229.

2 Section 20. The Public Safety Employee Benefits Act is  
3 amended by adding Section 11 as follows:

4 (820 ILCS 320/11 new)

5 Sec. 11. Retired police officers and firefighters. A unit  
6 of local government that provides health insurance to police  
7 officers and firefighters shall maintain the health insurance  
8 plans of these employees after retirement and shall contribute  
9 toward the cost of the annuitant's coverage under the unit of  
10 local government's health insurance plan an amount equal to 4%  
11 of that cost for each full year of creditable service upon  
12 which the annuitant's retirement annuity is based, up to a  
13 maximum of 100% for an annuitant with 25 or more years of  
14 creditable service.

15 On or before November 15, 2023 and on or before November 15  
16 of each year thereafter, the unit of local government shall  
17 calculate and certify to the State Comptroller the health  
18 insurance costs of the unit of local government's active and  
19 retired police officers and firefighters for the next fiscal  
20 year for the purposes of disbursement under Section 6z-139 of  
21 the State Finance Act.

22 Section 90. The State Mandates Act is amended by adding  
23 Section 8.47 as follows:

1 (30 ILCS 805/8.47 new)

2 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and  
3 8 of this Act, no reimbursement by the State is required for  
4 the implementation of any mandate created by this amendatory  
5 Act of the 103rd General Assembly.

6 Section 95. No acceleration or delay. Where this Act makes  
7 changes in a statute that is represented in this Act by text  
8 that is not yet or no longer in effect (for example, a Section  
9 represented by multiple versions), the use of that text does  
10 not accelerate or delay the taking effect of (i) the changes  
11 made by this Act or (ii) provisions derived from any other  
12 Public Act.

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.



1

## INDEX

2

## Statutes amended in order of appearance

3 30 ILCS 105/5.990 new  
4 30 ILCS 105/6z-139 new  
5 40 ILCS 5/1-160  
6 40 ILCS 5/3-111 from Ch. 108 1/2, par. 3-111  
7 40 ILCS 5/3-111.1 from Ch. 108 1/2, par. 3-111.1  
8 40 ILCS 5/3-112 from Ch. 108 1/2, par. 3-112  
9 40 ILCS 5/3-125 from Ch. 108 1/2, par. 3-125  
10 40 ILCS 5/3-148.5 new  
11 40 ILCS 5/4-109 from Ch. 108 1/2, par. 4-109  
12 40 ILCS 5/4-109.1 from Ch. 108 1/2, par. 4-109.1  
13 40 ILCS 5/4-114 from Ch. 108 1/2, par. 4-114  
14 40 ILCS 5/4-118 from Ch. 108 1/2, par. 4-118  
15 40 ILCS 5/4-138.15 new  
16 40 ILCS 5/5-155 from Ch. 108 1/2, par. 5-155  
17 40 ILCS 5/5-167.1 from Ch. 108 1/2, par. 5-167.1  
18 40 ILCS 5/5-168 from Ch. 108 1/2, par. 5-168  
19 40 ILCS 5/5-169 from Ch. 108 1/2, par. 5-169  
20 40 ILCS 5/5-239 new  
21 40 ILCS 5/6-165 from Ch. 108 1/2, par. 6-165  
22 40 ILCS 5/6-210 from Ch. 108 1/2, par. 6-210  
23 40 ILCS 5/6-231 new  
24 40 ILCS 5/7-142.1 from Ch. 108 1/2, par. 7-142.1  
25 40 ILCS 5/7-171 from Ch. 108 1/2, par. 7-171

1	40 ILCS 5/7-172	from Ch. 108 1/2, par. 7-172
2	40 ILCS 5/14-152.1	
3	40 ILCS 5/15-108.1	
4	40 ILCS 5/15-108.2	
5	40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
6	40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
7	40 ILCS 5/15-198	
8	40 ILCS 5/15-203 new	
9	40 ILCS 5/5-238 rep.	
10	40 ILCS 5/6-229 rep.	
11	820 ILCS 320/11 new	
12	30 ILCS 805/8.47 new	