



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4334

Introduced 1/16/2024, by Rep. 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 35084 RPS 65038 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 5.1015 and 6z-140 as follows:

6 (30 ILCS 105/5.1015 new)

7 Sec. 5.1015. The Local Government Retirement Fund.

8 (30 ILCS 105/6z-140 new)

9 Sec. 6z-140. 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 2025, 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 2025, 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 2025, 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 2025,
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 2025, 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 2025, 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 2025, 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 2025, 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 2025, 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 2025, 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, 2024 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 8.48 as follows:

1 (30 ILCS 805/8.48 new)

2 Sec. 8.48. 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.

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Statutes amended in order of appearance

3	30 ILCS 105/5.1015 new	
4	30 ILCS 105/6z-140 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 805/8.48 new	